



Guidance

Promoting Excellence in Licensing.

Private Hire Passenger Contract Guidance Note

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This Guidance Note has been drafted by Neil Morley, Travis Morley Associates for publication and distribution by the Institute of Licensing.

The Guidance Note examines the position in relation to private hire passenger contracts in London and outside of London in light of recent judgments.

It is intended to assist licensing professionals, lawyers, councillors and applicants and licensees, but does not constitute legal advice.

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SECTION 1 - INTRODUCTION

- 1.1 This guidance presents a brief overview and examination of widely reported legal developments surrounding passenger contracts.
- 1.2 This means, in relation to passenger contracts, a requirement for private hire operators to enter into a contractual obligation as principal with the person making the booking (“hirer”) for provision of the associated transportation (or journey).
- 1.3 In considering such a requirement, these guidance notes will offer recommendations on how best to approach its interpretation, application and enforcement.
- 1.4 It seeks to offer a useful reference point to applicants, licence-holders, licensing officers, councillors, and legal professionals.
- 1.5 For the avoidance of doubt, it does not, nor is it intended to, constitute legal advice.

SECTION 2 - BACKGROUND

- 2.1 Passenger contracts first arose as a result of litigation between a private hire operator and private hire drivers within employment law.
- 2.2 The case of *Uber BV & Others v Aslam & Others [2021] UKSC 5* concerned a Supreme Court appeal, brought by Uber BV¹ (“Uber”), against an Employment Tribunal decision² in London awarding private hire drivers’ worker rights³.
- 2.3 In the course of submissions, Uber placed heavy reliance on the relationship established within its contracts⁴. These, in effect, drew a distinction between acceptance of a private hire booking and the provision of transportation⁵. Uber contended the contractual burden for transportation to the passenger was borne by private hire drivers⁶ with Uber acting as an agent⁷. This argument, if accepted, would undermine the earlier tribunals’ finding of worker status.
- 2.4 During deliberations the court considered whether licensing legislation permitted the separation of a private hire booking from the subsequent transportation⁸. Attention centred on interpretation of the Private Hire Vehicles (London) Act 1998 (“PHV(L)A 1998”)⁹. Commenting on the possibility of a distinction, in his judgment of 19th February 2021, Lord Leggatt suggested:
- “...the only contractual arrangement compatible with the licensing regime is one whereby...the licensed operator accepts private hire bookings as a principal (only) and, to fulfil its obligation to the passenger, enters into a contract with a transportation provider...who agrees to carry out the booking...”*¹⁰
- 2.5 Whilst dismissing the appeal itself, Lord Leggatt declined *“...to express any concluded view...”*¹¹ on the PHV(L)A 1998.
- 2.6 The question as to contractual requirements under licensing legislation in London, and more broadly England and Wales, therefore remained open and uncertain.

¹ Note: This included, also as appellants, its subsidiaries Uber London Limited and Uber Britannia Limited.

² See *Aslam & Others v Uber BV [2016] EW Misc B68 (ET) (28 October 2016)*.

³ Pursuant to the Employment Rights Act 1996, National Minimum Wage Act 1998 and Working Time Regulations 1998.

⁴ See para. 27, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

⁵ See para. 42, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

⁶ See paras. 43-44, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

⁷ See para. 42, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

⁸ See paras. 45-57, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

⁹ *Ibid.*

¹⁰ See para. 47, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

¹¹ See para. 49, *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

SECTION 3 - LONDON

INTERPRETATION: Passenger Contracts & Private Hire Vehicles (London) Act 1998

- 3.1 To clarify the position in London, under the PHV(L)A 1998, Uber London Limited (“Uber London”) brought the matter before the High Court.
- 3.2 In *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)* the court considered Uber London’s claim. It sought:

“...a declaration that an operator licensed under the 1998 Act who accepts a booking from a passenger is not required by the Act to enter as principal into a contractual obligation with the passenger to provide the journey in respect of that booking...”¹²

- 3.3 Effectively, it asserted the contractual relationships between private hire operators, private hire drivers and passengers were not governed by the statute¹³. Support, on the private hire booking and transportation distinction¹⁴, was also offered by interested parties to the case¹⁵.
- 3.4 Finding against Uber London’s view, Lord Justice Males and Mr Justice Fraser ruled on 6th December 2021:

