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Crossing the Line? Broker Lift-Outs and Duties of Disclosure in the UK

Minding Your Business on **March 12, 2026**

In the recent decision in *Guy Carpenter & Company Ltd v Willis Re (UK) Ltd* [2026] EWHC 361 (KB), the High Court considered a series of claims between two competitor reinsurance brokers arising from a major team move of 22 employees, including two company directors

While many reported "team move" cases take place in the insurance sector, the judgment is a salutary reminder for all employers and employees about the scope and limits of duties in the context of recruitment.

The position of the team that moves

The two former Guy Carpenter directors admitted to or were held liable for certain breaches of contract (particularly focused around passing information to Willis Re about the team including contact and remuneration details in breach of contractual obligations of confidentiality) as well as breaches of fiduciary duty, discussed below. Each was also held to be part of an unlawful means conspiracy in conjunction with the new employer, Willis Re, based on a tacit understanding and common design that the information provided would be used for recruitment purposes. However, the Court did not find the broader breaches pleaded by the claimant.

Senior employees and directors owe duties of loyalty and fidelity to their employer while employed.

Directors of an English company owe a fiduciary duty of single-minded loyalty, to act in what he or she honestly considers to be the best interests of the company and to avoid conflicts as per sections 172 and 175 of the Companies Act 2006. A failure to disclose a director's own wrongdoing or a known competitive threat could amount to a breach of such duty. Similar consequences arise from the duty of fidelity owed by a senior non-director employee.

This does not mean that a director or senior employee cannot resign, and courts take a very fact sensitive approach to each case when considering questions of disloyalty. A director or desk head may of course entertain a recruitment offer but where it is sought to recruit the desk as a whole, must inform the employer whose interest is in retaining the team and follow any directions as to retention efforts. Conversely, they must not assist, directly or indirectly, in the recruitment efforts of the competitor.

The position of the new employer

The new employer, Willis Re, was held liable for inducing breaches of contract by the two departing directors and dishonest assistance in relation to the directors' breaches of fiduciary duty.

The Court was at pains to point out, however, that recruiting from a competitor is not itself unlawful, and a recruitment strategy is not prohibited simply because it is deliberately kept discrete, involves approaching senior employees, a significant number of employees or even whole teams. What is key is how confidential data and compliance with contractual restrictions are mapped and handled.

The position of the old employer

Notwithstanding the existence of the potentially broad duties described, a former employer must be careful to prove each element of its claim. The Court rejected an inference sought to be relied on by the claimant that a team move of this size could not have taken place other than because of breaches of duty. It acknowledged that a team, even a large one, may each decide to move without active encouragement to do so from a team leader.

Even where breaches are found, relief may be limited. On the facts, the Court found limited evidence of business or potential business being lost and considered that the claimant had had the opportunity to make the retention offers it wanted to. The Court considered that most of the team would have left anyway, even absent the breaches of duty. The risks to the claimant lay in the future in relation to client relationships once the post-termination covenants of the team expired, and there was no evidence of these having been breached. As such, while the Court considered a “springboard” injunction against recruitment would have been appropriate for four months from the date of the first resignation to negate any wrongful advantage obtained by the breaches admitted and found, there was no basis to enjoin any client dealings by the defendants. Damages, if any, remain to be determined.

Practical Takeaways

- ***Lawful recruitment takes careful planning***

Strategic hiring and team moves are permissible — including at scale — if carried out within the bounds of contractual and common law duties. Employers must ensure they do not obtain or rely on misused confidential information or induce or assist breaches.

- ***Know your duties, and those of all others involved***

Everyone involved – the team moving and the recruiting employer – must be aware of all applicable fiduciary and contractual obligations during recruitment approaches. Key duties relate to confidentiality and employee and client information.

Directors and senior managers must manage potential conflicts and be aware of their personal duties of loyalty and fidelity.

- ***Injunctive relief is never a given***

Injunctive relief that could restrain competition requires strong evidence of wrongful conduct and actual or imminent loss. The absence of such evidence — even in the context of extensive recruitment — will likely mean relief is refused.

- ***Robust restrictive covenants remain vital***

The decision is a timely reminder that employers seeking to prevent or respond to team moves cannot rely solely on confidentiality and fiduciary duties. Although restrictive covenants were not the central issue in this case, carefully drafted garden leave provisions and post-termination restrictions — including non-solicitation and non-dealing covenants — remain critical tools in protecting client relationships and preserving workforce stability.

Related Professionals

- **Dorothy Murray**
  Partner
- **Nicola J. Bartholomew**
  Special International Labor & Employment Counsel