Dear all,

Please find below a flash report on the meeting between Commissioner SCHMIT and Deliveroo CEO & representatives, which took place on 7 October.

Best regards,

FLASH REPORT – Meeting between Commissioner SCHMIT and Deliveroo CEO & representatives – 07/10/2021

Participants:
European Commission
- Nicholas SCHMIT, Commissioner for Jobs & Social Rights
- Ana Carla PEREIRA, Employment and Social Adviser to Commissioner SCHMIT

Deliveroo
- Will SHU, CEO
- Joe CARBERRY, Director of Corporate Communications
- Ronan BREE, Head of EU Public Affairs

Main takeaways:
- Deliveroo’s market is highly competitive and companies are competing for the same workforce, thus Deliveroo has three key elements it wants to deliver for its drivers: 1) strong earnings 2) security 3) flexibility. According to survey conducted by Deliveroo, flexibility is the most important element for drivers. In Deliveroo’s own assessment key
elements, and in particular flexibility, can be best provided by using the self-employed model. Deliveroo’s current model is ruled to be genuine self-employed model by multiple court rulings.

- Representatives of Deliveroo emphasised that the company does not pose any kind of control over its drivers; they can freely login to the platform at any time and in any location, accept or reject orders, work for multiple platforms and so on. Most of the drivers work for Deliveroo as part-time and Deliveroo claimed drivers’ earnings to be higher compared to many other sectors, as hours worked are lower than compared to e.g. ride-hailing platforms.

- Many workers from sectors affected by the lockdown measures started to work on the Deliveroo’s platform. Even though labour markets are booming around Europe, workers are staying at its platform and even more is in line to join. Deliveroo looks at this as manifestation of its business model’s functioning from drivers’ perspective.

- Deliveroo voiced their concerns regarding a possible rebuttable presumption which would cause excess burden as well as high costs for all parties involved. Classifying drivers as employees would in the end come at cause of flexibility, which in turn would have negative consequences for platforms, drivers, restaurant industry, grocery and food wholesale markets. A rule on shifting the burden of proof seems more of a compromise but would come at high litigation costs.

- From Deliveroo’s perspective, the main issue is its desire to provide more security for drivers (e.g. AWOD insurance, sickness benefits, parental benefits) but are struggling to do this without jeopardizing drivers being classified as employees. Deliveroo called for a consistent way of classifying self-employed within the EU, meaning in a way that benefits/security provided by the platform would not be taken into account as a factor of employment relationship. This is in line with the recent proposal made in France.

- Commissioner concurred on the importance of flexibility. If a person wants to be self-employed and there is no control or subordination from platform, there should not be a problem. Commissioner pointed out that there is high number of ongoing court cases (though not on Deliveroo) despite platform companies reporting workers desire to be classified as self-employed, which points that everything is not as it should be.

- Deliveroo said there is always a minority that is unhappy and causing these court cases, however Deliveroo bases its business model on desires of majority.

- From the COM point of view, the main aim is to find a balance between flexibility and security. This would also provide stability for companies to operate without constant threat of litigation. However, rules on level of protection provided for self-employed are issues of Member States competence, thus also unfortunately varying greatly.

- Deliveroo acknowledged this but argued once more about the problem being that it cannot provide additional security in those countries where
the security provided by the local system is insufficient, for reason articulated before. Deliveroo is having constant debate with national and local authorities but called for EU-level approach and actions from the COM.

- Commissioner concluded on that Deliveroo’s perspective of having possibility to provide more security without it affecting classification is very interesting and it needs to be looked into in more detail and analysed. Commissioner emphasised that in the end workers are in the heart of initiative.
- Deliveroo promised to be at available if needed and to provide more information on aforementioned surveys and extra security provided to drivers.