

The Informality Trap: How Casual Approaches Can Create Liability

The Employment Court recently awarded an employee compensation after finding a meeting invitation sent by the employer was misleading, and proper process was not followed.

In *YFR v Reserve Bank of New Zealand / Te Pūtea Matua*, the Court held that a fixed-term employee nearing the end of her contract had been unjustifiably disadvantaged when she was invited to a short, “informal catch-up” to discuss concerns about her wellbeing, but instead serious concerns about her behaviour were raised with a proposal that she finish her fixed term early.¹

YFR had applied for new roles as her term was coming to an end. When a prospective employer withdrew a job offer following reference checks, YFR sent accusatory messages to her referees at RBNZ, apologising the following day. That same day, YFR was invited to a 15-minute informal “catch-up” to discuss concerns about her wellbeing. The meeting was scheduled to take place within two hours of the invitation being sent and YFR was not offered the opportunity to bring a support person. Importantly, YFR was neurodivergent and had mental health issues which RBNZ was aware of and had accommodated in the past.

The Court found the purpose of the meeting was to discuss the accusatory messages and propose that YFR not work out her notice period. However, this was not set out in the meeting invitation. The Court held that this was a significant proposal to put to an employee, particularly a vulnerable one. YFR accepted the invitation at face value and attended the meeting without a support person and with little time to prepare. During the meeting she became overwhelmed and upset which the Court found was foreseeable. The Court held that the meeting was not set up in a fair or reasonable manner. The meeting was not informal nor was its stated purpose accurate. The intention was to

make a significant proposal to YFR and raise concerns about her behaviour. The Court added that to have knowledge of YFR's vulnerability and not suggest she bring a support person was “both unfair and unwise” as a support person could have assisted in ensuring YFR's wellbeing was looked after and ensuring that messaging was clear.

The Court held that RBNZ's actions were inconsistent with its obligations of good faith and unjustified in the circumstances, which caused significant disadvantage to YFR in her employment. RBNZ was ordered to pay \$12,750.00 by way of compensation to YFR.

Important takeaways for employers

This case serves as an important reminder that “informal” does not mean “risk-free”. Employers cannot rely on informal labels to sidestep legal obligations. Even well-intentioned actions carry significant legal risk if not carried out with proper processes, transparency and care.

Employers should:

- Ensure the purpose of any meeting is clearly articulated to an employee ahead of time.
- Ensure that meetings framed as wellbeing catch-ups should not be used to introduce proposals affecting employment.
- Offer employees the chance to bring a support person where the meeting could impact on the employee's employment, and particularly when dealing with vulnerable employees, sensitive matters, or behaviour-related concerns.
- Avoid predetermining outcomes before meeting with the employee. Any proposal such as early termination of duties must be put genuinely and with space for feedback.
- Follow proper processes even where employment is ending, including for fixed-term employees in their notice period.

¹ [2025] NZEmpC 275.

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Want to know more?

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