

NDA DATA AND STATISTICS FACT SHEET UK

PREVALENCE OF NDAs

NDAs are now used extensively outside of trade secret/IP protection, their original purpose. They are default in all kinds of civil settlements, including consumer disputes and disputes over professional services, including medical malpractice. Some lawyers estimate they are present in upwards of **90**% of civil settlements – including cases involving claims of sexual assault and abuse, sexual harassment, racial discrimination, disabilities discrimination, pregnancy discrimination, LGBTQ discrimination, bullying and other workplace misconduct.

They are proliferating especially in lower income, insecure employment in retail, hospitality and accommodation with non-disparagement clauses also typically attached. Legal advocates say that workers in precarious, insecure or undocumented employment are at even greater risk of termination with an NDA or a pre-emptive NDA at the point of hiring.

DATA GATHERED BY CANT BUY MY SILENCE AND SPEAK OUT REVOLUTION (n=1,498):

The data and statistics cited here were gathered by Can't Buy My Silence and their data partner Speak Out Revolution from surveys and testimonies over the last four years. This is the largest and most comprehensive data set specifically gathered on NDAs globally. Also included is data from our allies, maternity discrimination campaign, Pregnant then Screwed.

- 29% report signing an NDA and a further 12% say they "cannot say for legal reasons" (ie they have signed an NDA), totaling 41% more than one third of all experiences.
- 93% of respondents have ongoing mental health problems since signing an abusive NDA highlighting the profound impact that being silenced has. A similar survey carried out by Pregnant then Screwed found that 72% of respondents felt signing an abusive NDA had a negative impact on their mental health.
- While the % of men and women saying they have signed an NDA are currently similar in our data, five times as many women have so far responded to the survey as men. The disproportionate impact of NDAs on women is probably explained by their prevalence in sexual harassment and in pregnancy discrimination cases (see <u>Pregnant then Screwed</u>, 2022).
- **55**% of Black women report signing an NDA compared with **40**% of white women showing that NDAs are used disproportionately against women of colour.
- Analysed by age group, NDAs are signed most frequently (by both genders) at either the beginning of their careers (under 24) or later (55 years up). This is consistent with other studies.

- **33**% of respondents report that they did **not** go ahead and file a formal complaint, because they **anticipated** being asked to sign an NDA, and did not want to. Very worryingly this shows the chilling effect the existence of NDAs has.
- 100% of respondents working in the hospitality and events management sector that lodged a formal complaint signed an NDA with 50% of retail employees that did so professing to have signed one. Showing how low-income, insecure employment sectors make the greatest use of NDAs.

Banning abusive NDAs does **not** deter the use of settlements. Settlements have been used in workplaces for decades prior to the proliferation of non-disclosure agreements. Settlement agreements could continue to be used in workplaces between employers and employees – simply on more equitable terms than abusive NDAs currently allow for.

In the U.S. where 27 States have banned the use of NDAs for various forms of misconduct, the data collected from 2017-2019 from the 6 US states that had banned NDAs in sexual misconduct cases (approx. **27%** population), settlement rates had gone up approximately **10%**, proving that NDAs were responsible for chilling victims coming forward. This is contrary to the legal sectors argument that removing confidentiality would stop victims coming forward.

(Analysis Macfarlane 2025 of the U.S. federal Employment Equality Opportunity Commission data)

DATA BY SECTOR

Data from CBMS and Speak Out Revolution Survey

	SIGNED NDA	CANNOT SAY FOR LEGAL REASONS	TOTAL
Accountancy, banking and finance, management and consulting	30%	17.5%	47.5%
Health Care	28.3%	19.6%	40%
Law and Law enforcement	36%	4%	40%
Music and Film	60%	20%	80%
Sales	25%	25%	50%
Retail	33.3%	8.3%	42%

^{*}Figures accurate to February 2025

CURRENT LEGISLATION BY JURISTICTION

United Kingdom

- ❖ In January 2021 the <u>CBMS University Pledge</u> to stop NDAs for sexual harassment, bullying and discrimination was launched in conjunction with the Department for Education. This initiative saw the sign up of over 50% of institutions in less than twelve months. There are currently 98 English Universities and Colleges, and all 5 Northern Irish Universities signed up to the Pledge, with both Universities Scotland & Universities Wales making their own public commitments in line with the pledge.
- In February 2023 the Pledge successfully transformed into a Labour led, Conservative adopted piece of legislation, the <u>Higher Education (Freedom of Speech) Bill</u> for English higher education employees and members.
- In May 2023, the Higher Education (Freedom of Speech) Bill received Royal Ascent in English Parliament, containing an amendment which prohibits NDAs from being used in cases of sexual harassment, discrimination and bullying between students, staff and visiting speakers at English Higher Education Institutions. This made it the first law of its kind in the UK. Labour made some changes to the Act at the beginning of 2024 but reinstated the Bill in January 2025 with the NDA amendment holding fast.
- In July 2024, the Office for Students in England made it a prerequisite of registration that universities do not use NDAs in cases of sexual misconduct or harassment involving students, establishing a Breach policy if a university that has signed up to the CBMS Pledge is seen to have used an abusive NDA.
- In May 2024 in response to CBMS lobbying, an amendment to <u>The Victims and Prisoners Bill</u>
 2024 became an Act of Parliament, clarifying that any confidentiality agreement is void if it precludes a victim from speaking to law enforcement; legal; regulatory or therapeutic advice services or family when it is related to criminal conduct.
- In October 2024, The Worker Protection Act (2023), an additional amendment to the Equality Act (2010), was brought into force. This places and active duty on employers to prevent sexual harassment of employees including from 3rd parties. CBMS were part of the coalition that led to this addition. A significant part of these reasonable steps is for businesses to sign up to the CBMS Business Pledge to no longer use NDAs in cases of harassment, abuse or discrimination.
- In March 2025 the Minister for Employment Rights, Justin Madders, committed to continue working with CBMS to clarify reform of the Employment Rights Bill with the goal of bringing protections for all employees in line with those working in Higher Education.

