

Client survey on reform to non-compete clauses



Reform of non-compete clauses has returned to the Government's agenda - for the third time in a decade.

In November 2025, the Government published a working paper on proposals to reform the law on non-compete clauses in employment contracts. The options on the table range from an outright ban to statutory duration caps and salary-based thresholds. The outcome matters to every employer that relies on these clauses to protect its business.

We wanted to know what employers actually think, so we surveyed our employer clients to understand how they use non-competes today and how they view the Government's proposed reforms. The results reveal a clear message: the business community is not ready for radical change, believing that the existing legal framework already provides adequate safeguards. Among other things, respondents noted that imposing restrictions on non-competes could redirect investment away from the UK.

Yet there are also nuances in the data. Employers who oppose reform in principle prove willing to engage with certain proposals when pressed - and their preferences, along with their objections, are important signals for how any reform should be structured. We set out our full findings - and their implications - below.



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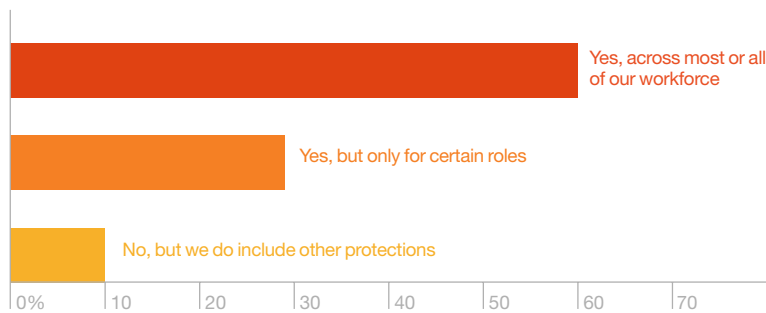
Detailed findings

Understanding employers' views on reform requires first understanding how they use non-competes in practice. What emerges is a picture of clauses that are widely used, carefully framed, and considered by most employers to be working as intended.

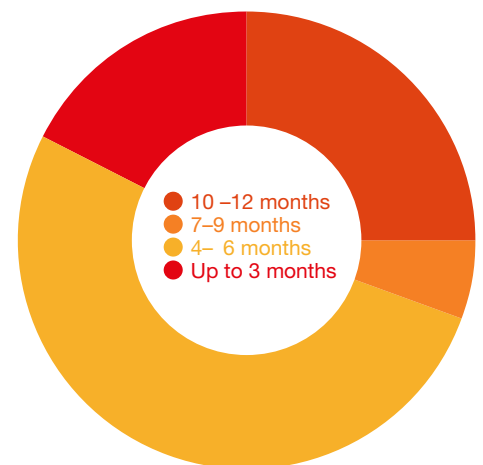
What are employers currently doing?

- **90%** of respondents currently use non-compete clauses in employment contracts.
- **60%** apply them to most or all of their workforce.
- The most common duration is **4 – 6 months** (52%), followed by **10 – 12 months** (25%).

Do you use non-compete clauses?



What is your typical length of non-compete?



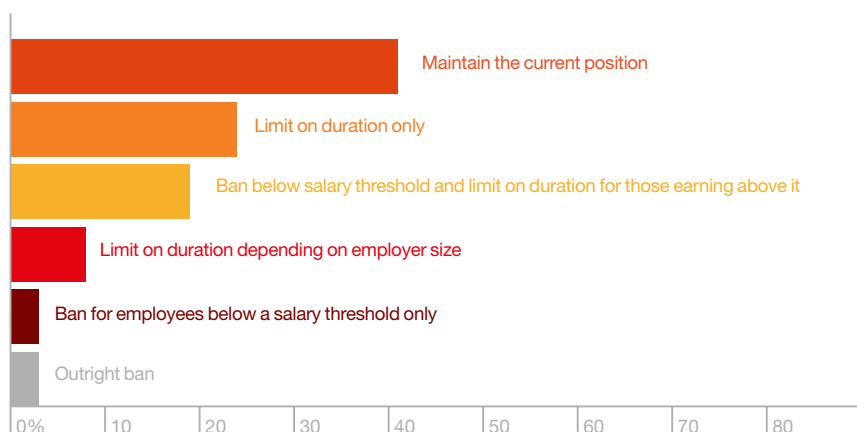
“
The current arrangement work[s] well.
I understand the need for personal freedom and not restricting someone from earning a living. But there must be a balance where company intellectual property is protected, or a large number of jobs could be put at risk.
”

Automotive Manufacturer

What do employers think of the Government's proposals?

- The most common preference expressed by respondents was for the Government to **maintain the status quo**, with 41% opposing any type of reform.
- However, 59% supported reform, with **differing views as to what those reforms should be**.
- The most popular of the Government's proposals was a **limit on the duration of non-competes (24%)**, followed by a ban below a salary threshold combined with a duration limit for those earning above it (19%).
- This tension in the data suggests that many employers, whilst preferring no change, are **willing to engage with a duration-based restriction**.

