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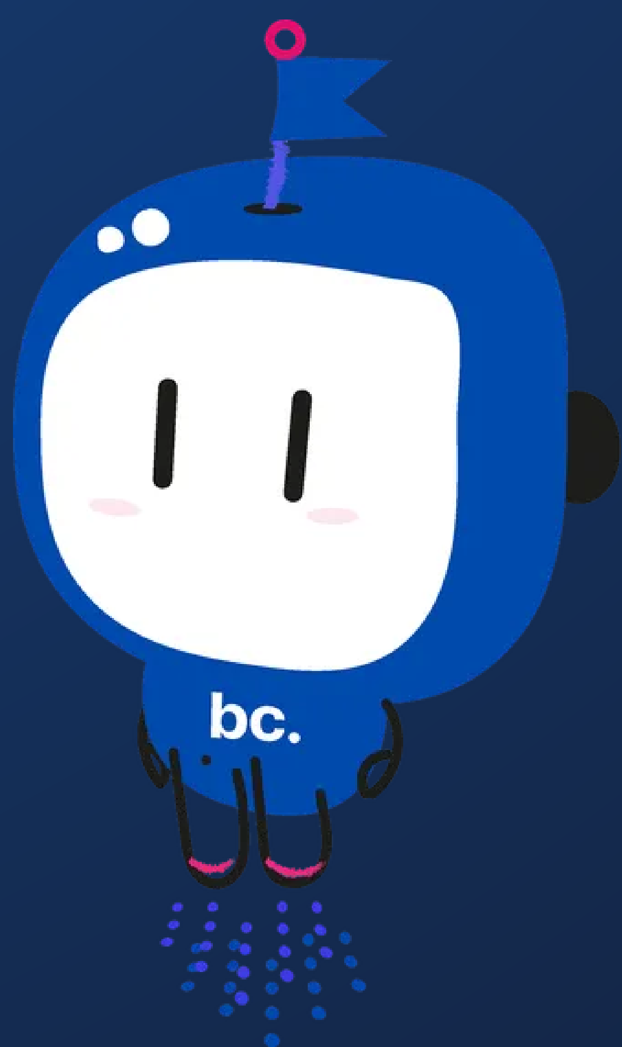
End of year Benchmark Report

Which Sectors Lose the Most Revenue to Backdoor Hires?

2025

Contained in this report:



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Introduction

Not all recruitment sectors face the same backdoor hire risk. A technology recruiter sending CVs to fintech startups faces dramatically different revenue protection challenges than a healthcare specialist placing nurses into NHS trusts.

After three years of tracking candidate movements across thousands of placements, we've identified clear patterns showing which sectors experience the highest rates of missed fees, why these patterns emerge, and what agencies can do about it.

This benchmark report analyses backdoor hire data across the UK's four largest recruitment sectors: Healthcare, Technology, Construction & Engineering, and Professional Services. Whether you're a specialist recruiter or a generalist agency, understanding sector-specific risks is essential for protecting your revenue in 2026.

Executive Summary:
The Sector Rankings

Based on bobcheck's analysis of placement tracking data, combined with industry research showing approximately 1 in 48 placements results in a backdoor hire across the broader market.

here's how sectors compare:
Backdoor Hire Risk by Sector (Highest to Lowest):

01
Construction & Engineering: 1 in 544 CV introductions

02
Healthcare & Life Sciences: 1 in 780 introductions

03
Technology: 1 in 850 introductions
Professional Services: 1 in 912 introductions

These figures represent the likelihood that a CV submission will result in an unnoticed, unpaid placement. For a mid-sized agency sending 10,000 CVs annually, sector choice dramatically impacts revenue protection requirements.

What this means financially:
A Construction & Engineering agency sending 10,000 CVs per year should expect approximately 18 backdoor hires if tracking isn't implemented. At an average fee of £4,500, that's £81,000 in invisible annual revenue.

Market Comparison
The same volume in Professional Services would generate approximately 11 backdoor hires, or £49,500 in missed fees. Understanding your sector's risk profile isn't academic - it's financial planning.

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Sector One:

Construction & Engineering

The Highest Risk Sector

The Construction Industry Training Board estimates an additional 251,500 workers are needed by 2028 just to meet demand in this sector. This explosive growth creates perfect conditions for backdoor hires.

Why Construction & Engineering Has the Highest Backdoor Rate:

Project-based hiring patterns
Construction projects span months or years. A candidate introduced for Phase 1 might be "not quite right" initially, then hired six months later for Phase 2 when the original introduction is forgotten.

