

Contractor doctor: can clients terminate you before the contract ends?

Dear Contractor Doctor,

My husband is currently contracting on a 6 month contract. He was served notice of its end, however today he has been sent home a week prior to the end due to work drying up.

The director stated that she would not provide him with a reference if he refused to leave. Can she do this? Does he have any recourse?

Kindest regards,

Catherine

Contractor Doctor says:

Your husband has been unfairly treated, but happily there is recourse at several levels, as [David Royden](#), a lawyer specialising in contract law with Layton's Solicitors in Manchester, explains.

"When an agency tries to end a contract before its full term, it is responsible for paying the full value of the contract to the contractor," Royden says. "But the contractor must be aware of responsibilities as well: the contractor must make an effort to seek work during the time remaining under the terms of the contract."

What this means is that, if an [agency should terminate](#) a contract 6 months before its full term, a contractor cannot sit at home and collect payment for the remaining six months. "The contractor must go out and try to find another job. The contractor may then collect the amount he lost because of early termination," Royden points out. So that if you are terminated 6 months early, and lose GBP 12000, and then you get another job worth GBP 8000 two months later, you can demand the GBP 4000 that you lost in total from the agency," Royden says.

But watch out if there is a termination clause in the contract. Many contractor contracts include the right to terminate at any time with notice, usually 30 days. You can't get the full value of the contract if this clause is implemented with proper notice. But you do have a right to the full payment for the final 30 days, and all that applies in the above example applies here.

Certainly, with only a week in question, Royden points out, no one will blame you for not finding a job during that period, and you can confidently demand full payment.

If the amount is less than GBP 5000, you can do this online without a solicitor using the HM Court System's [Money Claim Online](#). Should it be more than that, a solicitor should be able to handle it without running up excessive costs--ask the solicitor to estimate them for you. But you have every right to pursue it.

Now for the reference issue: businesses in the UK have no obligation to provide you with a reference. But in most contracting situations, you won't need one. Your CV will be enough to get you work, and if you don't do a good job, you get dropped early on in the project. When references are needed, you can often obtain them from other contractors.

Still, you do have legal recourse if the failure to provide a reference costs you a job. The agency could be liable for defamation. This is certainly the case, Royden says, if the agency provides all the other contractors with a reference but not you.

So go for it! Good luck with your contracting!

Contractor Doctor

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