FCSA



08/10/26

CERTIFICATION SCHEME

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Introduction

Freelancer & Contractor Services Association (FCSA) is a UK-based organisation that sets and raises standards for the freelancer and contractor services industry. FCSA's goal is to ensure that all contractors, freelancers, and temporary workers are treated fairly, and that their rights are protected.

Since 2008, FCSA has supported and represented the professional employment services sector and are the UK's leading membership body for umbrella employers, contractor accountants and CIS payroll services providers.

FCSA's purpose is to safeguard the long-term future of the professional freelance sector for the benefit of the UK economy. With a primary role of raising standards and through certification promoting compliance, which is regarded as the industry's gold standard, self-regulation is encouraged in the sector in supporting contractors to meet their tax and legal obligations.

The scope of FCSA's scheme for Certification covers 6 types of business operations in the UK:

- umbrella employment,
- limited company advisors,
- professional employment organisations,
- worker,
- fixed term employment, and
- self-employed/CIS contractor providers.

Recognised as the industry's compliance gold standard, FCSA Certification is awarded to service providers that have been subjected to independent and impartial assessments by industry experts to confirm that they adhere to FCSA's rigorous Codes of Compliance as detailed in this scheme.

Certification of the service is a mandatory requirement for membership of FCSA. The Codes, which sometimes go above and beyond what is lawfully required, are formulated by FCSA working closely with independent experts in these areas and changes are reviewed prior to publication by a wide variety of industry stakeholders and official bodies.

The Codes cover complex issues and that is why they are constantly under review and are updated as often as is required to keep them relevant and reflective of not only the regulations but also industry best practice.

FCSA Members must adhere to a Charter and the applicable "best practice" Codes of Compliance (the "Codes") designed to ensure that the certified service offered by an FCSA Member will provide the service, advice and rights to the highest level of professional and ethical standards in the UK.

The Scheme

The Certification scheme supports the FCSA objective to protect and support the interests of professional contractors and freelancers (“workers”) by ensuring they are only working with the most scrupulous and compliant contractor support business. This is achieved by establishing ethical standards and minimum levels of conduct specified in the FCSA Codes and conducting independent rigorous assessment of compliance with the standards.

Certification of the service provided is an integral part and a mandatory requirement for service providers to obtain Membership of FCSA.

The FCSA Certification scheme consists of the following elements (Codes) applicable to the type(s) of service provided:

- Mandatory questions for all applicants
- Umbrella Employers questions
- Limited Company Advisors questions
- Self-employed / CIS questions
- Professional Employment Organisation (PEO) questions
- Fixed Term Employment questions
- Worker questions

The scheme requires rigorous checks by independent industry professionals against FCSA’s best practice Codes of Compliance every year.

FCSA’s Codes of Compliance are designed to ensure that FCSA Members provide services, advice and, where applicable, employment, to the highest level of professional and ethical standards. In order to be eligible for FCSA Membership the applicant organisation must meet all the following criteria:

- A UK-based operation that does not provide more than 25% of their operation (e.g., back-office processing, call handling or data processing) outside of the UK.
- A minimum of 2 years successful operation and 1 year’s full audited accounts for the legal entity seeking certification.
- A minimum of 75 contractors successfully supported by the service seeking certification.
- Minimum financial liquidity requirement – net assets to be at least 2.5% of the gross profit.
- Demonstrate compliance with the scheme for the service provided during an initial assessment and thereafter on an annual basis.

The above requirements are for Membership of the FCSA and are applicable to all potential applicants and applied without exception. The above criteria are essential for FCSA to be able to assess applicants' business operations in practice, not just in theory, and to enable service providers to demonstrate a sustainable service capable of meeting the rigorous scheme requirements and expectations of the temporary workforce sector, service users and regulators with the highest principles of ethics, honesty, integrity, and professionalism.

The scheme implements the functional approach for service certification and is primarily detailed in FCSA Codes and assessment reflecting:

Selection - The relevant Codes reflect the regulations (and industry best practice) covering financial and legal requirements to ensure users of the service and the service provider meet their tax, legal and, if applicable, employment obligations and the service is provided to the highest level of professional and ethical standards.

Determination - An assessment of the understanding, policy, and processes required for consistent achievement of the applicable Code and demonstrated evidence of adherence to the Code to confirm the practical and effective implementation of Code requirements.

Independent Review of the report and Decision,

Attestation (Certification award) and

ongoing annual re-Certification assessment as per Code requirements

Timescale

All new applicants are required to achieve Certification and therefore Membership within one year of their application. Failure to achieve this requires a new application and the process to re-commence.

Renewing applicants are required to achieve Certification by the date their certificate expires. In rare cases, a one-month extension may be granted.

Records of complaint

The scheme requires all applicants/Members keep a record of all complaints made known to it relating to compliance with Certification (Code) requirements and makes these records available to the Certification body (FCSA Assessors) when requested during both initial and annual assessments and

1. takes appropriate action with respect to such complaints and any deficiencies found in the service that affect compliance with the requirements for Certification.
2. documents the actions taken.