The delay between introduction and hire creates memory gaps on both sides.

Subcontractor complexity
A candidate introduced to the main contractor might end up hired by a subcontractor on the same project. Client organisations claim "different entity, different hiring decision," whilst agencies lose fees to technicalities.

Site manager autonomy
Hiring decisions often sit with site managers or project leads who may not be aware of head office agreements with recruitment agencies. The person who receives the CV isn't always the person making the hiring decision weeks or months later.

High contractor mobility
Construction margins fell from 13.44% to 13.30% in Q1 2025, with labour availability remaining a persistent issue. When skilled trades are scarce, clients will hire however they can, sometimes "forgetting" the agency introduction in their urgency to fill roles.

Contract-to-permanent conversions
Many construction placements start as temporary site coverage, then convert to permanent when projects extend. These conversions are frequent sources of dispute over whether placement fees apply.

Real-World Construction Impact

Consider a typical construction recruitment scenario:
Month 1: Agency sends electrician CV to commercial developer for new office block project

Month 2: Client says "not needed right now, project timeline shifted"

Month 7: Project Phase 2 begins, site manager remembers the candidate and calls them directly

Month 8: Candidate starts work, agency discovers placement on LinkedIn three months later

By **Month 11**, when the agency identifies the backdoor hire, the relationship is strained, evidence is circumstantial, and fee recovery becomes contentious.

bobcheck data shows:
Construction & Engineering agencies using automated tracking recover fees in approximately 68% of identified backdoor hires, compared to just 31% recovery rate for agencies relying on manual discovery.

The difference? Early detection with documented proof.

Construction Sector Recommendations

Extended tracking periods: Track candidates for 12 months minimum in construction due to project timeline variability

• Subcontractor clauses: Ensure contracts explicitly cover hiring by subcontractors, partners, and project affiliates

• Site-level education: Don't just get head office sign-off, educate site managers and project leads on introduction protection

• Conversion monitoring: Flag all temporary placements for permanent conversion tracking

Sector Two:
Healthcare & Life Sciences

The Volume Challenge

The healthcare industry remains one of the largest and most critical areas for recruiting professionals, with ongoing staffing shortages, an ageing population, and lasting effects of the pandemic creating surging demand.
Healthcare presents a unique challenge: not the highest backdoor rate, but the highest volume of placements, meaning absolute numbers of missed fees can be substantial.

Why Healthcare Has Elevated Backdoor Risk:

NHS bank and agency tier systems
Many NHS trusts operate internal staff banks and tiered agency frameworks. A candidate introduced through your agency might be "rejected" but then join the trust's staff bank three months later. Technically a different hiring route, practically a backdoor hire.

Regulatory compliance delays
Healthcare placements require extensive compliance checks: DBS, occupational health, professional registration verification. The gap between introduction and potential start date can stretch to 8-12 weeks, creating memory fade on both sides.

Department-level hiring autonomy
Healthcare saw one of the most notable margin declines in Q1 2025, dropping from 26.79% to 25.13%, with NHS cost-saving measures and increased use of staff banks limiting opportunities for agencies. Departments under budget pressure may "forget" agency introductions to avoid fees.

Locum-to-permanent transitions
Healthcare relies heavily on locum coverage. When locums transition to permanent roles, disputes frequently arise over whether this constitutes a new placement or an extension requiring a fee.

Private-to-NHS movement
A candidate introduced to a private hospital group might surface months later at an NHS trust in the same region. Different employers, same candidate your agency sourced.

Sector Two:
Healthcare & Life Sciences

Real-World Healthcare Impact

Typical healthcare backdoor scenario:
Week 1: Agency submits registered nurse CV to NHS trust for acute care position

Week 8: Trust completes compliance checks, then implements hiring freeze

Month 4: Hiring freeze lifts, HR contacts candidate directly from previous application

Month 5: Candidate starts, agency has no visibility until compliance audit months later

The ONS notes that the healthcare sector remains a top industry for job vacancies, with significant demand for nurses, mental health professionals, and care workers due to an ageing population and NHS constraints. This sustained demand means high placement volumes, and therefore high absolute numbers of potential backdoor hires even with moderate rates.

bobcheck data shows: Healthcare agencies processing 15,000+ candidate introductions annually should expect approximately 19 backdoor hires without automated tracking. That's £85,500 in annual missed fees at average healthcare placement rates of £4,500.

