

Hundreds of former Greensill employees handed right to claim millions from collapsed firm

Hundreds of former employees of the collapsed financial services giant Greensill Capital Management have been handed the right to millions of pounds in damages after it was found that the company failed to collectively consult with them on their redundancy.

The decision, which was made at Central London Employment Tribunal on Thursday, July 28, meant that all 277 claimants were granted the maximum award of 90 days' pay, meaning they could be awarded as much as £4.5m in total from their former employer.

Of the 277 former members of staff, 205 were employed at the firm's base in Daresbury, Cheshire, with the rest in London.

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The decision follows a long-fought battle led by the employment law team at legal firm Aaron & Partners for the claimants, who had all been dismissed with immediate effect on March 21, 2021 – the date the company collapsed.

The Tribunal rejected Greensill's defence of special circumstances entirely, finding that there was no "sudden disaster" which prevented them from consulting with staff.

Greensill failed to prove it had taken all practicable steps to consult with staff, with the judge concluding that it had taken no steps whatsoever.

Paul Hennity, employment law solicitor at Aaron & Partners, said: “We are pleased that the Aaron & Partners team has managed to secure such an excellent result for these people, who were dismissed without any regard for due process.”

During the tribunal, employment judge Andrew Glennie agreed with the claimant’s submission that a failure to do anything must, at best, be seen as serious naivety, or at worst, a deliberate decision to do nothing.

He noted that there was no evidence to suggest whether Greensill had the opportunity to take legal advice but, noting the size of the organisation, there was no reason for the Tribunal to believe that it could not have taken legal advice.

The tribunal found the proposed sale to Apollo, which collapsed on March 10, 2021, was merely a proposal and was not an offer to purchase.

They also found that the appointment of administrators Grant Thornton on December 31, 2020, was an indication that Greensill knew there was a risk of job losses and that the company had been in financial difficulty for approximately a year before the dismissals.

Neither Greensill nor the administrators produced any witnesses at the final hearing to support the special circumstances defence, nor did any representatives attend the hearing to make submissions or to cross examine the witnesses on their behalf.

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