“...that in order to operate lawfully under the Private Hire Vehicles (London) Act 1998 a licensed private hire operator who accepts a booking from a passenger is required to enter as principal into a contractual obligation with the passenger to provide the journey which is the subject of the booking...”¹⁶

- 3.5 The court referenced, in coming to its conclusion, the existing sub-contracting provisions at section 5(5) Private Hire Vehicles (London) Act 1998 and, outside London, section 56(1) Local Government (Miscellaneous Provisions) Act 1976¹⁷. It also noted that to *“...interpret the Act in this way gives effect to the statutory purpose of ensuring public safety...”¹⁸*.
- 3.6 Such an interpretation means Transport for London (“TfL”), as the regulator¹⁹, would *“...need to reconsider its current practice which is that it does not review the contractual terms of an operator when considering a licence application...”²⁰*.

¹² See para. 3, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

¹³ Note: Such an interpretation, if accepted, would undermine the earlier judicial observations on worker rights in *Uber BV & Others v Aslam & Others [2021] UKSC 5*.

¹⁴ See para. 2.3 above.

¹⁵ See para. 25, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

¹⁶ See para. 57, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

¹⁷ See para. 15-21, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

¹⁸ See para. 30, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

¹⁹ Pursuant to section 36(b) Private Hire Vehicles (London) Act 1998.

²⁰ See para. 36, *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

3.7 It also means private hire operators must consider that “...to operate lawfully, an operator must undertake a contractual obligation to passengers...” and, if they do not, “...will need to amend the basis on which they provide their services...”²¹.

3.8 It is important to note the High Court’s above interpretation remains current in London. It is independent of, and unaffected by, the later Supreme Court judgment in *D.E.L.T.A. Merseyside Limited & Others v Uber Britannia Limited* [2025] UKSC 31²².

APPLICATION: Passenger Contracts, Transport for London & Private Hire Operators

3.9 TfL has acknowledged, as the regulator affected by the judgment²³, its duty to apply the requirement to contractual relationships²⁴.

3.10 On 22nd April 2022 TfL adopted Regulation 9(14) as an amendment to the Private Hire Vehicles (London) (Operators’ Licences) Regulations 2000. The new Regulation came into effect on 23rd April 2022 and introduced a new condition of licence:

*“The operator shall enter into a contractual obligation as principal with the person making the private hire booking to provide the journey which is the subject of the booking and any such contractual obligation must be consistent with the 1998 Act and these Regulations.”*²⁵

3.11 With a view to assisting compliance²⁶, TfL published ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’²⁷. This non-statutory guidance²⁸ sets out the responsibilities required to meet the prescribed licence condition²⁹:

(a) “...a London PHV operator must – itself – accept bookings from its passengers, rather than anyone else (e.g. a driver) doing so;”

(b) “...a London PHV operator must – itself – take responsibility for the journey from point A to point B, rather than anyone else (e.g. a driver) doing so;”

²¹ See para. 35, *Uber London Limited v Transport for London & Others* [2021] EWHC 3290 (Admin).

²² See para. 10, *D.E.L.T.A. Merseyside Limited & Others v Uber Britannia Limited* [2025] UKSC 31.

²³ See *Uber London Limited v Transport for London & Others* [2021] EWHC 3290 (Admin).

²⁴ See Notice 19/21 ‘Private Hire Operators Contracts with Passengers’, Transport for London, 6th December 2021. This was also followed, shortly after, by Notice 22/21 ‘Private Hire Operators Contracts with Passengers – Next Steps’, Transport for London, 20th December 2021 and Notice 04/22 ‘Private Hire Operators Contracts with Passengers – Roadmap’, Transport for London, 9th March 2022.

²⁵ See Private Hire Vehicles (London) (Operators’ Licences) (Amendment) Regulations 2022.

²⁶ See Notice 06/22 ‘Private Hire Operators Contracts with Passengers – New Regulation & Guidance’, Transport for London, 22nd April 2022.

²⁷ See ‘[Guidance for London Private Hire Vehicle Operators – Contracts with Passengers](#)’, Transport for London, 22nd April 2022.

