



Q&A with Julia Kermode





It's been a whirlwind here at PayePass over the last three weeks, from the introduction of Julia Kermode as our newly appointed CEO to the announcement of the next phase of PayePass with the Compliance Awards!

With so many changes and things to come, many have been coming forward within the umbrella sector and asking questions about PayePass and the plans we have in the pipeline. So, we decided to sit down with Julia to discuss the burning questions on everyone's mind.

1. So, what exactly is PayePass?

With our unique technology and in-house expertise, PayePass analyses financial processes within an umbrella company and guarantees that contractors are being paid properly. A PayePass Verify audit has full visibility of the full financial journey of money paid to umbrellas:

1. from receipt of payment from agencies
2. through all pre-payroll processes (where tax avoidance or skimming etc might occur)
3. through payroll itself
4. to the outgoing payments to workers and HMRC

In short, there is nowhere to hide; if there is any misconduct going on, we will find it. In fact, during the last year that I've been non-exec director, we've lost clients who realised that we would find out exactly what they're up to. Also, we will not hesitate to report our findings to HMRC or other appropriate authorities or organisations.

2. Isn't PayePass Verify retrospective and manual then?

No. We use technology and real time access to umbrellas' systems to ensure that everything is running appropriately. Because of our guarantee, we need to be very robust in what we do. So, there are additional numerous random spot checks, and at least quarterly eyes-on analyses looking at multiple data sources with calculations and recalculations by different experts within the team. We're using the best that technology can offer combined with true financial auditing processes so that we can be confident in our Verify clients. And so that I can sleep at night!



3. Why did you join PayePass?

Because what we offer is exactly what the sector needs right now. Being able to guarantee that nothing is amiss with payments to contractors and HMRC, and therefore protect them from unknowingly being in a tax scheme that has previously seemed impossible. Not anymore! I have been so angry over the years, that dodgy tax schemes have got away with it by masquerading as compliant businesses. And that's why I want to use PayePass technology – to clean up the sector.

4. Isn't your guarantee of no financial wrongdoing just a professional indemnity policy?

In simple terms, yes of course it is. However, it took Fred Dures – our founder – the best part of six months of negotiations with the PayePass insurers to agree on the fantastic cover it has. This process involved the insurers crawling over everything about Fred, his business model and what PayePass does; all of which received complete approval before the insurance was put in place.

5. There are comments about Fred Dures having links to an umbrella that was running a tax avoidance scheme, is this true?

I am all too aware of these comments resurrecting themselves, and the agenda of those behind them. Fred Dures is not a tax expert, tax advisor or tax lawyer and has not been involved in the creation or implementation of any tax products, schemes or otherwise – these things are almost always created by a specialist tax expert K.C., which Fred is not. Fred is however an employment lawyer with 30 years' experience in the recruitment sector spanning lots of different clients. When setting up PayePass Fred brought together people from his network who had the skills to help ensure that tax avoidance schemes cannot bypass our scrutiny.

6. Why are you developing a new compliance standard?

It has become clear to me that just providing the financial reassurance in isolation, whilst critical, is not enough for everyone in the supply chain. Coming at this from workers perspective, correct payment is their main concern. But employment businesses and their clients have been telling me that they also want assurances on the legitimacy of an umbrella's contracts, policies and processes.



Supply chain concerns have already stepped up following the government's indication that debt transfer liabilities are likely. We are well placed to assess wider compliance alongside the financials, so PayePass Compliance Awards were born.

7. Will the government ever regulate the umbrella sector?

Last week's consultation was a step in the right direction, and we now have a glimpse of their thinking around some of the policy points. However, we are still at the start of the process and I don't think we can pin all our hopes that regulation, when it comes, will solve all the issues in the umbrella sector. That's partly why I accepted the role at PayePass; the poor practices of some within the industry seem to be going unchallenged and, in the meantime, the many good compliant umbrella businesses have their reputation tarnished by association.

8. Why do you think you can make a difference?

Because I truly care. For me, the ability to protect workers from misconduct is and always has been my driving force. I get angry about the loan charge and its impact on innocent people. I get angry when I see workers robbed of their statutory rights and their income reduced. I get angry when I see the levels of greed driving ever more obscene backhanders and bribes. All of these things are wrong and it's time for me to do something about it.