Healthcare Sector Recommendations

- Track through compliance periods: Don't stop monitoring after initial rejection, track through the full compliance window
- Bank and framework clauses: Contracts must explicitly cover staff bank recruitment and framework rehires
- Locum conversion tracking: Every locum placement should be flagged for permanent conversion monitoring
- Multi-entity coverage: Ensure terms cover candidate movement between private providers, NHS trusts, and care home groups in the same region

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Sector Three: **Technology**

The Rapid Movement Sector

The rapid growth of AI, cybersecurity, fintech and data science has created strong demand for specialised talent in the tech industry, with Cloud Computing, Artificial Intelligence, and Data Science listed as the top three most in-demand skills.

Technology recruitment faces a different challenge: candidates move fast, job titles evolve rapidly, and the six-month gap between introduction and backdoor hire can involve entirely different roles.

Why Technology Has Moderate-High Backdoor Risk:
Candidate-driven market
Tech professionals, particularly in AI and data science, receive multiple offers.

A candidate introduced to your client in January might interview elsewhere, accept a different role, then resurface at your original client in June when that first role doesn't work out.

Clients claim "different hiring cycle," agencies claim "same candidate, same relationship."
Startup acquisition and restructuring

You introduce a developer to a startup in April. By September, that startup's been acquired, and your candidate joins the acquiring company. Is that a backdoor hire? The legal answer depends on your contract terms, but it happens frequently in tech.

Contractor-to-permanent expectations
In January 2025, 84% of tech contract requirements were assessed as outside IR35, versus only 66% in the same period in 2024, indicating a more business-friendly approach to engaging contractors. Many tech contractors expect permanent transitions, but agencies don't always have terms protecting this conversion.
Remote work complications

A candidate introduced to your London client might be hired by that client's New York office six months later. Same company, different entity, remote work making geographic boundaries irrelevant. Fee disputes ensue.

Rapid title changes
You introduce a "Senior Developer." Six months later, they join the client as "Principal Engineer" with expanded scope. Client argues it's a different role requiring different skills, therefore not covered by your introduction.

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Real-World Tech Impact

Typical technology backdoor scenario:
Month 1: Agency introduces AI Engineer to fintech scale-up

Month 2: Candidate interviews, client makes offer, candidate declines for role elsewhere

Month 5: Candidate's new role doesn't work out, maintains LinkedIn connection with hiring manager from original interview

Month 6: Hiring manager reaches out directly about "new" role (similar to original), candidate accepts

Month 7: Agency discovers hire on LinkedIn, client claims it's a separate hiring process

Since July 2024, the UK has attracted over £14 billion in AI investment, driving explosive demand for tech talent. This growth creates opportunities but also complexity in tracking candidate movements across rapidly evolving companies.

bobcheck data shows:
Technology agencies experience backdoor hires most frequently in the 4-7 month window after initial introduction. Earlier than other sectors, reflecting the fast-paced nature of tech hiring and candidate movement.

Tech Sector Recommendations

- Shorter tracking windows with higher frequency: Monitor monthly for 6 months rather than quarterly for 12 months
- Title-agnostic terms: Contract language should cover "same or similar roles" not specific job titles
- Entity coverage: Ensure terms cover all corporate entities, subsidiaries, and recently acquired companies
- Contractor conversion clauses: Explicit permanent conversion fees for all contractor placements, no exceptions

Sector Three:

Professional Services

The Lower Risk, Highest Compliance Sector

Professional Services (accounting, legal, consulting, finance) shows the lowest backdoor hire rate in our analysis. This doesn't mean zero risk, but rather reflects the sector's characteristics.

Why Professional Services Has the Lowest Backdoor Rate:

Formal HR processes
Professional Services firms showed strong resilience through 2025, with 26% of recruitment M&A activity in this vertical.

Large professional services organisations have structured HR departments, formal approval chains, and compliance requirements that create paper trails. Backdoor hires are harder to execute when six people need to sign off on hiring decisions.

Relationship-based recruiting
Professional services recruitment often involves long-term agency partnerships and PSL frameworks. Clients value these relationships and are less likely to jeopardise them for a single fee avoidance.

Higher average fees
When placement fees for senior consulting or legal roles reach £15,000-£25,000, clients understand the value and are more willing to pay than dispute. The economics make fee avoidance less attractive.

Regulatory oversight
Law firms, accounting practices, and financial services firms face regulatory scrutiny. Deliberate fee avoidance creates compliance risks and audit trail problems they prefer to avoid.

Longer notice periods
Professional services candidates typically work 1-3 month notice periods. This extended timeline between offer and start date gives agencies more opportunity to identify and address potential issues.

