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Business News Scotland

Welcome to our round-up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

Director identity checks: transition period ends

The 12-month period for existing company directors and People with Significant Control (PSCs) to verify their identity with Companies House has ended. Companies House says around 90% of live companies have now complied, and it has started enforcement action against those that have not.

Identity verification became a legal requirement on 18 November 2025 under the Economic Crime and Corporate Transparency Act 2023. Since then, a new company cannot be incorporated, and a new director cannot be appointed, unless the directors have verified their identity. The requirement also covers members of a Limited Liability Partnership (LLP).

Who had to verify and when

Existing officers were given staggered deadlines:

- Existing directors had to verify alongside their company's confirmation statement due between 18 November 2025 and 17 November 2026.
- An existing PSC who is also a director must verify within 14 days of the confirmation statement due date.
- An existing PSC who is not a director must verify within 14 days of the start of their birth month.

New PSCs must verify within 14 days of being notified to Companies House.

The figures so far

By 11 November 2026, 88.1% of companies had met the verification requirements linked to their confirmation statement. A further 11.4% were on what Companies House calls a compliance or enforcement pathway.

More than 12.18 million appointments have been verified. This includes 7.32 million director appointments, 4.54 million PSC appointments and 135,000 LLP member appointments. Companies House says the process has also led to over 75,000 corrections of personal data and identified 14,000 inaccurate PSC addresses.

What happens if you have not verified

It is unlawful to act as a director without completing identity verification, and the company may also be breaking the law. A PSC who does not verify may be committing an offence.

Companies House says its approach starts with reminders and the chance to make representations. Formal enforcement usually begins with a default letter, sent to the company's service address or, for a PSC, to their home address. Companies House can then:

- prosecute through the courts;
- refer the case to the Insolvency Service; or
- issue a financial penalty.

It says it is more likely to treat a case as serious where there have been three or more offences in five years. Enforcement so far has included fines, prosecutions and director disqualifications.

Companies House expects every company to have met the requirements linked to its confirmation statement, or be on a pathway to compliance or enforcement, by the end of March 2027. It also plans to add notes to the public register where verification has not been completed by the legal deadline, and says it will publish more details before this starts.

How to verify

Verification has two steps. You complete an identity check, which gives you a unique Companies House personal code. You then file an identity verification statement that includes that code. You can verify through GOV.UK One Login or through an Authorised Corporate Service Provider (ACSP), such as an accountant.

If you are a director or PSC and are not sure whether both steps are complete, check now. If you receive a letter from Companies House about verification, act on it promptly.

To read Companies House's announcement, go to: https://www.gov.uk/government/news/identity-verification-is-making-the-uks-company-register-more-trustworthy

If you need help checking that your directors and PSCs have verified their identity, please get in contact. We are here to help.

Inflation rises to 3.6% as small firms hold back on hiring

Consumer Prices Index (CPI) inflation rose to 3.6% in the 12 months to October 2026, up from 3.5% in September, according to the Office for National Statistics (ONS). Separate ONS figures show job vacancies falling fastest at the smallest businesses.

Prices

The rise was driven mainly by motor fuels, which cost 33.2% more than a year earlier. Diesel averaged 199.5p a litre in October, the highest price since the ONS records began in January 1996. Petrol averaged 174.7p a litre, the highest since August 2022.

Tobacco prices also rose, which the ONS says may reflect the timing of the duty increase on 1 October 2026. Pulling the other way, food inflation eased to 0.9%, its lowest rate since September 2021. Electricity prices fell, which the ONS links partly to the cut in VAT on domestic electricity from 5% to 0% from 1 October.

Core CPI, which leaves out energy, food, alcohol and tobacco, stayed at 2.8%. The Retail Prices Index (RPI), which is still used in many contracts, rose by 4.2%.

Jobs and pay

The number of vacancies fell by 22,000 to 690,000 in August to October 2026. Leaving aside the pandemic, vacancies were last this low in 2014.

The sharpest fall was at businesses with one to nine employees, where vacancies dropped by 22,000 to 73,000. Outside the pandemic, that is the lowest level for businesses of this size since 2012. The ONS says feedback from its survey suggests smaller firms may not be recruiting because of labour costs and other economic conditions.

Other figures were mixed:

- Unemployment fell to 4.6% in July to September, although the ONS says this partly reflects changes in its survey sample.
- Growth in regular pay, excluding bonuses, slowed to 3.5%, and to 3.1% in the private sector.
- After allowing for CPI inflation, regular pay grew by 0.4% over the year.
- The early estimate of employees on payrolls in October was 30.2 million, 95,000 fewer than a year earlier.

The Bank of England's next interest rate decision is due on 17 December 2026. The next inflation figures will be published on 16 December 2026.

