

Just Eat to axe 1,700 jobs and rely on gig economy workers for deliveries

Delivery giant Just Eat has announced it is to axe 1,700 jobs as it ceases to employ its delivery riders and drivers.

Instead it will use gig economy workers to deliver food in the UK, as opposed to the hybrid system of employees and self-employed workers, despite strong comments by the chief executive against the gig economy.

A further 170 people working in Just Eat's operational department are also impacted.

Delivery employees have been given six weeks' notice with pay and it is understood office staff will begin a process of redundancy and may be moved to other parts of the business.

While the company could not provide Sky News with the number of delivery riders and drivers it uses in the UK, it did say employees were only a small part of overall delivery operations and only operated in certain parts of six UK cities.

The employment model was rolled out in London in December 2020 and Just Eat became the first food delivery aggregator in the UK to employ delivery people.

Company chief executive Jitse Groen said in February 2021 that the gig economy "has led to precarious working conditions across Europe, the worst seen in a hundred years".

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“The gig economy comes at the expense of society and workers themselves,” he wrote in the Financial Times while listing company plans to employ delivery workers.

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Just Eat Takeaway.com said the employee model will continue in Europe.

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However, delivery riders and drivers are not employed in all of the company's European markets. None are employed in Slovakia and Ireland.

The job cuts come after the company saw a 9% slump in customer numbers last year as diners returned to pubs and restaurants.

"Just Eat UK is reorganising and simplifying its delivery operation as part of the ongoing goal of improving efficiency," a spokesperson said.

"There will be no impact to the service provided to partners and customers."

Just Eat Takeaway.com is the largest food online ordering and delivery service in Europe. It had been the largest outside China after the purchase of Grubhub in June 2020 but has since sold parts of the business.