Overall, which proposal do you prefer?



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The current position has balance. Parties are free to negotiate terms and that balance can be tested in the courts by reference to relevant facts of the case.

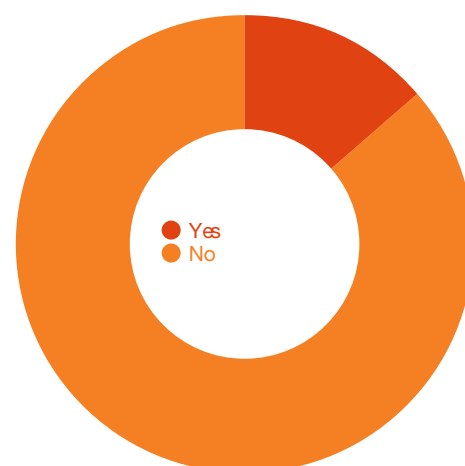


Alternative Investment Firm

Should the Government ban non-compete clauses?

- **86% of respondents opposed an outright ban** on non-competes.
- Non-competes were said to play a vital role in protecting **confidential information, trade secrets, IP, customer/client relationships** and **investment** in staff.
- Respondents believed that the existing legal framework already provides adequate safeguards, ensuring non-competes are **reasonable, balanced, proportionate** and **differentiated** according to seniority.
- It was thought that **SMEs** and **early-stage businesses** could be disproportionately affected by a ban.
- A ban could also drive employers towards **alternatives**, such as longer notice periods; more aggressive non-solicitation and non-dealing clauses; and/or linking restrictions to equity and other incentives schemes.
- Conversely, a small minority (7%) suggested that non-compete can **fetter entrepreneurship** and/or **employee mobility**.

Should the Government ban non-competes?



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Banning non-competes in employment contracts is unlikely to get rid of them in practice as employers will find other ways to restrict competition, e.g. linking it to stock or bonus schemes, or using aggressive non-solicit/non-dealing clauses.

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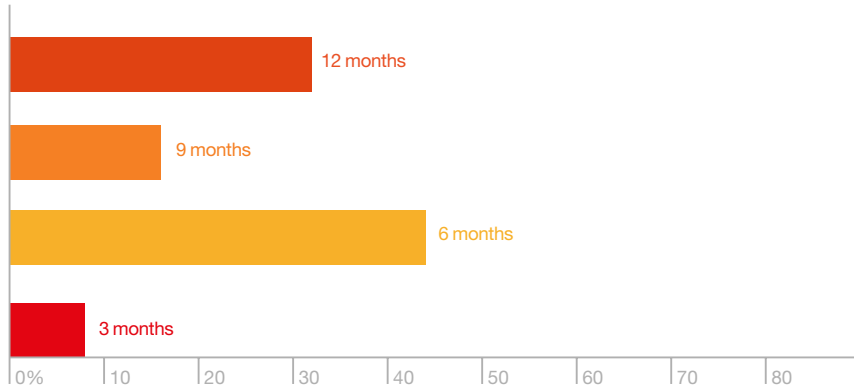
AI & Technology Company



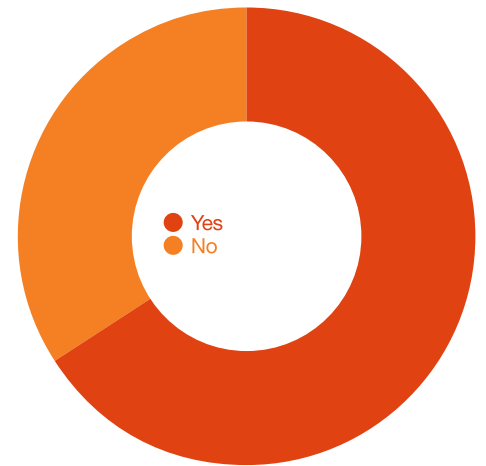
Should the Government limit the duration of non-competes?

- **67% supported introducing a maximum length** for non-compete clauses.
- Preferred durations were **6 months (44%)** or **12 months (32%)**, with limited appetite for limits of 9 months (16%) or 3 months (8%).

What should that maximum be?



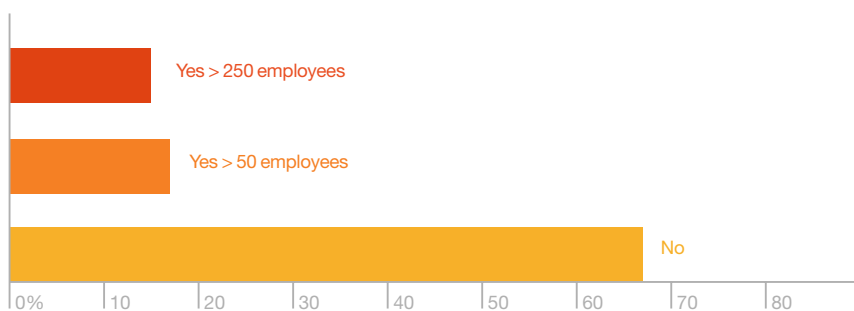
Should non-competes be subject to a maximum duration?