To read the ONS inflation figures, go to:
https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2026

To read the ONS labour market figures, go to:
https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/november2026

Employers must tell workers about joining a union from 1 January 2027

From 1 January 2027, employers in Great Britain must give their workers a statement telling them of their right to join a trade union. The government has now published the standard wording employers must use and guidance on when and how to give it.

The duty comes from section 136A of the Trade Union and Labour Relations (Consolidation) Act 1992 and the Statement of Trade Union Rights Regulations 2026. It applies whether or not your workplace has a union.

What the statement must say

You must use the government's standardised statement. You cannot add to it or change it, except where the regulations require or allow this. You fill in three sections:

- Recognised trade unions. Name each union you recognise for collective bargaining, with contact details where the union provides them. If you do not recognise a union, you must say so.
- Statutory access agreements. List any union with a statutory right to access your workplace, or state that there are none.
- Finding a trade union. Give the web address of the Certification Officer's official list of trade unions, or attach a copy of the list obtained no more than one month earlier.

For most smaller employers, the first two sections will simply state that there are no recognised unions and no access agreements.

When you must give it

- New workers who start on or after 1 January 2027 must receive the statement when they start, at the same time as their written statement of employment particulars. It is a separate document.
- Existing workers employed immediately before 1 January 2027 must receive it by 5 April 2027.
- From 6 April 2027, you must give the statement to all your workers, or remind them where to find it, by 5 April each year.

New workers must be given the statement directly, by email or other electronic means, by post or in person.

For existing workers, you can either give it directly or make it continuously available, for example on an intranet, a shared drive, a noticeboard or in a staff handbook.

If you choose the second option, you must tell each worker in writing where to find it by 5 April 2027. That notice must be headed 'Availability and location of statement of trade union rights'.

What to do now

Prepare your statement before 1 January 2027 so that it can go out with new starters' paperwork. You should also decide how existing staff will receive it by the April deadline.

This duty applies in Great Britain. Northern Ireland has separate employment law.

To read the guidance, go to: https://www.gov.uk/government/publications/informing-workers-of-their-right-to-join-a-union-guidance

To download the standardised statement, go to: https://www.gov.uk/government/publications/inform-workers-of-their-right-to-join-a-trade-union-standardised-statement

If you need help with your new starter processes, please get in contact. We are here to help.

Watchdog warns businesses over hidden fees

The Competition and Markets Authority (CMA) has opened three new investigations into drip pricing and warned businesses in every sector to check their prices. Drip pricing is where mandatory charges are left out of the headline price and added later in the buying process.

The new cases involve a health club membership provider, a coach travel and holiday company and a travel deals website. The CMA says it has reached no conclusions on whether any of them has broken the law.

Stronger powers

Since the Digital Markets, Competition and Consumers Act 2024 (DMCCA) came into force in April 2025, the CMA can decide for itself whether consumer law has been broken, without going to court. It can order businesses to compensate customers and can fine them up to 10% of their global turnover.

The CMA says it has opened cases against 23 businesses under these powers. So far, customers have received £2.3 million in refunds and more than £12 million in fines have been imposed.

If the CMA provisionally decides that a business has broken the law, it issues a Provisional Infringement Notice setting out its concerns. The business then has the chance to respond.

What to check

Emma Cochrane, Executive Director for Consumer Protection at the CMA, said that "the price customers see upfront should be the price they pay".

If you sell to consumers, check that the first price you show includes every charge customers must pay. The CMA's latest cases concern charges such as joining fees, single-person supplements and local taxes.

To read the announcement, go to: https://www.gov.uk/government/news/travel-and-leisure-businesses-investigated-over-pricing-practices

If you would like to talk through your pricing, please get in contact. We are here to help.

Tipping code: employers to consult staff on tips policies

Employers that share out tips will have to consult their workers when they draw up or review their written tipping policy, under a revised code of practice now before Parliament. The government expects the revised code to come into effect in January 2027, subject to parliamentary approval.

Since October 2024, employers in Great Britain have had to pass on all tips, gratuities and service charges to workers, without deductions except in very limited cases such as tax, and share them out fairly. The Employment Rights Act 2025 added new duties on consultation and transparency, which the revised code explains.

What employers will need to do

Under the law as amended, employers must:

- Keep a written tipping policy, make it available to all the workers it covers and review it at least once every three years.
- Consult workers when developing or reviewing the policy. Where there is a recognised trade union or other worker representatives, the consultation should go through them. Otherwise, employers should consult workers directly.
- Make an anonymised summary of the views expressed available to all workers at that place of business.
- Keep a record of all qualifying tips and how they were shared out, which workers can ask to see.

