# UK’s digital ID plans accelerate crackdown on illegal migrant labour in last-mile logistics



In July 2025 alone, UK police stopped 1,780 delivery workers as part of an intensified crackdown on illegal migrant labour targeting the last-mile logistics sector. This action coincided with the government’s launch of its flagship national digital ID programme, which is expected to sharply increase regulatory scrutiny in this area. The government positions this digital ID system as a central tool to make it tougher to work illegally in the UK, although it has so far provided limited clarity on the direct benefits for businesses and workers or the mechanisms to drive widespread adoption and more robust right to work (RTW) enforcement.

The Home Office’s approach signals an imminent showdown with industries heavily reliant on informal and temporary workers, with logistics particularly vulnerable given its high workforce turnover and fragmented supplier base. Financial penalties for repeat RTW breaches now reach £60,000 per illegal worker, while enforcement operations not only disrupt logistics operations but also damage reputations irreparably when exploitation is revealed. Under UK law, regardless of multiple subcontracting layers, businesses ultimately remain liable for RTW compliance and risks related to Modern Slavery Act violations, where unidentified exploitation in supply chains can lead to severe legal and reputational consequences.

Last-mile parcel and postal delivery pose acute RTW challenges due to the sector’s low entry barriers, fluctuating gig economy workforce, and reliance on multiple delivery service providers (DSPs) or digital platforms. Over 56,000 couriers in the UK gig economy, nearly half of whom are self-employed, create a volatile and complex compliance landscape. High seasonality and churn inflate onboarding pressures, leaving many providers struggling to verify drivers’ RTW status, vehicle insurance, and safety compliance consistently. Partnerships with DSPs often create blind spots where non-compliant operators can slip into delivery networks, while delivery apps, despite offering direct access to gig workers, have unintentionally enabled shadow markets where verified delivery accounts are rented or shared with unverified individuals.

These account-sharing practices pose substantial risks beyond basic compliance, enabling exploitative labour conditions such as debt bondage and modern slavery. The Home Office maintains that food delivery platforms have made strides in combating illegal account sharing through real-time identity and RTW checks, yet abuses persist. Without scalable, seamless digital verification tools that operate in real time, enforcement bodies warn that loopholes will continue to be exploited, particularly as the government’s national digital ID system remains a work in progress.

The government plans to make digital ID mandatory for RTW checks by the end of the current Parliament in 2029, although this timeline faces uncertainty amid technical and data privacy concerns. There have been whistleblower warnings regarding data protection in existing government digital services, indicating potential hurdles to secure and trusted rollouts. Consequently, logistics providers cannot afford to wait until 2029 to address compliance challenges.

Fortunately, a network of identity service providers (IDSPs) already operates under the government’s Digital Identity, Attributes and Trust Framework (DIATF), conducting one-third of the 15 million RTW checks annually in the UK. These platforms demonstrate technology capable of meeting the pace and scale required, with solutions tailored specifically for logistics operations. Providers such as Trustd offer mobile-first, API-integrated platforms with facial verification designed not to slow delivery speeds, helping operators embed RTW verification into daily workflows.

Experts recommend that logistics businesses take proactive steps: selecting logistics-appropriate digital ID platforms, standardizing RTW verification processes among their DSPs and subcontractors to eliminate compliance blind spots, and piloting programmes on high-risk routes to measure and refine compliance effectiveness. This strategy not only reduces the risk of hefty fines and operational disruption but also enhances customer confidence by proactively addressing labour exploitation risks.

Broader data reveals that UK employers across sectors still struggle with RTW compliance, with 79% relying on manual checks despite digital tools being available. Misconceptions persist, particularly among small businesses, with many incorrectly believing that a driving licence suffices as RTW proof. This widespread lack of adherence exposes businesses to fines up to £60,000 per illegal worker, criminal prosecution, loss of sponsor licences, and serious brand reputation damage.

Furthermore, the impending digital ID mandate will introduce new compliance and cybersecurity challenges, especially for SMEs that need to securely manage digital and biometric data in line with GDPR and UK data protection laws. Implementing the necessary technology, training personnel, and establishing secure data handling protocols will be critical to meeting these obligations and avoiding escalating penalties.

As compliance demands evolve, automating RTW checks and follow-ups is becoming a necessary best practice. Digital platforms offering real-time verification and status updates help employers reduce the risk of non-compliance and operational errors, crucial in sectors with fluctuating worker permission statuses.