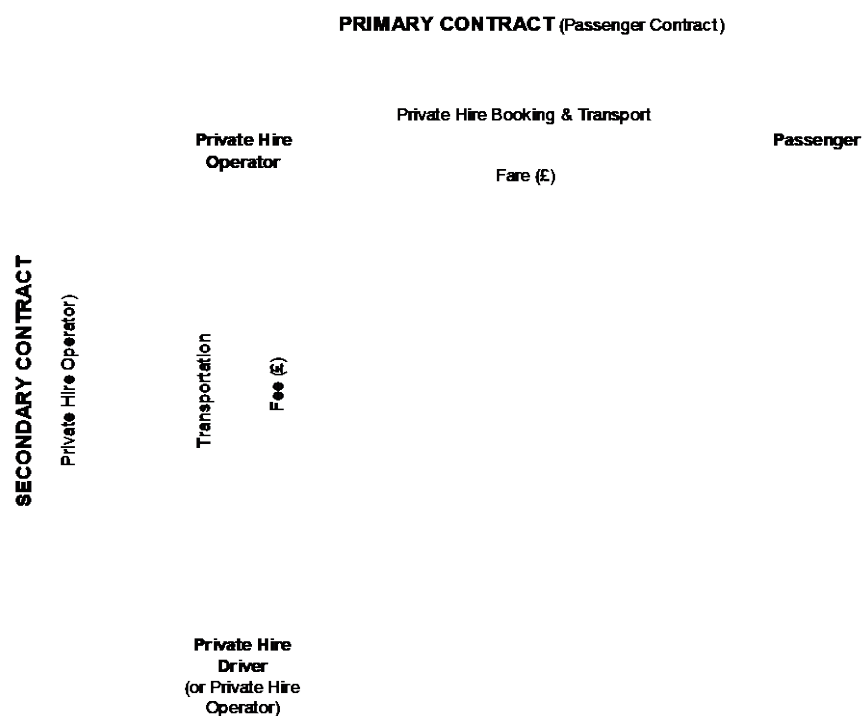
²⁸ See page 1, ‘Purpose of this guidance’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

²⁹ See page 2, ‘What does this mean for London PHV operators?’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

- (c) *“...the booking must be carried out in a London PHV licensed (or taxi) driven by a licensed driver; and...”*
- (d) *“...the booking must be carried out for a fare which was either agreed or for which an accurate estimate was provided in advance...”*

3.12 It is clear from these TfL envisages a strict set of transactional relationships formed under contract according to common law precedent. This can be translated, in respect of everyday licensing practice, to the below model flowchart:

Fig. 1 – Contractual Arrangements



3.13 TfL state that the responsibilities apply to all private hire operators regardless of *“...how they operate...and whether or not they use written contracts...”*³⁰.

3.14 Where a written contract exists, TfL’s guidance provides clarification on its approach to ensuring a private hire operator is compliant when its services³¹:

- (a) *“...makes it clear that the London PHV operator is responsible for both accepting the booking as well as the provision of the [transportation]...”*;
- (b) *“...states that a contract is created between the operator and passenger for the booking as well as the provision of the transportation...”*;
- (c) *“...refers to fares for the journey being collected by the operator or collected by the driver on behalf of the operator...”*;

³⁰ *Ibid.*

³¹ See page 3, ‘Operators with written contracts’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

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- (d) *"...makes it clear that only the operator can cancel a booking with a passenger..."*;
 - (e) *"...makes it clear that liability in relation to the transportation...belongs to the operator..."*.

3.15 It also clarifies terms which would not be considered compliant in a written contract. These include instances where a private hire operator:

- (a) *"...retains responsibility only for accepting bookings and that the drivers are responsible for providing the transport service...or that the passenger's contract is with the driver..."*;
- (b) *"...acts only as an agent for the driver..."*;
- (c) *"...is not a transportation provider or does not provide transportation services..."*;
- (d) *"...is an intermediary between the passenger and driver who is the transportation provider..."*;
- (e) *"...has established payment arrangements by which passengers pay drivers directly, with the operator taking a fee or proportion of the fare as the driver's agent..."*;
- (f) *"...transfers liability for its obligations under the 1998 Act onto anyone else such as drivers..."*;
- (g) *"...has no responsibility in relation to the performance of the contract to provide transportation services because such services are provided by the driver..."*.