The code says consultation should be genuine and proportionate to the size of the business. It can include meetings, group discussions or surveys. A simple majority vote should not be the default, and employers should take reasonable steps to hear from smaller groups of workers. Employers should keep a written record of the process and its outcome.

The code also warns against promising a fixed or guaranteed sum of tips to a named person or group in advance, as this may be unfair to other workers.

When it applies

Once in force, the new consultation and review rules are expected to apply from the point an employer starts consulting on or reviewing its policy. Until then, the existing code continues to apply.

A business that receives tips only occasionally and exceptionally does not need a written policy, but must still pass the tips on. All tips must be paid out by the end of the month after the month in which customers paid them.

These rules apply in Great Britain.

To read the draft revised code, go to: https://www.gov.uk/government/publications/distributing-tips-fairly-draft-revised-statutory-code-of-practice

If you need help with paying tips and service charges through your payroll, please get in contact. We are here to help.

And in other news…

New advisory fuel rates from 1 December

HMRC have published new advisory fuel rates for company cars, which apply from 1 December 2026. Employers use them to reimburse business mileage in a company car, or to work out what an employee must repay for private fuel. If you pay no more than the advisory rate, there is no taxable profit and no Class 1A National Insurance to pay.

The new rates per mile are:

- Petrol: 16p up to 1,400cc, 19p from 1,401cc to 2,000cc and 29p over 2,000cc.
- Diesel: 16p up to 1,600cc, 18p from 1,601cc to 2,000cc and 25p over 2,000cc.
- LPG: 11p up to 1,400cc, 13p from 1,401cc to 2,000cc and 20p over 2,000cc.
- Fully electric cars: 7p for home charging and 15p for public charging.

To read the rates, go to: https://www.gov.uk/guidance/advisory-fuel-rates

If you need help with mileage payments, please get in contact. We are here to help.

Fewer company insolvencies

There were 95 company insolvencies registered in Scotland in October 2026, according to the Insolvency Service. This was 17% lower than in October 2025. They were made up of 50 creditors' voluntary liquidations, 40 compulsory liquidations, four administrations and one company voluntary arrangement.

To read the statistics, go to: https://www.gov.uk/government/statistics/company-insolvencies-october-2026

Self Assessment scam warning

HMRC are urging Self Assessment taxpayers to watch out for scams ahead of the 31 January 2027 deadline for 2025-26 returns. HMRC received 1,704 reports of Self Assessment scams in the last 12 months. Around 900 came from a single scam in August 2026, which used emails with a malicious attachment leading to a fake GOV.UK page.

HMRC say they will never:

- Contact you by email, text or phone to tell you that you are due a refund, or ask you to claim one.
- Ask for personal or financial information by email or text.
- Leave threatening voicemails about legal action or arrest.

You can forward suspicious emails to phishing@hmrc.gov.uk and texts to 60599.

To read HMRC's warning, go to: https://www.gov.uk/government/news/nearly-2000-self-assessment-scams-reported

If you need help with your Self Assessment return, please get in contact. We are here to help.

Government to protect face-to-face banking

The government has said it will legislate to protect access to face-to-face banking for people and small businesses that need it. It has accepted the central recommendation of the independent Access to Banking Services Review, chaired by Richard Lloyd OBE, which was published on 16 November 2026.

The review found that more than three million people regularly rely on banking in person, rising to more than four million when less frequent users are included.

HM Treasury will work with the Financial Conduct Authority, industry and consumer groups on a new legal framework, including what counts as reasonable access to essential banking services. No timetable has been given.

To read the announcement, go to: https://www.gov.uk/government/news/government-commits-to-safeguard-face-to-face-banking

Scottish Budget to be published on 3 December

The Scottish Government plans to publish its Budget for 2027-28 on Thursday 3 December 2026. The Deputy First Minister and Cabinet Secretary for Finance and Local Government, Jenny Gilruth MSP, has set out the proposed timetable in a letter to the Scottish Parliament's Finance and Public Administration Committee.

The main proposed dates are:

- 3 December 2026: Budget publication and statement.
- 16 December 2026: Budget Bill introduced.
- 11 February 2027: Scottish Rate Resolution, which sets Scottish Income Tax rates.
- 23 February 2027: final debate on the Bill.
- 31 March 2027: deadline for Royal Assent, with the Act taking effect on 1 April 2027.

The timetable remains provisional until it has been considered by the Parliamentary Bureau and agreed by Parliament.

To read the letter, go to: https://www.parliament.scot/-/media/files/committees/session-7/finance-committee/correspondence/2026/20261104-budget-bill-timetable-cab-sec-flg-to-fpac.pdf

If you would like to talk about how the Scottish Budget could affect you, please get in contact. We are here to help.

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