

Criminal and civil investigations opened into P&O Ferries after it sacked 786 employees

The government's business misconduct watchdog has launched criminal and civil probes into P&O Ferries, adding to pressure on the embattled company.

The move comes two weeks after P&O Ferries sacked nearly 800 workers and replaced them with lower-paid crew, a decision that the government called illegal.

Business Secretary Kwasi Kwarteng confirmed on Friday afternoon that the Insolvency Service had decided to launch a formal investigation into "the circumstances surrounding the recent redundancies made by P&O Ferries".

Sky News understands that the Insolvency Service investigation is on the grounds that it failed to consult workers and unions and didn't notify the Secretary of State before making the decision. It is also looking into concerns about the conduct of P&O's directors.

A government spokesperson said: "Today the Insolvency Service has confirmed it has commenced formal criminal and civil investigations into the circumstances surrounding the recent appalling behaviour of P&O Ferries."

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Mr Kwarteng wrote to the Insolvency Service on 23rd March, asking the watchdog to undertake an "urgent and thorough enquiry" into P&O's mass layoffs, to "determine whether the law has been complied with and consider prompt and appropriate action where it has not."

The Insolvency Service responded to Mr Kwarteng, informing him that following an enquiry, it had decided to press ahead with a criminal and civil investigation.

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This week, the government launched a full-throated attack on the company, insisting that it would have "little choice" but to reverse its decision.

In a letter to company boss Peter Hebblethwaite made public on Monday, transport secretary Grant Shapps said proposals being brought to parliament would "block the outcome that P&O Ferries has pursued, including paying workers less than the minimum wage."

He said this would leave P&O "one further opportunity" to offer all 800 workers their jobs back on previous terms, conditions and wages – if they want them back. P&O declined the opportunity a day later, saying it was standing by its decision.

In Mr Shapps' letter to the company's boss, he wrote: "The past week has left the reputation of P&O Ferries and, I'm afraid, you personally in tatters."

"There is no excuse for this behaviour, and as I said publicly on Friday, I believe your position as chief executive, and indeed as a company director, has become untenable," he added.

The company's woes continued on Tuesday when a second P&O ferry, the Pride of Kent, was detained after it failed safety checks by authorities.

P&O Ferries declined to comment on the matter.