3.16 Whilst these factors represent *"likely"* considerations for TfL, it is clear account must be taken of them in any such contract. If a private hire operator does not provide a written contract to the hirer, TfL will review the private hire operator's conduct by requesting evidence of its *"...processes, systems and procedures..."*³². This must, as a minimum, cover³³:

- (a) *"...any wording that operators use to describe their operating model which may be available to passengers on their website or in publicly materials about their services..."*;
- (b) *"...whether operator's take responsibility for anything that may occur on the journey..."*;
- (c) *"...whom passengers should make complaints to about the journey..."*;

³² See page 4, 'Operators without written contracts', 'Guidance for London Private Hire Vehicle Operators – Contracts with Passengers', Transport for London, 22nd April 2022.

³³ *Ibid.*

(d) “...where applicable, payment of VAT on fares...”; and

(e) “...how bookings are cancelled...”.

3.17 Such evidence may be sought to check compliance regardless of whether a written contract is used or not³⁴. TfL indicates it will also require an explanation from the private hire operator on how it complies³⁵.

3.18 Whilst this litigation has raised questions relating to Value Added Tax (“VAT”), TfL declines to offer advice on any tax responsibilities (including VAT)³⁶. Guidance can be obtained by private hire operators from HM Revenue & Customs (“HMRC”)³⁷.

3.19 TfL’s guidance is subject to review and may be periodically updated³⁸.

ENFORCEMENT: Passenger Contracts & Transport for London

3.20 TfL tackled the challenge of checking and ensuring, compliance by private hire operators in a number of ways.

3.21 This included raising awareness through the publication of notices³⁹ followed by direct requests in writing or during routine compliance inspections⁴⁰ to private hire operators. This would appear to be an appropriate approach.

3.22 In conducting its checks, and where in use, TfL has sought copies of private hire operators’ passenger and private hire driver written contracts⁴¹. This would appear, in establishing one does not undermine the other, to be an appropriate approach.

³⁴ See page 4, ‘Compliance’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

³⁵ *Ibid.*

³⁶ See page 2, ‘Purpose of this guidance’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

³⁷ See ‘How VAT applies to taxis and private hire cars’ (VAT Notice 700/25), HM Revenue & Customs, 19th September 2016. It should be noted HM Revenue & Customs concluded its ‘VAT Treatment of Private Hire Vehicles Consultation’ on 8th August 2024 and the Government’s response is, at point of publication, awaited.

³⁸ See page 5, ‘Action to be taken’, ‘Guidance for London Private Hire Vehicle Operators – Contracts with Passengers’, Transport for London, 22nd April 2022.

³⁹ For example, Notice 19/21 ‘Private Hire Operators Contracts with Passengers’, Transport for London, 6th December 2021.

⁴⁰ See Notice 22/21 ‘Private Hire Operators Contracts with Passengers – Next Steps’, Transport for London, 20th December 2021.

⁴¹ *Ibid.*

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- 3.23 Private hire operators were given 3 months from the judgment to ensure compliance⁴². It would be good practice to ensure sufficient, and reasonable, time is given for private hire operators to enable compliance⁴³.
- 3.24 Given that this is required, under regulation 9(14) of the Private Hire Vehicles (London) (Operators' Licences) Regulations 2000, non-compliance by the private hire operator may result in refusal of an application⁴⁴ or the suspension or revocation of a licence.⁴⁵
- 3.25 A private hire operator who is subject to enforcement action, retains the right of appeal⁴⁶ in such cases.

⁴² See Notice 04/22 '*Private Hire Operators Contracts with Passengers – Roadmap*', Transport for London, 9th March 2022.

⁴³ See para. 3.5, '*Changing licensing policy and requirements, Statutory taxi and private hire vehicle standards*', Department for Transport, 2022.

⁴⁴ See section 3 Private Hire Vehicles (London) Act 1998.

⁴⁵ See section 16(2) Private Hire Vehicles (London) Act 1998.

⁴⁶ See sections 3(7) and 17(4) Private Hire Vehicles (London) Act 1998.

