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## IoD response to the Call for Evidence on unpaid internships

### About the IoD

*The IoD is an independent, non-party political organisation representing 20,000 company directors, senior business leaders, and entrepreneurs. It is the UK's longest-running organisation for professional leaders, having been founded in 1903 and incorporated by Royal Charter in 1906. Its aim is to promote good governance and ensure high levels of skills and integrity among directors of organisations. It campaigns on issues of importance to its members and to the wider business community with the aim of fostering a climate favourable to entrepreneurial activity in the UK.*

The IoD welcomes the opportunity to respond to this call for evidence on unpaid internships. Striking an appropriate balance between encouraging employers to offer work experience and reducing the risk of exploitation is of considerable interest to the IoD and its membership, and we are therefore pleased to present our views.

### Questions on unpaid Internships and internships paid below the National Minimum Wage (NMW)

*9. Currently the term 'intern' is not defined in legislation. Would it be helpful to define interns within legislation?*

Yes. The current laws and regulations are complex; providing a clear legal definition of interns would reduce the risk of employers misunderstanding the law and misclassifying workers.

*14. To what extent do you agree or disagree with the following statement: Unpaid internships or internships which are paid below the National Minimum Wage should be banned if they are not related to an educational or training course.*

Agree.

*15. Could you please provide more detail for your response to the previous question?*

An IoD survey of over 600 business leaders in August 2025 found that 54% agreed with this statement, while 30% disagreed (Appendix: Figure 1).

While it is already the case that – with a few limited exemptions – unpaid internships are banned, there is sufficient lack of legal clarity on the issue to justify an explicit ban.

However, government should proceed carefully so as not to undermine employers’ willingness to offer genuine work experience to under-18s.

Firstly, any clarification of the law should maintain all current exemptions relating to educational courses, work shadowing, voluntary work, and work experience carried out by students of compulsory school age.

Second, the exemption relating to students of compulsory school age should be extended to include 16–18-year-olds. Although there exists a clear exemption for students required to undertake an internship for less than one year as part of a UK-based further or higher education course, many work experience placements currently undertaken by 16–18-year-olds technically fall outside of this definition. While schools and colleges frequently encourage students in this age bracket to gain work experience – often allocating time off timetable to do so – such experience is typically not a mandatory part of students’ courses. As such, as soon as a student on such a placement performs any tasks of value to the employer, they could potentially be classified as a worker and become eligible for the NMW.

If there is evidence that such an extension could risk legalising exploitative arrangements whereby employers classify a young person as on work experience when they would otherwise be employed, it may be appropriate to introduce a legal limit – for example, two weeks – to the length of unpaid work experience.

If the law is clarified to more strictly ban unpaid work experience without extending the under-16s exemption to under-18s, the likely result would be that a majority of employers would stop offering work experience to that cohort and valuable exposure to the workplace is lost.

*16. Which of the following types of compensation should the interns be entitled to receive during their internship?*

National Minimum Wage or higher. No further compensation should be mandatory, as is the case with standard employment, and the exemptions discussed in the answer to question 15 should equally apply.

*19. Is there anything else you would like to tell us about internships?*

While providing clarity around employers’ legal obligations relating to interns would be a welcome step, government must be careful to avoid undermining employers’ willingness to offer work experience to under-18s. Work experience for this age group, particularly at a time when fewer young people have part-time jobs, provides crucial exposure to the workplace for young people and can contribute to the development of essential employability skills.

Offering work experience to this cohort is, for the vast majority of employers, not done to bring immediate benefit to an organisation but is rather considered as a key component of corporate social responsibility. Hosting work experience is typically resource-intensive in terms of staff time and, even where the participant undertakes tasks which could lead to a ‘worker’ classification, represents a net resource loss to the employer.

Government should further consider whether exemptions for short periods of work experience undertaken by undergraduate students should be introduced, given that the same logic applies to such placements; they provide minimal benefit to employers but provide valuable experience to the young person before they fully enter the labour market, as is the case for work experience for under-18s.

A ban on unpaid internships which explicitly excludes short-duration placements undertaken by young people in full-time education would therefore achieve the government’s aim of protecting young people from exploitation while preserving the value that many young people gain from short periods of work experience.

#### **Questions on unpaid work trials**

*31. To what extent do you agree or disagree with the following statement: Individuals participating in work trials should be compensated at least the NMW.*

Agree, for work trials lasting more than a few hours. IoD research found that 56% of business leaders agree that work trials should be compensated at least the National Minimum Wage, while 28% disagree (Appendix: Figure 2). This primary concern of employers agreeing with the statement is that work trials should only be used for genuine recruitment processes and not for extended periods in non-simulated environments where the employer gains substantial value from the labour.

However, a work trial which lasts only a few hours does not carry a credible risk of such exploitation; we therefore recommend that work trials lasting more than a set number of hours – the length of which should be subject to consultation – should be paid at least the NMW.

#### **Questions on voluntary workers**

*40. Should reimbursing all voluntary workers’ expenses (including but not limited to travel, meals) be mandatory?*

Yes. IoD research found that 58% of business leaders agree that reimbursing all voluntary expenses should be mandatory, while 31% disagreed (Appendix: Figure 3).

