

Talent Trends Report

September 2025

Latest Hiring Insights from the REC / KPMG “UK Report on Jobs”
August 2025



Talent trends: Hiring headlines

September 2025

September 2025 - latest recruiting environment

The UK hiring market remains subdued, but August's data reveals important shifts that business leaders should note. Permanent hiring continues to contract, yet at the **slowest rate in months**, and temporary staffing is proving resilient as firms look for flexibility. At the same time, **candidate availability has surged to its highest level since the pandemic**, creating an abundant talent pool across professional sectors, including insurance and financial services.

While overall demand for new roles is still soft, **starting salaries and contract rates are cooling**, giving employers a rare opportunity to secure specialist talent at more manageable cost levels. With the **Autumn Budget** approaching and economic conditions still mixed, **this is a moment to plan for the next cycle rather than pause**: those who act now can strengthen teams and avoid future bottlenecks.

"The business trading environment remains complex and it is still a mixed picture when it comes to reported business confidence... it's unlikely we'll see a significant shift in recruitment patterns in the near term as businesses evaluate their investment strategies."

Jon Holt, Chief Executive and Senior Partner of KPMG in the UK

"Employers need a shot of confidence along with their seasonal flu jabs this autumn... There is certainly potential out there – but with fewer vacancies and more candidates, the overall picture is still subdued."

Neil Carberry, REC Chief Executive

Quick glance...

- **Hiring slowdown is easing.** The decline in permanent recruitment is becoming less severe, and temporary demand remains steady. Employers are cautious but no longer cutting back at the same pace.
- **Candidate supply is booming.** Redundancies and job-security concerns are driving the strongest rise in available talent since 2020, creating deep pools of skilled professionals.
- **Pay growth is cooling.** With salaries and temp rates rising only marginally, employers have a short window to hire critical talent at more predictable costs.
- **Vacancies remain muted.** Overall demand for new roles is still subdued, which means competition for talent is less intense, *for now*.

What this means for your business...

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1

Hiring slowdown is easing

The hiring drop is starting to level off. That doesn't mean it's time to relax. When the market does pick up, it will move quickly and companies that treat this lull as "business as usual" risk being left behind. Use this breathing space to get ready for growth rather than waiting for perfect conditions.

Business risk

Plans on pause: expansion, new product launches or key transformation projects may lose momentum if roles stay unfilled now. Hiring under pressure later almost always costs more and delivers less

Team drift: when staff don't see a clear plan or hear regular updates, they can lose confidence and start looking elsewhere, creating avoidable turnover

Budget lock-in: holding off too long can mean next year's headcount and pay budgets are set too low, forcing emergency approvals or rushed hiring at premium rates

2

Candidate supply is booming

There are more skilled people on the market than we've seen in years. But this window won't stay open for long. As confidence returns, the best candidates will quickly find homes. Acting now means you can bring in great people while competition is low.

Business risk

Too much noise: a surge in applications can overwhelm recruiters and managers, leading to slower shortlists and missing the best talent

Fast-moving rivals: competitors who have streamlined processes can move from first interview to offer in days, leaving slower organisations empty-handed

Fit first: pressure to act quickly can tempt quick hires without proper culture and values checks, increasing the risk of costly early leavers.

What this means for your business...

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3

Pay growth is cooling

Salary and day-rate growth has eased, giving businesses a rare chance to hire without breaking the budget. But this is temporary. When the market turns, wages could jump again. Make the most of the current calm, while building a pay and benefits story that stands up when conditions change.

Business risk

Fairness tension: bringing in new people on lower or different pay structures can create resentment among existing staff, damaging morale and productivity

Short-term thinking: focusing only on headline salaries can leave benefits, career paths and wellbeing offers underdeveloped, weakening retention once competition returns

Future pay shock: when demand rebounds, you may face sharp wage hikes or counter-offers to keep critical talent, wiping out early savings.

4

Vacancies remain muted

Right now there are fewer new roles being advertised, which can feel like a pause button. But demand isn't gone, it's delayed. Strategic projects and new initiatives will still need people when investment picks up. Use this quieter period to get ahead, not stand still.

Business risk

Project delays: vital upgrades or product launches can miss key deadlines if the right people aren't already identified and lined up

Skill drain: experienced employees leaving now may not be replaced in time, leaving knowledge gaps that take years to rebuild

Competitive catch-up: organisations that quietly strengthen their teams today will be ready to move fast and win market share while slower competitors are still hiring

Business risks if you wait...

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There are potentially significant business risks if you continue to wait to hire:

1. **Higher costs later:** delaying hiring means you could face higher salaries demands, recruitment & hiring costs or higher agency fees when demand returns
2. **Best people snapped up:** the strongest candidates won't wait; competitors with faster offers will secure them first
3. **Teams under strain:** short staffing leads to burnout, slower service, mistakes and missed deadlines
4. **Falling behind competitors:** those that are hiring now will enter the next growth phase stronger and faster
5. **Leadership gaps:** key senior or specialist roles left vacant weaken decision-making and succession planning
6. **Customer experience dip:** understaffed, overstretched customer-facing teams may deliver a poorer service, risking reputation and loyalty
7. **Innovation slowdown:** lack of fresh skills and ideas can stall new products, digital projects or efficiency gains
8. **Higher contractor spend:** waiting can force you to plug gaps with more expensive temporary or contract workers
9. **Compliance risk:** delays in hiring critical regulatory or technical roles can lead to audit findings or penalties



Act now to secure your talent advantage...

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Actions you should be doing NOW:

1. **Review key roles:** list the jobs you must fill soon, especially specialist or leadership posts
2. **Accelerate processes and screening:** cut unnecessary steps in your hiring process and sharpen assessments to move from first contact to offer quickly
3. **Review pay and benefits:** set fair packages now to keep people and avoid sudden wage jumps later
4. **Boost your employer brand:** refresh messages and career pages so the strongest talent thinks of you first
5. **Strengthen talent pipelines:** build relationships with potential hires now through talent communities or keep-warm campaigns.
6. **Refresh job descriptions:** make sure roles are up to date and written to attract the skills you really need.
7. **Upskill interviewers:** train managers on faster, consistent interviewing to cut delays and improve candidate experience.
8. **Audit recruitment tech:** check your ATS and sourcing tools are set up for speed, mobile use and easy candidate communication.
9. **Tighten compliance checks:** review right-to-work, reference and background screening so offers don't stall late in the process.



Secure your talent advantage today...

Speak with the Vermelo team to build a hiring plan before the market turns.

For more information contact: Santa.Benga@VermeloRPO.com | 07304 094171

Vermelo - Hiring talent dedicated to you

Vermelo is part of the GWV Group and delivers volume hiring solutions to the insurance, tech and regulatory sectors. With over 20 years' experience under the brand name of Gerrard White, Vermelo specialises in the expedited hiring of multiple roles using knowledge-led targeting from highly experienced and embedded teams.

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Vermelo is one of the UK's leading Recruitment Process Outsourcing (RPO) and talent solution providers. We have deep expertise in insurance and a strong track record across financial, professional and other complex markets. Our culture-centred approach and sector knowledge mean we consistently deliver the talent and scalability that many organisations struggle to achieve.

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Our talent services are dedicated to your objective, embedded in your team and always deliver to your expectations.

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