SECTION 4 – ENGLAND & WALES

INTERPRETATION: Passenger Contracts & Local Government (Miscellaneous Provisions) Act 1976

- 4.1 To resolve the position elsewhere in England and Wales⁴⁷, where private hire activity is controlled by the Local Government (Miscellaneous Provisions) Act 1976 (“LG(MP)A 1976”), Uber Britannia Limited (“Uber Britannia”) again brought the matter before the courts.
- 4.2 In *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)* the High Court was the first to consider the issue. On this occasion, it was asked the following question:

“In order to operate lawfully under Part II Local Government (Miscellaneous Provisions) Act 1976 is a licensed operator who accepts a booking from a passenger required to enter as principal into a contractual obligation with the passenger to provide the journey which is the subject of the booking?”⁴⁸

- 4.3 Uber Britannia contended the answer was “yes”⁴⁹ and, in doing so, sought to establish the passenger contract requirement in London also applied under LG(MP)A 1976⁵⁰. This view was opposed by D.E.L.T.A. Merseyside Limited (“D.E.L.T.A.”) and Veezu Holdings Limited (“Veezu”)⁵¹ as intervenors in the case.
- 4.4 The High Court, as it had in the London case, deliberated the construction of the sub-contracting provisions at sections 55A and, more heavily, 56(1) LG(MP)A 1976⁵². It also cited the use of terminology at section 75(1) and definitions at section 80 within LG(MP)A 1976⁵³.
- 4.5 Judgment was given in Uber Britannia’s favour on 28th July 2023. Mrs Justice Foster DBE agreed the answer to the question was “yes”⁵⁴ and, as a point of interpretation, ruled:

“Inviting and accepting a booking inevitably in my judgment connote the formation of a contract with the passenger. Section 56 is premised on such an intention...”⁵⁵

⁴⁷ Note: This does not include, for the purposes of this guidance, Plymouth City Council (which is governed by mirror legislation under the Plymouth City Council Act 1975 and Plymouth City Council Act 1985).

⁴⁸ See para. 4, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁴⁹ See para. 5, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵⁰ See para. 7, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵¹ See para. 5, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵² See para. 65, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵³ See paras. 19-29, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵⁴ See para. 64, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

⁵⁵ See para. 75, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others [2023] EWHC 1975 (KB)*.

4.6 A High Court declaration was, as a consequence, granted affirming a passenger contract requirement also exists under the LG(MP)A 1976⁵⁶. D.E.L.T.A. and Veezu appealed to the Court of Appeal.

4.7 In *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802 the Court of Appeal became the second court to consider the issue. Here D.E.L.T.A. and Veezu challenged the terms of the declaration⁵⁷ which stated:

*“In order to operate lawfully under Part II Local Government (Miscellaneous Provisions) Act 1976, a licensed operator who accepts a booking for a passenger is required to enter as principal into a contractual obligation with the passenger to provide the journey which is the subject of the booking.”*⁵⁸

4.8 Like the previous court, the Court of Appeal deliberated on various provisions within LG(MP)A 1976⁵⁹ focussing on section 56(1)⁶⁰ which formed a large part of the High Court’s reasoning. Attention was given to determining the meaning of:

*“...every contract for hire of a private hire vehicle...shall be deemed to be made with the operator who accepted the booking...”*⁶¹

4.9 The court noted this wording “...does not apply to the invitation or making of bookings...”⁶² but rather the “...contract of hire...”⁶³. Indeed, it observed the “...statutory language differentiates between accepting the booking on the one hand and making a contract of hire on the other...”⁶⁴. Going further, it stated that section 56(1) “...is not prescriptive about when the contract of hire is made...”⁶⁵ however when it is, as a matter of course, that “...contract of hire is deemed to be made with the operator who “accepted the booking” ...”⁶⁶. The court later commented:

⁵⁶ See para. 87, *Uber Britannia Limited v Sefton Metropolitan Borough Council & Others* [2023] EWHC 1975 (KB).

⁵⁷ See para. 4, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

⁵⁸ See para. 2, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

⁵⁹ See paras. 8-17, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

⁶⁰ See paras. 18-23, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

⁶¹ See section 56(1) Local Government (Miscellaneous Provisions) Act 1976.

⁶² See para. 22, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

“...section 56(1) deems the operator who accepted the bookings to be a party to the contract of hire, a further implication is, in my judgment, simply unnecessary. Section 56(1) does all the work that needs to be done.”⁶⁷

4.10 Put simply, it follows that “...contractual redress...”⁶⁸ will always be available against the private hire operator, who accepts a private hire booking, whenever a contract of hire is created. Under the statute the contract does not need to be created at the point of acceptance.