However, this right should take the form of a right for voluntary workers to request and be paid reasonable expenses, rather than a right to be automatically paid all expenses. Firstly, it is perfectly conceivable that some voluntary workers may not want to be reimbursed expenses, so the payment should not be automatic. Second, making it a right to request would avoid creating unnecessary administrative costs for employers of voluntary workers who do not want reimbursement of expenses. Third, the use of ‘all’ in the question raises concerns about the scope of the expenses which could be claimed; any requirement should therefore be framed around pre-agreed ‘reasonable’ expenses incurred in order to undertake voluntary role duties.

A failure to design this policy in such a way that accounts for these factors would, by imposing considerable financial and administrative burdens on charities and voluntary organisations, risk causing a significant amount of charitable work to cease.

### Questions on volunteers

*48. Should reimbursing all volunteers' expenses (including but not limited to travel, meals) be mandatory?*

No. An IoD survey found that business leaders were divided on this question; 45% agreed that reimbursing volunteers' expenses should be mandatory, while 42% disagreed (Appendix: Figure 4).

While covering reasonable out-of-pocket costs is good practice for organisations engaging volunteers, a one-size-fits-all legal requirement would be unworkable and would ultimately reduce volunteering opportunities. Volunteers, unlike voluntary workers, are not classified as workers, do not have an employment contract, and are under no obligation to provide services; the rationale for reimbursing their expenses is therefore significantly weaker than it is for voluntary workers.

The vast majority of volunteering takes place in small organisations with extremely tight budgets; a requirement to reimburse expenses would be financially crippling for many. The introduction of a mandatory financial liability would lead many organisations, particularly small ones, to reduce the number of volunteers they take on, shorten placements, or avoid creating new roles altogether for fear of unpredictable costs.

*49. Should organisations be required to provide a clear, written description of volunteer roles and responsibilities?*

No. While providing a written description of roles and responsibilities is good practice for organisations engaging volunteers, a requirement to do so would represent a significant administrative burden which, particularly for short-term volunteering roles, would be disproportionate. The current approach enables organisations to tailor their approach to their specific circumstances.

### Questions on Work Shadowing

*55. Work shadowing is currently not defined in legislation. Should work shadowing be defined in legislation to ensure clarity and consistent approach?*

Yes, if a legal maximum duration for work shadowing is introduced.

*56. Should there be a maximum duration for any allowed work shadowing?*

Yes. IoD research found that 50% of business leaders agree that there should be a maximum duration allowed for work shadowing, while 37% disagree (Appendix: Figure 5). While the definition of work shadowing is already such that employers cannot profit from any unpaid labour, a maximum duration would be a reasonable step to prevent potential abuse, although this should be sufficiently flexible as to allow for longer placements which are genuinely educational.

*57. What should be the maximum duration?*

Other. Work shadowing which lasts no longer than 10 working days should be presumed to be a genuine, non-productive educational placement, that is, the burden of proof in any subsequent claim

should sit with the individual to prove that they were performing the duties of a worker. For placements lasting longer than 10 working days, the burden of proof in any subsequent claim should sit with the employer to prove that the individual was *not* performing the duties of a worker.

Such an approach would provide safeguards against exploitative work shadowing arrangements while maintaining a degree of flexibility for longer placements which are genuinely solely educational.

*58. Should organisations be required to provide a clear, written description of the roles and responsibilities for work shadowing?*

No. A requirement to provide a written description of roles and responsibilities for work shadowing would be disproportionate given that employers by definition gain no monetary value from hosting work shadowing. Introducing such a requirement would create an administrative burden which would risk discouraging employers from offering work shadowing opportunities.

I hope you have found our comments helpful. If you require further information about our views, please do not hesitate to contact us.

With kind regards,



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## Appendix

**Figure 1: IoD Policy Voice results: August 2025, 604 responses**

**To what extent do you agree or disagree with the following statement: Unpaid internships or internships which are paid below the National Minimum Wage should be banned if they are not related to an educational or training course.**

Strongly agree	35.9%
Slightly agree	17.7%
Neither agree nor disagree	14.6%
Slightly disagree	10.3%
Strongly disagree	19.5%
Don't know	2.0%

**Figure 2: IoD Policy Voice results: August 2025, 604 responses**

**To what extent do you agree or disagree with the following statement: Individuals participating in work trials should be compensated at least the National Minimum Wage.**

Strongly agree	35.3%
Slightly agree	20.2%
Neither agree nor disagree	14.7%
Slightly disagree	10.1%
Strongly disagree	18.0%
Don't know	1.7%

**Figure 3: IoD Policy Voice results: August 2025, 604 responses**

**Should reimbursing expenses (including, but not limited to, travel and meals) be mandatory for voluntary workers?**

Yes	58.1%
No	30.8%
Don't know	11.1%

**Figure 4: IoD Policy Voice results: August 2025, 604 responses**

**Should reimbursing expenses (including, but not limited to, travel and meals) be mandatory for volunteers?**

Yes	44.9%
No	42.1%
Don't know	13.1%

**Figure 5: IoD Policy Voice results: August 2025, 604 responses**

**Should there be a maximum duration for any allowed work shadowing?**

Yes	49.7%
No	36.8%
Don't know	13.6%