The last-mile logistics sector thrives on speed and flexibility, but this cannot come at the cost of regulatory compliance and ethical labour standards. Digital identity verification, when properly implemented, supports operational agility while protecting businesses from enforcement action and reputational harm. The government’s clear intention to crack down on illegal working means that the question for operators is no longer whether to adopt digital ID tools, but rather whether they can afford not to.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html), [[2]](https://www.gov.uk/government/news/new-digital-id-scheme-to-be-rolled-out-across-uk)
* Paragraph 2 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html), [[5]](https://www.davidsonmorris.com/digital-right-to-work-checks/)
* Paragraph 3 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html)
* Paragraph 4 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html)
* Paragraph 5 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html), [[2]](https://www.gov.uk/government/news/new-digital-id-scheme-to-be-rolled-out-across-uk)
* Paragraph 6 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html)
* Paragraph 7 – [[1]](https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html), [[3]](https://sterling-law.co.uk/are-uk-employers-up-to-speed-with-right-to-work-rules/), [[4]](https://www.employmentlawworldview.com/right-to-work-compliance-are-uk-employers-keeping-up/)
* Paragraph 8 – [[6]](https://medium.com/%40ifonlycom/uk-digital-id-mandate-the-critical-compliance-cybersecurity-challenge-for-sme-employers-0f49311f550a)
* Paragraph 9 – [[7]](https://www.righttoworkcheck.co.uk/blog/right-to-work-compliance-in-2024-key-steps-for-uk-businesses), [[3]](https://sterling-law.co.uk/are-uk-employers-up-to-speed-with-right-to-work-rules/), [[4]](https://www.employmentlawworldview.com/right-to-work-compliance-are-uk-employers-keeping-up/)

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## Bibliography

1. <https://www.parcelandpostaltechnologyinternational.com/opinion/why-last-mile-logistics-cant-wait-for-national-digital-id-rollout.html> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/new-digital-id-scheme-to-be-rolled-out-across-uk> - The UK government has announced a new digital ID scheme aimed at combating illegal working and simplifying access to government services. The digital ID will be mandatory for Right to Work checks by the end of the current Parliament. This initiative is part of the government's broader efforts to control borders and prevent illegal working, with the digital ID system designed to be secure and user-friendly, stored directly on individuals' devices. The scheme is set to be rolled out alongside a public consultation to ensure inclusivity and address potential challenges.
3. <https://sterling-law.co.uk/are-uk-employers-up-to-speed-with-right-to-work-rules/> - A recent survey reveals that many UK employers are not fully compliant with Right to Work (RTW) regulations. Despite available digital tools, 79% of employers still rely primarily on manual checks. Small and medium-sized enterprises (SMEs) face particular challenges, with 62% of micro and small employers incorrectly believing a driving licence proves RTW status. Non-compliance can lead to penalties up to £60,000 per illegal worker, criminal prosecution, reputational damage, and potential loss of sponsor licences, highlighting the need for improved compliance measures.
4. <https://www.employmentlawworldview.com/right-to-work-compliance-are-uk-employers-keeping-up/> - An analysis indicates that UK employers are struggling with Right to Work (RTW) compliance. Despite technological advancements, 79% of employers still use manual methods for RTW checks, with only 37% using the Home Office online service and 23% engaging Identity Service Providers (IDSPs). Small businesses, in particular, face difficulties, with 62% of micro and small employers wrongly believing a driving licence is sufficient proof of RTW. Non-compliance can result in fines up to £60,000 per illegal worker, criminal liability, reputational damage, and risks to sponsorship licences.
5. <https://www.davidsonmorris.com/digital-right-to-work-checks/> - Employers in the UK are legally required to prevent illegal working by ensuring all staff have the right to work in the UK. Failure to conduct prescribed Right to Work checks, including digital checks, can result in substantial fines. If an employer knowingly employs someone without the right to work, they could face unlimited fines and up to five years in prison. Employing illegal workers can also lead to the loss of any sponsor licence held by the employer’s organisation, the loss of migrant workers who have a legitimate right to work in the UK, as well as serious damage to the employer brand.
6. [https://medium.com/@ifonlycom/uk-digital-id-mandate-the-critical-compliance-cybersecurity-challenge-for-sme-employers-0f49311f550a](https://medium.com/%40ifonlycom/uk-digital-id-mandate-the-critical-compliance-cybersecurity-challenge-for-sme-employers-0f49311f550a) - The UK government's upcoming digital ID mandate presents significant compliance and cybersecurity challenges for small and medium-sized enterprises (SMEs). Employers failing to conduct correct Digital ID Right to Work checks face civil penalties up to £45,000 per illegal worker for first breaches and £60,000 for repeat offences. SMEs must implement systems capable of securely verifying smartphone-based digital credentials, requiring new devices, software, staff training, and cybersecurity protocols. The scheme also creates new obligations under GDPR and UK data protection law, as employers must securely handle biometric data and residency status digitally.
7. <https://www.righttoworkcheck.co.uk/blog/right-to-work-compliance-in-2024-key-steps-for-uk-businesses> - To ensure Right to Work compliance in 2024, UK businesses should implement automated follow-up checks for workers with limited permission to work in the UK, maintain digital records securely stored in a GDPR-compliant manner, and avoid common pitfalls such as neglecting digital verification and failing to automate follow-up checks. The Right to Work App provides real-time verification and updates on workers' status, significantly reducing the risk of hiring someone illegally. Automating the process ensures employers stay on top of workers' eligibility and avoid costly mistakes.