4.11 Judgment was given in D.E.L.T.A. and Veezu’s favour on 15th July 2024. Lord Justice Lewison in allowing the appeal⁶⁹ ruled:

“In my judgment, it was not appropriate for the court to have made the declaration.”⁷⁰

4.12 The earlier High Court declaration was, as consequence, discharged⁷¹. Uber Britannia appealed to the Supreme Court.

4.13 In *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2025] UKSC 31* the Supreme Court became the third and final court to consider the issue. Here Uber Britannia sought to restore the High Court declaration⁷² asking the court to consider:

“...whether the 1976 Act makes it unlawful for an operator to accept a booking for a [private hire vehicle] otherwise than by entering as principal into an immediate contract of hire with the passenger to provide the journey which is the subject of the booking...”⁷³

4.14 Whilst noting the practical difficulties of affirming such a restriction⁷⁴, as the Court of Appeal had likewise done⁷⁵, the Supreme Court returned to the “...heart of the present dispute...”⁷⁶ at section 56(1) LG(MP)A 1976.

4.15 Drawing a similar conclusion to the earlier court, the Supreme Court took the view that section 56(1):

⁶⁷ See para. 31, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2024] EWCA Civ 802*.

⁶⁸ See para. 29, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2024] EWCA Civ 802*.

⁶⁹ See para. 39, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2024] EWCA Civ 802*.

⁷⁰ See para. 38, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2024] EWCA Civ 802*.

⁷¹ *Supra*.

⁷² See para. 2, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2025] UKSC 31*.

⁷³ See para. 1, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2025] UKSC 31*.

⁷⁴ See para. 25, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2025] UKSC 31*.

⁷⁵ See para. 36, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2024] EWCA Civ 802*.

⁷⁶ See para. 17, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited [2025] UKSC 31*.

“...manifestly does not impose a regulatory requirement upon the operator to accept bookings only by entering as principal into a contract of hire with the applicant, so as to undertake liability to provide the journey as soon as a booking is made.”⁷⁷

- 4.16 Rather it serves “...as a catch-all way of ensuring operator liability for the performance of hires resulting from its acceptance of bookings...”⁷⁸ and does so by “...fixing the operator with the liability to fulfil the hire by a deeming provision to that effect, triggered if and when a hire contract is actually made, regardless of how, when and between whom...”⁷⁹.
- 4.17 When this occurs, the parties agreed, it creates “...a real-world liability on the operator, wherever the deeming provision applied, giving rise to contractual remedies...”⁸⁰. This would have effect regardless of the business model used in the provision of a private hire service⁸¹.
- 4.18 Judgment was again given in D.E.L.T.A. and Veezu’s favour on 29^h July 2025. Lord Briggs, for the same reasons⁸² as those given in the Court of Appeal, dismissed the appeal⁸³.

APPLICATION: Passenger Contracts, Licensing Authorities & Private Hire Operators

- 4.19 Following the Supreme Court judgment, it is now established licensing authorities in England and Wales, unlike London, are not required to regulate contractual relationships, or obligations, under the legislation.
- 4.20 However, where regulatory oversight is desired for public safety reasons; a licensing authority retains the option of introducing a new licence condition⁸⁴ requiring a private hire operator to ensure attendance of a private hire vehicle, at or near the appointed time, for a private hire booking⁸⁵.
- 4.21 A new licence condition of the type suggested above, would require policies setting out the licensing authority decision to adopt the condition alongside guidance for licence-

⁷⁷ See para. 26, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31.

⁷⁸ See para. 30, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31.

⁷⁹ See para. 27, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31.

⁸⁰ See para. 29, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31.

⁸¹ *Supra*.

⁸² See paras. 36-37, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31.

⁸³ See para. 37, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2025] UKSC 31

⁸⁴ Pursuant to section 55(3) Local Government (Miscellaneous Provisions) Act 1976.

⁸⁵ See para. 32, *D.E.L.T.A. Merseyside Limited & Veezu Holdings Limited v Uber Britannia Limited* [2024] EWCA Civ 802.

holders on its application⁸⁶. It should set out the licensing authority criteria, or expectations, for demonstrating compliance with that condition⁸⁷.