Should non-competes be limited according to employer size?

- A sizeable majority (67%) were **against imposing different maximum lengths depending on employer size**.
- As to the remainder, **opinion was split** between those who supported limits for employers with more than 250 employees (17%) and employers with more than 50 employees (16%).
- Respondents who opposed size-based limits argued that the need for non-compete protection relates to **role sensitivity rather than organisational scale**.

Should non-competes be limited according to employer size?





I believe there needs to be a balance, ensuring that restrictions are reasonable based on the level of the role and the risk to the business. While business size is a factor in assessing risk... the seniority and level of the role, and the [level of] information/knowledge, is a bigger factor. Mandating one-size-fits-all is unlikely to be an effective solution.



Software Company

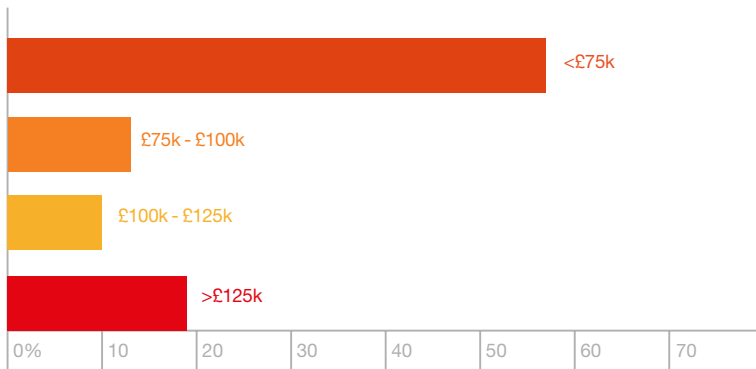
Should a salary threshold apply to non-competes?

- **57% supported banning non-competes** below a salary threshold.
- Support was **dramatically lower (19%) amongst smaller companies** (less than 50 employees) than other size categories.
- The most popular threshold level was **below £75,000 (57%)**, followed by above £125,000 (19%).

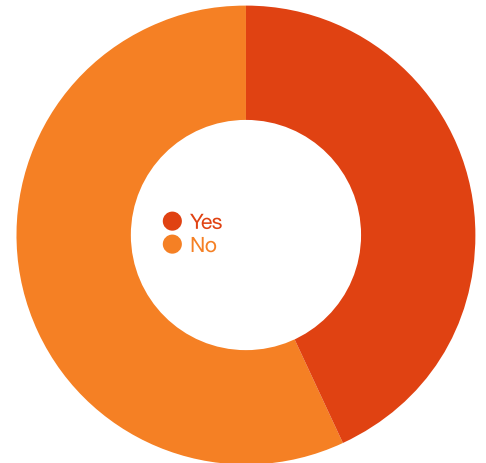
Respondents also noted several practical difficulties with salary-based thresholds, including pay calculations/anomalies, cliff-edge effects, geographical/sectoral variations and the impact on start-ups.

Multiple respondents advocated for a role-based framework as an alternative to the options presented by the Government.

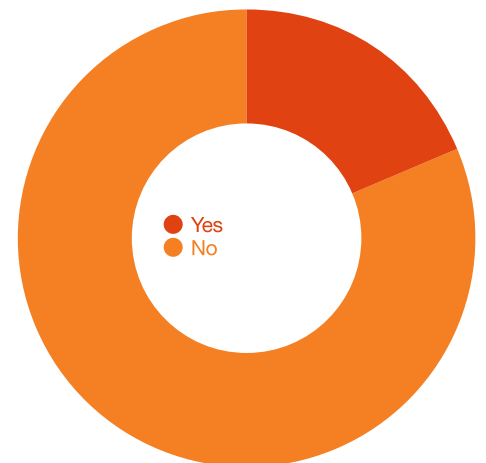
What should that salary threshold be?



Should non-competes be banned below a salary threshold?



< 50 employees: Should non-competes be banned below a salary threshold



“ There are multiple factors that would impact these simplistic thresholds, e.g. geographic location, difference in local salaries, industries (some are regulated, others not). Roles should be more relevant to the discussion than arbitrary thresholds, e.g. an executive assistant may have highly confidential client information as a result of their role, without being on a sufficient salary to meet the threshold.

