



# how to

*recruit good people  
without risk*



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**Background checking can be a minefield in recruitment. As a new or growing business, employing the wrong person not only costs more to replace, but also could damage your reputation. Hiring the right person can save time, money and also protect your business. To give you a helping hand, here's our quick guide to the basics.**



## What is background checking?

A background check involves looking at a person's identity, financial and legal status from published sources like consumer databases at credit reference agencies, the electoral roll and the Criminal Records Bureau. It's designed to give employers key indicators of how likely a candidate is to commit fraud.

Background checking is important not just for high-risk sectors like the financial industry, but also for any business that relies on the honesty of their employees.

**A CV is often a heavily biased summary of an applicant's background**



## Why screen new employees?

Without background checks, a business could potentially expose itself to many risks, including employee fraud, theft of company or customer information, wasted resource in recruiting and training unsuitable candidates, and damage to the business' reputation.



## Why check out my current employees?

Trust in the people you work with goes a long way, but there's no telling that everyone you give an inch won't take a mile. Without proper due diligence checking, a business can suffer serious financial and reputational difficulties in the event of fraud or long and drawn-out court proceedings.

**15%**  
of applicants can drop out when told a background check is involved\*

\* The Dos and Don'ts of Background Checking, Experian 2010

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## What can I find out about a potential employee?

Through a credit reference agency, you can enquire about potential and current employees' address information, check if they have any County Court Judgments (CCJs) or financial difficulties in the past such as bankruptcies. Some can even help with reference and qualifications checking, including any personal recommendations and technical memberships stated on their CV.



## Where can I get a background check?

A reputable credit reference agency will be able to offer comprehensive background checking services that include all the basics as outlined here. You should also enquire about an ongoing service that grows with your business.



## 6 steps to a thorough background check

### 1. Confirm a candidate's identity

Although it may seem obvious, the first step is to confirm the identity of your potential employees. This is because a simple discrepancy in their details (name, address, date of birth), whether it's intentional or not, can render the rest of your checks ineffective.

Don't forget to check their eligibility to work in the UK. Proper identification is key to the employee screening process.

### 2. Get a candidate's permission

Background checking protects the rest of your employees as much as it protects your business. Make your policy clear by getting the candidate's permission to perform a background check right from the start. This also has the added effect of deterring potential fraudsters, saving you time in the recruitment process.

### 3. Carry out thorough checks

A thorough check can highlight any financial red flags like bankruptcies, or other financial stress. Although this is more relevant to some industries than others, you may consider this as a potential obstacle to success. That's not to say that everyone with finance issues are potential fraudsters – so make sure you use this information without undue prejudice, and on a case-by-case basis.

### 4. Don't only check senior positions

It's a common misconception that the more senior the position, the bigger the threat in terms of fraud. However, it can often be some of the most junior staff who have less loyalty to the business, and at the same time, potential access to sensitive business information.

Remember that you also have a duty to protect your customers and their data, so screen all positions if you can.

### 5. Dealing with a negative background check

Be prepared for the displeasure of turning away candidates based on their background check. Your response needs to be carefully considered based on the severity of the negative result, and there is no one-size-fits-all statement you can issue. For instance, a criminal offence can be as minor as a speeding penalty, so the impact on your business may be negligible, unless it's crucial to the role in question.

### 6. Ongoing background screening

In this guide, we've highlighted the importance of pre-screening potential candidates. While screening can deter rogue candidates from the start, an ongoing employee vetting strategy can also be vital. It allows businesses to monitor staff for changes in their circumstances, not least those who may become vulnerable to committing employee fraud.

Again, this needs to be carefully translated into relevant risks to your particular business.

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