- 4.22 Private hire operators are likewise not required to immediately contract as principal, when accepting a private hire booking, under the legislation.
- 4.23 It remains open to a private hire operator to decide what business model, and associated contractual structures, it utilises. Liability at common law will remain whichever approach is chosen.
- 4.24 Private hire operators may wish to explore mitigation of such contractual liabilities, and check the robustness of, its general terms of business.
- 4.25 Guidance on tax responsibilities (including VAT) where required, may be sought by private hire operators from HMRC⁸⁸.
- 4.26 Licensing authorities and private hire operators should ensure their positions are kept under review.

ENFORCEMENT: Passenger Contracts & Licensing Authorities

- 4.27 Licensing authorities are not required to ensure contractual compliance.
- 4.28 Where a contractual dispute arises, unless a condition of licence is in place⁸⁹, it will constitute a common law matter between the parties to the contract to be remedied by the courts if necessary. Initially this will not involve the licensing authority, although that may change if there are repeated or persistent contractual failures that raise questions in relation to the fitness and propriety of the operator.
- 4.29 Private hire operators must recognise that they are deemed liable to fulfil contracts of hire, and that failure to fulfil a booking may have contractual, and potentially regulatory, implications.
- 4.30 Non-compliance with licence conditions may result in enforcement action by licensing authorities⁹⁰, including refusal of a renewal application⁹¹ or the suspension or revocation of a licence⁹².

⁸⁶ See para. 3.5, 'Licensing Policy', *Taxi & Private Hire Vehicle Licensing Best Practice Guidance for Licensing Authorities in England*, Department for Transport, 2023 and para. 2.107, 'Policies', *Button on Taxis: Licensing Law & Practice* (5th Edition), Button, J, Bloomsbury Professional, 2025.

⁸⁷ *Ibid.*

⁸⁸ See comments at footnote 37 above.

⁸⁹ See para. 4.20 above.

⁹⁰ See section 62 Local Government (Miscellaneous Provisions) Act 1976.

⁹¹ See section 3 Private Hire Vehicles (London) Act 1998.

⁹² See section 16(2) Private Hire Vehicles (London) Act 1998.

4.31 A private hire operator, who is subject to enforcement action, retains the right of appeal in such cases⁹³.

⁹³ See section 62(3) Local Government (Miscellaneous Provisions) Act 1976.

USEFUL RESOURCES

'Button on Taxis: Licensing Law & Practice' (5th Edition), Button, J., Bloomsbury Professional, 2025.

'Competition Assessment: Guidelines for Policymakers', Competition & Markets Authority, 2023.

'Consultation Principles', HM Cabinet Office, 2018.

'Councillor Handbook: Taxi & PHV Licensing', Local Government Association, 2021.

'Guidance for London Private Hire Vehicle Operators: Contracts with Passengers', Transport for London, 2022.

'How VAT applies to taxis and private hire cars' (VAT Notice 700/25), HM Revenue & Customs, 2016.

'Lessons learned: How to deliver effective regulation locally', National Audit Office, 2023.

Notice 05/21 *'Supreme Court judgment on status of private hire drivers'*, Transport for London, 19th March 2021.

Notice 08/21 *'High Court Declaration Proceedings relating to Supreme Court judgment'*, Transport for London, 20th May 2021.

Notice 19/21 *'Private hire operators' contracts with passengers'*, Transport for London, 6th December 2021.

Notice 22/21 *'Private hire operators' contracts with passengers – next steps'*, Transport for London, 20th December 2021.

Notice 04/22 *'Private hire operators' contracts with passengers – Roadmap'*, Transport for London, 9th March 2022.

Notice 06/22 *'Private hire operators' contracts with passengers – new regulation and guidance'*, Transport for London, 22nd April 2022.

'Private Hire & Hackney Carriage licensing: open letter to local authorities', Competition & Markets Authority, 2017.

'Private Hire Vehicle Operators: Guidance on Changes to Operating Models', Transport for London, 2022.

'Regulators' Code', Department for Business Innovation & Skills, 2014.

'Statutory Taxi & Private Hire Vehicle Standards', Department for Transport, 2020.

'Taxi & Private Hire Vehicle Licensing Best Practice Guidance for Licensing Authorities in England', Department for Transport, 2023.

'VAT Treatment of Private Hire Vehicles' Consultation, HM Revenue & Customs, 18th April 2024.



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