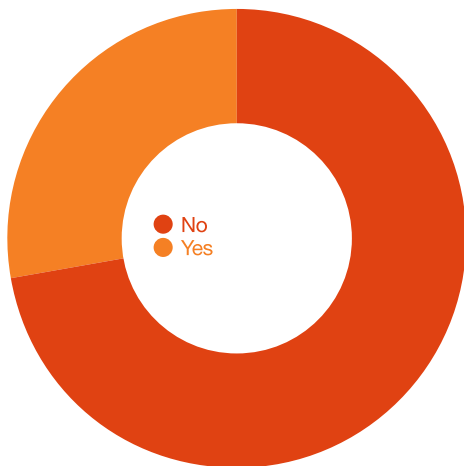
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Financial Advisory Firm

“ Our experience is that start-up salaries are not high - often falling below £125k for many years until companies get established, with investors deliberately keeping founders ‘hungry’ for future gain. So, on balance, I think that the duration limit is a better approach.

”
Venture Capital Fund

There was also **strong opposition** (72%) to the proposed approach of combining a ban on non-competes below a salary threshold together with a duration limit above that salary level.

Should there be a salary threshold + duration limit above that salary?



“ Non competes are not about salary level but are used for certain commercially sensitive positions. This would be the same for large or small businesses. If a limit were introduced, it should be about defining which types of roles should have non-competes.

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Transport Logistics Company

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I would prefer the government to require organisations to have a demonstrable rationale for inclusion of non-compete clauses, linked to business type, industry, role and seniority (i.e. an actual impact analysis) as this would properly balance the needs of the business and the potential impact on the individual.

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Fund Management Firm



How would restrictions on non-competes affect employers?

- If non-competes were banned or restricted, 57% of respondents said they would **rely on other existing or new protections** (such as non-solicitation, non-dealing clauses, and garden leave).
- 33% said they would **struggle significantly to protect their business interests**.
- 10% said it would have **no impact**, as they do not rely on non-competes.

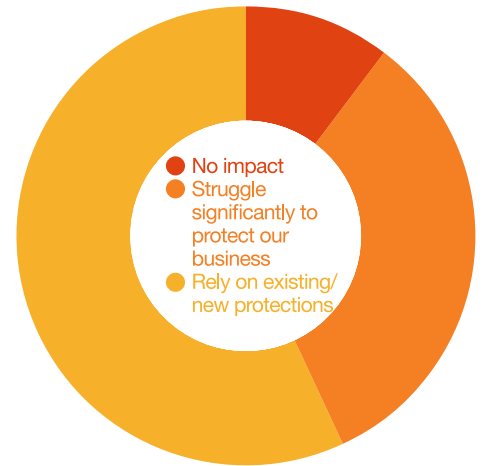


It is important to have the right to impose [non-compete] restrictions... We need this period of time to refocus the client relationship and contractor base. We also use Garden Leave to give us this additional time.



IT Recruitment Firm

Should there be a salary threshold + duration limit above that salary?



How would restrictions on non-competes affect investment?

- 72% of respondents said that restrictions on non-competes would have **no significant impact on their investment in employee training**. 26% said they would invest less in training, while only 2% said they would invest more.
- This **challenges the assumption in academic literature** that non-compete clauses are a major driver of employer investment in training.
- Contrary to the Government's stated intention of these proposals, respondents note that restrictions on non-competes could in fact have an **adverse impact on investment in the UK**.

How would it affect investment in employee training?



On training, I think we would use clawback provisions more often if it were easier for employees to leave.



Insurance Agency

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Banning non-competes will lead to firms exploring other methods to protect their legitimate business interests. If they conclude there are insufficient means to adequately protect their interests, firms may reduce investment in the UK and/or decide to relocate business to other jurisdictions affording better protection.

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Alternative Investment Firm



Summary

What do our respondents think of the Government's proposals to reform non-competes?

- 1** The **most common preference** was for the Government to maintain the status quo and refrain from changing the law in relation to non-competes.
- 2** There was **very little appetite for an outright ban**, which was considered **unnecessary** and **harmful to business**, especially SMEs/early-stage companies.
- 3** Similar sentiments were expressed in relation to restrictions generally, with respondents noting that **restrictions on non-competes could redirect investment away from the UK**.
- 4** Proposals to **vary restrictions by reference to employer size and employee salary** were also unpopular. Such proposals were considered **blunt tools** that failed to appreciate the multifactorial and nuanced reasons for non-competes.
- 5** The Government's **most popular proposal** was for a **statutory limit on the duration of non-competes**, with preferences expressed for 6 months or 12 months.

“ Statutory restrictions risk discouraging investment, particularly in people-heavy and high-tech sectors where companies are hiring highly skilled and sometimes unique talent. We already see amongst our biotech and medtech client base a reluctance to invest in e.g. California, which bans non-competes, compared with jurisdictions that do not have this restriction. The answer may be to ban non-competes in non-professional/unskilled roles.



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