Quality System

The scheme is a type 6 (as per ISO/IEC17065) and the Codes state the organisation requirements, policy and process requirements, as well as the evidence expected (to be provided) to demonstrate full compliance (see assessment process below). In addition to the organisation providing evidence to demonstrate compliance, (every year) the Assessors also independently select sample of documents across all activities relative to the Code requirements.

Due diligence checks

Following initial contact re Membership application via the General Enquiry form, the applicant provides confirmation of the prerequisite requirements in order to be considered further for assessment and ultimately for Membership.

A Fit and Proper Person Form is required to be completed for each director of the business. Application for Membership is to be made for all companies within the group, and/or with common ownership or directorship, that offer services falling within the scope of FCSA Certification, even if they are separate companies and/or are branded separately. An identity check will also be conducted by an appropriate third party company.

Once the FCSA Chief Executive and its Board have approved the initial stages of application, the Head of Operations or the Compliance Officer appoints an assessment team comprising competent tax professionals and solicitors who have confirmed no conflicts of interest with the organisation to be assessed to ensure their impartiality is maintained. A record of appointment will be stored centrally to ensure rotation.

Any changes to ownership or directorship will trigger a new due diligence check. Upon immediate notification either by the Member or from external monitoring systems, a requirement is made for all new directors and/or owners to provide completed Fit and Proper Person forms. An identity check is completed and the information held on record. A meeting is scheduled, via teams, with the new owners and/or directors to address any concerns and answer any questions FCSA may have about the sale, ongoing operations or staff.

Service assessment and certification

In order to achieve FCSA Certification (a requirement for Membership of FCSA) applicants are independently assessed against the published standards (Codes) by Assessors allocated by FCSA from an FCSA independent pool employed by professional service companies. All applications require the completion of the Mandatory Code of Compliance and therefore both financial and legal Assessors are required.

The appointed Assessors engage with the applicant organisation over a specified period (agreed with all parties) and conduct remote assessment (see below).

Assessors are rotated so that a maximum of three consecutive assessment are conducted for the same client.

The process requires applicants to provide documentary evidence of how they adhere to each and every applicable Code. The Code requirements outline the nature of the documentary evidence as applicable to the services.

In addition to the paperwork element, Assessors identify personnel of the applicant business for in-depth interview, test scenarios, select random samples of documents and undertake in depth checks, listen to on-boarding calls and assess that all policies and procedures are being implemented in practice.

The 3-stage review process

The assessment involves a 3-stage process:

1. Self-assessment – the applicant is asked to answer a set of questions and provide all supporting documents requested as detailed in the Code. The Assessor will then review all answers and carry out in-depth review and analysis of documents to confirm the correct information as required by the Code (including legal requirements) have been sufficiently detailed and communicated in a timely manner to clients accordingly.

2. Sampling – for the initial and every second assessment the applicant will need to provide the Assessor with an anonymised list of workers/clients to enable them to select the sample for detailed review and analysis. All requested documents for the sample must be provided. Where the sample does not provide sufficient evidence, or where additional risks have been identified, a further and targeted sample will be requested and reviewed.

3. Interview – when documents pass the desk review, the Assessor will conduct an in-depth interview of key members of staff to confirm their understanding of the requirements, the details required of the Codes regarding the information and service to be provided, and the extent of legal requirements to be met.

On completion of the assessment stage 3 and all outstanding queries answered, the Assessors submit a detailed report against all the Code requirements to the FCSA Head of Operations and FCSA Compliance Officer. The report indicates the observations/details which confirm compliance with the Code requirements and details where corrective actions are needed.

Areas requiring correction/improvement are classified as follows:

Breaches within the Code have been identified, (major non-compliance) requiring corrective action and verification, by the Assessor.

Recommendations for clarification/ additional detail (minor non-compliance). The recommendations must be acknowledged and correction must be addressed, and the action taken will be subject to verification at the next annual assessments. Failure to implement an appropriate action will result in a breach being recorded accordingly.

Independent review

The report is reviewed and a summary drafted by the Compliance Officer, who then escalates to the Head of Operations who provides a feedback report to the applicant with details of breaches and recommendations and the overall summary of the assessment. In cases of absence, the Head of Operations may complete this process solely, whereas the Compliance Officer would escalate to the CEO for approval before issuing the report.

Where breaches and recommendations have been recorded, the applicant is required to respond with a corrective action and evidence for review of breaches for reassessment by the Assessor. Applicants are required to confirm that they will implement the recommendations within a year, ahead of the next annual assessment.

All amends are provided to FCSA and the Head of Operations before a decision can be made accordingly.

The Decision

When the Assessors confirm full compliance (no breaches) and confirmation is received regarding the acceptance to implementation of the recommendations the Head of Operations will make the final decision, confirming the service(s) meets the Code(s) and can be Certified accordingly. The Compliance Officer or Head of Operations will send the outcome within a confirmation email.