Sector Three:
Profressional Services

Real-World Professional Services Impact

Even the lowest-risk sector isn't risk-free:
Month 1: Agency introduces Tax Manager to Big Four accounting firm

Month 2: Candidate reaches final interview stage, client places offer on hold due to budget review

Month 6: Budget approved, client HR contacts candidate directly from interview records

Month 7: Candidate starts, agency only discovers through mutual connection months later

The professional services backdoor hire is less common but still financially significant when it occurs.

bobcheck data shows: Professional Services agencies benefit most from quarterly tracking checks rather than monthly monitoring.

The sector's formal processes mean introductions are better documented, but the extended timelines mean tracking periods should still extend to 12 months minimum.

Professional Services Sector Recommendations

- PSL framework clauses: Ensure preferred supplier agreements explicitly cover all introductions and interview candidates
- Budget-hold tracking: Don't write off candidates when roles go "on hold," continue tracking through budget cycles
- Cross-office coverage: Professional services firms often have multiple offices, ensure terms cover movement between London, regional, and international offices
- Partnership transitions: Track candidates through to partner level, not just senior associate roles

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Cross-Sector Patterns: **What the Data Reveals**

Pattern 1: The 3-6 Month Window
Across all sectors, the highest concentration of backdoor hires occurs 3-6 months after initial introduction. Early enough that the client relationship still exists, late enough that the original introduction has faded from active memory.

This window represents the "goldilocks zone" for backdoor hires: not so immediate that everyone remembers the agency's involvement, not so distant that the client relationship has completely moved on.

Implication: Automated tracking must run consistently through this critical period. Monthly checks, not quarterly.

Pattern 2: Recruiter Attrition Correlation
50% of identified backdoor hires occur after the original recruiter has left the agency. This pattern holds across all sectors.

When the recruiter who managed the relationship departs, institutional knowledge departs with them. The client may genuinely not remember which agency introduced which candidate six months ago, especially if they've since worked with multiple agencies.

Implication: Automated tracking becomes even more critical during recruiter transitions. Manual knowledge transfer during exit interviews won't capture candidates introduced 3-9 months prior who haven't yet moved.

Pattern 3: Volume Multiplier Effect
Lower backdoor rates in Professional Services don't necessarily mean lower absolute revenue impact. A high-volume healthcare agency with 15,000 annual introductions experiences more backdoor hires than a boutique professional services firm with 2,000 annual placements, even though the per-placement risk is higher for healthcare.

Implication: Revenue protection strategy should consider both rate AND volume. High-volume recruiters in lower-risk sectors still need robust tracking.

Sector Comparison: Key Metrics at a Glance

Sector	Backdoor Rate	Typical Fee	Annual Revenue at Risk (10K CVs)	Most Common Timeline	Primary Risk Factor
Construction & Engineering	1 in 544	£4,500	£81,000	4-9 months	Project timeline delays
Healthcare & Life Sciences	1 in 780	£4,500	£57,750	3-8 months	Compliance delays, staff banks
Technology	1 in 850	£5,000	£58,000	3-6 months	Candidate mobility, rapid change
Professional Services	1 in 912	£6,000	£65,700	4-8 months	Budget cycles, long notice periods

Note:
"Annual Revenue at Risk" assumes 10,000 CV submissions, sector-specific average fees, and zero automated tracking. With automated detection and recovery processes, agencies typically recover 60-70% of identified fees.

