

Bad Recruitment Agencies – Six alarm bell signs of a bad Agency

Immediate Contract Rate Cut

You have quoted a rate to the agency, you have gone for the interview, and the agency has told you that you have the job. Recruiters from bad recruitment agencies will say that the rate is a little below what you had been hoping for.

It's possible that this is true. It is more likely that the agent is from one of those bad recruitment agencies 'trying it on', i.e. trying to grab an extra piece of the cake. Normally agencies tell client companies the rate for a contractor, and don't take the contractor unless they both like him or her and agree to take them on that rate.

Pressure to Sign Up Straight Away

The next sign that you have an aggressive, pushy agency, and perhaps at least a little dishonest, is that they tell you that the client needs you to sign the contract by the close of business the next day.

You then don't have the opportunity to go for other interviews that you might already be due to go to. That's the reason for the hurry. The agent wants to 'close on the deal'. He or she doesn't want to lose it.

He might say that it is the client who is insisting on it. It is more likely to be the agent.

Insolvency Agreement

Many contracts have Insolvency Agreement clauses in them. This means that if either side goes 'belly up' then the contract is null and void. If there is no Insolvency Agreement in your contract then you will have terrible trouble in getting payment if the agency goes into administration and extracting yourself from the contract.

You can be sure that the client / agency contract will have an Insolvency Clause in it.

If it is not in your contract you should enquire why it isn't. Strangely some agencies that went under recently didn't have that in their contractor contracts, even though it was in their client contracts.

Invoice Payment Periods

With the use of Factoring companies there is absolutely no reason why contractors can't get their payment soon after they present an invoice. Beware those contracts which say that the agency only has to pay within a month. Beware also those contracts which say that they will only pay monthly.

If the agency has troubles then you could be a great deal of money out of pocket.

No Notice Periods

Beware those agencies which have notice periods for the client but not for you. It used to be standard in the profession that notice periods were reciprocal. However, it has crept in more recently that they have become one-sided.

I know that having a set notice period may be a factor which says that your contract is inside IR35. However, it is only a minor factor and I would much prefer to have the security of the reciprocal notice period.

You Get Paid When the Client Pays Us

Alarm bells should really be ringing when your agent tells you, 'I know what the contract says, but basically you get paid if and when the client pays us'.

This is complete rubbish. Your contract is with the agency and not with the client.

However, of even greater danger is the fact that this is often just a cover-up excuse anyway. Often, struggling agencies tell contractors that they haven't been paid yet by the client when they actually have been. It's often just a way of delaying payment.