

Should a machine arbitrate a row with your boss?

Financial Times Sarah O'Connor Sept 2, 2025

Every complex system has a few unsung heroes that quietly keep the whole thing from falling over. In the UK public sector, one such hero is Acas. This organisation of about 1,000 staff stands between the 34mn-strong labour market and the complete overwhelm of the tribunal system, which is intended to settle disputes between employers and employees.

In individual cases, Acas does this by offering a conciliation service in which it speaks to both sides, to see if a deal can be reached before going to a tribunal. It is remarkably successful. Over the past decade, only about 7 per cent of cases that started as an early conciliation notification ended up as a tribunal hearing.

So it was with interest that I read an interview last week with Acas's new chief executive Niall Mackenzie on his plans for artificial intelligence, in which he said: "Wouldn't it be lovely if the two parties [in a dispute] could submit their claims against each other in writing and the machine made the decision?"

At present, Acas doesn't make decisions — it simply helps the two sides to come to a settlement. So this is an embryonic idea for the future: perhaps as an option to be presented to the parties on the way to tribunal. But it is an interesting question nonetheless. Would it be "lovely" for machines to make decisions like these? And lovely for whom?

You can see why it would be an attractive prospect for somebody like Mackenzie, who is faced with rising demand and a constrained budget. Acas is expecting a large uplift in the number of disputes referred for early conciliation once the Labour government introduces a raft of new employment rights. Indeed, across the public sector, Number 10 is encouraging civil servants to investigate how AI could save money in the face of rising demand.

But how would employers and employees feel about AI settling their disputes? There is an intuitive appeal to the idea of turning over responsibility for complex decisions to consistent and emotionless machines. But in the world of recruitment, the use of AI to make decisions about job candidates has raised a number of problems, from biased algorithms to opacity.

More recently, the recruitment sector has suffered from another problem: job candidates have begun to use AI to write their applications and do their assessments for them, giving those who can afford the best paid-for models a potential advantage. One can imagine a similar dynamic emerging in the justice system, whereby an AI system judges submissions that are also written by AI. Of course, the playing field is already uneven when a large employer faces an unrepresented claimant. But it's not obvious the use of AI would level it.

All that said, there might be a case for AI in straightforward situations that require a complex but mechanical calculation, such as the amount of unpaid holiday pay due to an employee.

But even then, would the losing party accept the outcome? "In my experience, a lot of people are actually prepared to accept losing in court [or] in a tribunal, as long as they feel like they've had a fair process," Jacob Gifford Head, a barrister and mediator, told me. Did he think "computer says no" would feel like a fair process? "I can't see us getting there."

That is partly because one aspect of "fairness" is feeling that you have really been heard. Indeed, reading the testimonials in Acas's annual report, it is clear this is part of how their conciliators succeed in keeping cases out of the tribunals. One person said her conciliator had given her "the space to present my argument without feeling rushed" and that she had been "really listening to my interests". Can a machine give this sense of closure?

The good news for civil servants and ministers looking for inefficiencies to tackle is that there is plenty of lower-hanging fruit on offer. Parts of the wider justice system still run to an astonishing degree on paper, for example. A report published in July by the justice committee of MPs found that a digitisation programme in the county court was "over-ambitious and ultimately under-delivered", resulting in wildly inefficient "on ramps" and "off ramps" between different digital and paper-based systems.

Acas has said it will prioritise the use of AI to improve its customer service and back-office processes over its more nascent ideas on dispute settlement. That sounds like the right place to start for the public sector as a whole. It would be a strange future in which citizens are subject to machine decisions at machine speed, yet everyone is still buried in piles of paper and websites that don't work.