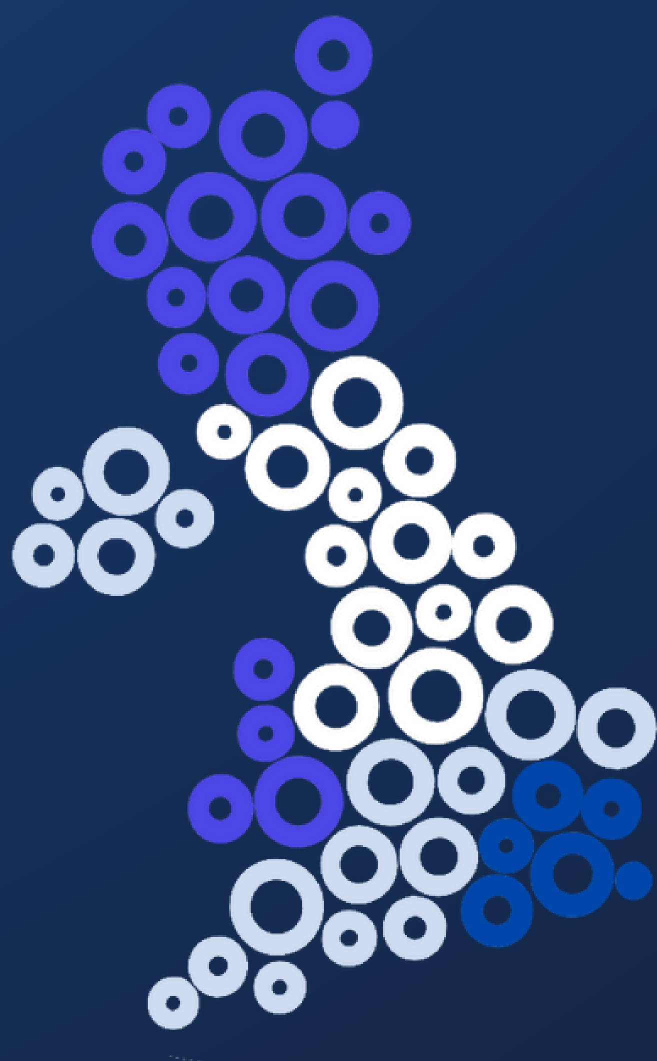
Sector-specific backdoor hire rates are based on research published by The Global Recruiter analysing agencies with 50+ employees sending 10,000+ annual CV submissions. The baseline rate of 1 in 912 introductions and Construction & Engineering's elevated rate of 1 in 544 are directly cited from this research. Healthcare, Technology, and Professional Services rates have been modelled based on sector-specific risk factors including compliance timelines, candidate mobility patterns, and corporate structure complexity.

Regional Variations Within Sectors

London and South East
London has shown signs of leading a recovery, with a 1.7% increase in total job postings. Higher placement volumes, more competitive markets, and greater candidate mobility create elevated backdoor risk across all sectors. Professional Services firms concentrated in London show rates closer to 1 in 800 rather than the national 1 in 912 average.

Midlands and North
Construction & Engineering recruitment in regions with major infrastructure projects (HS2, Northern Powerhouse initiatives) shows similar or higher backdoor rates to London due to project-based hiring patterns.

Scotland and Wales
Healthcare recruitment, particularly NHS Scotland and Wales NHS, shows slightly lower backdoor rates due to smaller candidate pools and stronger agency relationships, but regulatory complexity increases when candidates move between devolved health systems.



What Agencies Should Do: **Sector-Specific Action Plans**

If You're a Construction & Engineering Recruiter

Immediate actions:
• Implement 12-month automated tracking on all candidate introductions

• Review contract terms to explicitly cover subcontractor and project-affiliate hiring

• Create site manager education programme explaining introduction protection periods

• Flag all temporary placements for conversion monitoring

Long-term strategy:
• Build project-level tracking, not just client-level tracking

• Develop relationships with project managers, not just HR departments

• Consider sector-specific insurance or revenue protection guarantees

If You're a Healthcare Recruiter

Immediate actions:
• Track candidates through full compliance periods, not just initial rejection

• Audit contract terms for staff bank and framework coverage gaps

• Implement locum-to-permanent conversion tracking on every placement

• Map candidate movement across private/NHS/care home entities in your regions

Long-term strategy:
• Develop compliance database showing when candidates complete checks, not just when they're introduced

• Build relationships with trust-level hiring managers, not just central HR

• Consider volume-based tracking investment given high placement numbers

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What Agencies Should Do:
Sector-Specific Action Plans

If You're a Technology Recruiter

Immediate actions:
- Implement 6-month intensive tracking with monthly checks
- Review contract language to cover "same or similar" roles, not specific titles
- Ensure terms cover all corporate entities, subsidiaries, and acquisitions
- Add explicit contractor-to-permanent conversion fees

Long-term strategy:
- Track company restructurings, acquisitions, and entity changes in your client base
- Build candidate relationship tracking, not just client relationship tracking
- Consider shorter, more intensive tracking windows versus long passive monitoring

If You're a Healthcare Recruiter

Immediate actions:
- Implement quarterly tracking checks extending to 12 months
- Audit PSL agreements for introduction protection coverage
- Track candidates through budget cycles and "role on hold" periods
- Ensure cross-office and international office coverage in contracts

Long-term strategy:
- Leverage formal HR processes to your advantage by requesting documented feedback
- Build partnerships with specific practice leads, not just central recruitment
- Use lower backdoor rates to negotiate better tracking cooperation from clients

The Role of Automation in Sector-Specific Tracking

Manual tracking might work for a boutique agency placing 50 candidates annually. It absolutely doesn't work for a multi-sector agency processing 10,000+ introductions across construction, healthcare, tech, and professional services.