Republic of Ireland

• In October 2024, the <u>Maternity Protection and Employment Equality Act (Amendment)</u> passed into law, containing Senator Lynn Ruane's legislative provisions which were drafted in collaboration with CBMS. The amendment bans the use of legal gagging orders that prevent victims of abuse, harassment and discrimination in the workplace from speaking out about their experiences. Under the Bill, victims of workplace abuse, harassment and discrimination will still be able to enter into an NDA, so long as the agreement is made at their request and meets certain other conditions. The use of NDAs in other professional contexts, such as for the protection of trade secrets, would be unaffected.

<u>Canada</u>

- In **2021**, Prince Edward Island was the first province that legislated to restrict the use of NDAs in cases of sexual misconduct through their <u>Non Disclosure Agreements Act</u>. This amendment was modeled on the original Bill that CBMS collaborated on drafting for Ireland. Similar amendments have been tabled in five other provinces (British Columbia, Manitoba, Nova Scotia, Ontario, and Saskatchewan).
- In **2023**, the Ontario Bill 26 came into effect, which bans universities in the province from using NDAs in cases of sexual harassment.
- Four universities in Canada have signed the <u>CBMS University Pledge</u> to stop using NDAs for sexual misconduct, harassment, bullying and discrimination. CBMS are currently working with universities in other provinces.

United States

Numerous US research sources show that **1** in **3** American workers have signed an NDA (e.g. Starr, Prescott & Bishara 2021, Balasubramanian, Starr, Evan and Shotaro 2021) (this includes intellectual property NDAs).

- In January 2022, the <u>Silenced No More Act</u> passed in California. This Bill was co-sponsored by CBMS ally <u>Ifeoma Ozoma</u> and bans confidentiality provisions in settlement agreements relating to any type of harassment, discrimination or retaliation at work. It also prohibits the use of non-disparagement provisions in other types of employment agreements, including separation agreements. In March 2022 a similar <u>Bill HB 1795</u> was passed in Washington state making it the second US state to adopt the Silenced No More Act.
- In November 2022, President Biden signed into law the <u>Speak Out Act</u>, which prohibits the
 judicial enforceability of a non-disclosure or non-disparagement agreements agreed to
 before a sexual assault or sexual harassment dispute arises, in violation of federal, tribal, or
 state law. This act came into being due to the work of CBMS allies <u>Gretchen Carlson</u> and <u>Julie</u>
 <u>Roginsky</u> of <u>Lift our Voices</u>.
- Legislation restricting NDAs in a range of contexts, including workplace sexual harassment and discrimination, has been passed in **27** US states and is proceeding in several others.
 - Use this <u>US NDA Legislation Tracker</u> to see the latest updates state by state.

Google, Pinterest and Salesforce have agreed to stop using NDAs for anything other than the protection of intellectual property as a consequence of the passage of California's Silenced No More Act in 2022 which only bound their California-based head offices.

UK LEGAL REGULATORY ACTIONS

The use of NDAs as a standard part of a settlement has become widespread, with many solicitors using template clauses that include them as a default. The proliferation in the inappropriate use of NDAs and the work of Zelda Perkins, CBMS and the Government has resulted in action from legal bodies over the last few years, yet reliance on legislative reform is holding back meaningful regulatory change:

- The Solicitors Regulation Authority (SRA) have issued several warning notices, in 2018,
 2020 and, after a thematic review into solicitors use of NDAs in 2023, they issued a further warning notice in 2024 after concerns from their findings regarding NDA misuse.
- The Law Society issued a revised practice note in 2019 on NDA misuse and in 2023 published a press release calling for the legal framework around NDAs to be improved. The then president of the Law Society, Lubna Shuja said "We urge the government to commit to making it harder for NDAs to be misused when they involve settling issues around workplace harassment or discrimination."
- The Legal Services Board (LSB) who oversee all legal regulators and services in England and Wales, launched a consultation in 2023 which concluded there was "high cause for concern" in the way they were being used and is currently analysing how to reform practice through statutory policy.
- The Bar Council in **2024** made a public statement acknowledging that "NDA's are ripe for legislative change" and that they "welcome the Government's intention to implement legislative reform".

CANADIAN/US LEGAL REGULATORY ACTIONS

- The Canadian Bar unanimously voted in **2023** to discourage the use of NDAs in cases of abuse, discrimination and harassment, and committed to lobby for legal reform.
- The American Bar voted in 2024 to oppose the misuse of NDAs and urged the federal government to enact laws prohibiting NDAs in cases of harassment, discrimination or statutory rights violations.