The applicant is sent a final confirmation request email where key points of the Mandatory code require confirmation that no material changes have occurred since the assessment began. Once received, and confirmed by the Head of Operations, a certificate signed by the Chief Executive is issued confirming the service(s) comply with the current FCSA Code(s) and the service provider is a Member of the FCSA. Details of Members are held/available in the FCSA directory on the website.

The FCSA Charter

Applicants are required to acknowledge the Charter and when the service is certified by FCSA, the Members are authorised to use the logo identifiable to the Certified service and they are required to adhere to the Charter.

Annual re-assessment and re-certification

The service Certification is valid for one year and a re-Certification assessment is commenced in a timescale which ensures completion before the expiry date of current certification.

There are no prerequisites, and re-assessments follow the same format of review of documents provided to confirm compliance with the Code requirements and interviews etc. of key members of staff to test implementation of the processes and procedures accordingly.

Any changes to ownership or directorship mid-year will trigger a new due diligence check. Upon immediate notification either by the Member or from external monitoring systems, a requirement is made for all new directors and/or owners to provide completed Fit and Proper Person forms. An identity check is completed on the new people and the information held on record. A meeting is scheduled, via teams, with the new owners and/or directors to address any concerns and answer any questions FCSA may have about the sale, ongoing operations or staff.

Within the annual re-assessment process, the fit and proper person forms will be completed again to ensure information is up to date.

Independent review and decision are as per initial assessment.

When breaches are reported during the annual assessment there is a one month extension provided (website updated) during which the Member corrects the breach and submits information to the Assessor for detailed review. The Assessor submits a new report accordingly.

Failure to correct the breach satisfactorily within the month extension will result in cancel/termination of Certification and therefore Membership of FCSA.

Appeals

The FCSA has appointed an Independent Arbitration Panel to consider any appeal against the decision to Certify (details on web site). The appeal must be in writing for the attention of IAP Chair and detail the basis of the appeal. The appellant may be requested to attend the appeal hearing and the outcome of the appeal will be communicated in writing.

Complaints

Complaints about the FCSA service or scheme will be treated in accordance with the FCSA complaints procedure. Any complaint must be in writing addressed to the Head of Operations or Chief Executive and will be logged accordingly, investigated and where appropriate the results provided accordingly.

Complaints about the Certified services provided by FCSA Members are investigated by FCSA.

Register of Members

FCSA maintains a list of FCSA Members and the Codes (services) that they hold Certification for (see website).

Scheme changes

The Codes have an established history of performance within the employment sector and FCSA review the Codes on an annual basis to ensure they remain up to date with legal and financial requirements and developing best practice. The Head of Operations maintains an ongoing commentary where changes may be considered necessary arising from comments provided from any source.

The process for reviewing the Codes and potential changes commences in the month of January, with time provided to seek legal and financial guidance where required.

The proposed changes to Codes shall be discussed with the Member's Council to ensure that the proposed changes are appropriate and can be met practically, before being presented to the FCSA Board.

Once confirmed, the new draft Codes are provided to Assessors, Members, Key Stakeholders and Business Partners for comment.

All comments are reviewed, and the FCSA Board will make a final decision to ratify any changes accordingly or reconfirm the Codes where no changes have occurred.

Annually on the 1st of July, the Codes will be published on the FCSA website for all new applications. Anyone already in application will be assessed against the Codes they were engaged under at the time.

Any assessment with an expiry date after the 1st of October, will be assessed against the new Codes.

Member Responsibility

The supplier of FCSA Certified service(s) (Member) is required to sign the FCSA Terms of Agreement which are read in conjunction with FCSA Articles, Charter, and Code(s) of Compliance (details on website). In addition FCSA brand licence for use of logo and use of UKAS symbol (DBT).

The Member is responsible for maintaining and delivering the service(s) in accordance with the Code(s) and shall immediately inform the Head of Operations of any organisational changes or other circumstances which could result on failing to provide the service.

Members must investigate any breach that they become aware of immediately and record the details and actions to correct the breach. (CORRECTIVE ACTION).

Similarly, if a situation arises where the potential for a breach is identified. The details and action taken must be recorded to ensure the breach does not materialise. (PREVENTIVE ACTION).

Assessors will monitor the above corrective and preventive actions at the next assessment.

Withdrawal/Termination of Certification

Members may choose to terminate Membership/Certification of their service(s) at any time as per FCSA Terms and Conditions.

The listing is removed from FCSA's website at an agreed date following which the FCSA branding cannot be used.

Suspension of Certification/Membership may be imposed by FCSA and termination if an investigation warrants such action, such as breach of FCSA Code or Charter.

The Scheme Codes

The current Codes can be found on FCSA web site fcsa.org.uk under 'Resources'.

Version Control

Revision No. & Date	Page / Subject	Details of Change	Signature
Issue 1 02/01/24	All	First Issue	LV
Issue 2 21/05/26	All	Added 2.8 & 2.16 Updated 2.9 & 2.10	LV
Issue 3 *(this issue)* 08/10/26	Throughout	Updated Due diligence, sampling, decision and annual re-assessment sections	LV

FCSA

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