Why sector-specific tracking requires automation

Different timelines require different monitoring cadences
Construction might need quarterly checks over 12 months. Technology needs monthly checks over 6 months. Manual processes can't maintain this complexity.

Volume makes manual impossible
A healthcare agency introducing 15,000 candidates annually would need to manually check 15,000 LinkedIn profiles monthly. That's 180,000 annual manual checks. It's simply not viable.

Evidence requirements vary by sector
Construction backdoor hire disputes often involve subcontractor relationships. Professional services disputes involve entity structures. Automated systems can track and document these complexities.

Recovery rates depend on speed
The sooner you identify a backdoor hire, the higher your fee recovery rate. Automated daily or weekly checks catch placements within days. Manual monthly checks might miss them for quarters.

bobcheck constantly works away in the background so your recommended sector-specific tracking and varied r sector risk profile isn't something you have to worry about.

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Frequently Asked Questions: **Sector-Specific Revenue Protection**

Do different sectors require different contract terms?
Yes, absolutely. Construction contracts should explicitly cover subcontractor hiring. Healthcare contracts must address staff banks and locum conversions. Technology contracts need entity-agnostic language covering acquisitions. Professional services contracts should cover cross-office movement. Generic templates create gaps that sector-specific backdoor hires exploit.

Should I track candidates differently based on placement type (temp vs perm)?
Definitely. Temporary placements in all sectors should be flagged for permanent conversion tracking. Contract roles in technology often transition to permanent employment. Locum healthcare placements frequently convert. Construction site coverage can become permanent roles. Each placement type requires specific tracking protocols.

Which sector has the longest time between introduction and backdoor hire?
Construction shows the longest timelines, with some backdoor hires occurring 9-12 months after initial introduction due to project timeline shifts. Healthcare and professional services typically see 6-9 month timelines. Technology shows the shortest window at 3-6 months, reflecting faster hiring cycles and candidate mobility.

Are backdoor hire rates different for senior versus junior roles?
Yes. Senior roles (£70K+ salary) show lower backdoor rates across all sectors, likely because higher placement fees make clients more willing to pay than dispute. Junior roles show higher backdoor rates, particularly in construction and healthcare where volume hiring and cost pressures create more fee avoidance incentives.

Do PSL frameworks in professional services really reduce backdoor hires?
PSL frameworks correlate with lower backdoor rates, but don't eliminate them. The formal structure creates paper trails and accountability, making deliberate backdoor hires more difficult. However, PSL agencies still experience backdoor hires when budget constraints or hiring manager autonomy bypass formal processes.

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The Bottom Line:
Sector Knowledge is Revenue Protection

Understanding that construction agencies face 1 in 544 backdoor hire rates whilst professional services agencies face 1 in 912 rates isn't trivia. It's financial intelligence that should drive your revenue protection investment.

A construction agency sending 10,000 CVs annually without automated tracking will lose approximately £81,000 per year. With automated tracking and 70% fee recovery, that loss drops to approximately £24,300, delivering £56,700 in protected revenue.

That's not theoretical. That's the difference between hitting your growth targets and wondering why your forecasts never materialise.

The sectors have spoken: Construction has the highest risk. Professional services has the lowest. Healthcare has the highest volume. Technology has the fastest timelines.

Your revenue protection strategy should reflect these realities, not ignore them.

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Conclusion:
One Size Doesn't Fit All

Different sectors in recruitment face different levels of backdoor activity. Some deal with high contractor churn, others with long notice periods or extended project work. The risks are not the same, so the protection should not be either.

That is where bobcheck steps in. Instead of relying on consultants to spot issues, bobcheck continually scans every candidate for a full twelve months. If they show up somewhere they should not be, if a placement extends, or if a contract changes, you see it. No pressure on consultants. No guesswork. No missed revenue hiding in the background.

Whilst sector intelligence should guide strategy, the reality is that only an automated rec tech tool can track risk accurately at scale. Construction, healthcare, technology, and professional services all follow different patterns, and agencies that embrace automated protection safeguard revenue that others lose to one-size-fits-all processes.

bob's got your back.
bobcheck is the leading revenue protection platform for recruitment teams, with direct API integrations to Bullhorn, JobAdder, and Vincere. Our sector-specific tracking helps agencies protect millions in revenue each year.

For more information, visit www.bobcheck.io

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