



EMPLOYMENT TRIBUNALS

Claimant: Wasif Khan

Respondent: Dentaprice PLC

Heard at: East London Hearing Centre

On: 20 June 2025

Before: Employment Judge E Searley

Representation

Claimant: Not represented

Respondent: Mr John, Counsel

JUDGMENT having been sent to the parties on 30 June 2025 and written reasons having been requested in accordance with Rule 60 of the Employment Tribunals Rules of Procedure 2024, the following reasons are provided:

REASONS

Introduction

1. Pursuant to an ET1 dated 2 February 2025, the claimant brings a claim of unlawful deduction from wages. Early conciliation began on 6 November 2024, and the ACAS certificate was issued on 18 December 2024.
2. The claimant is employed by the respondent as a dentist. His employment began on 2 October 2023, and he was still employed by the respondent at the time of the hearing.
3. The claimant's claim is for unauthorised deduction from wages in relation to amounts deducted from his payslips between 5 November 2024 and 5 June 2025 (the "relevant period"). The deductions fall into three categories:
 - a. The first is deductions titled "Student Loan Plan 2". These deductions were made throughout the relevant period.

- b. The second is deductions titled “Other deductions EL”. These deductions were deducted from 5 February 2025 and for the remainder of the relevant period.
 - c. The third is deductions titled “pension contribs”. These deductions were deducted from 5 May 2025 and for the remainder of the period.
4. The claimant’s case is that he entered into a net pay contract with the respondent and therefore he believed that, aside from national insurance and income tax, he would not be liable for any deductions from his net pay. His belief was based on the wording of the contract, discussions he had with the respondent and the conduct of the respondent. The claimant’s case is that, as a result of this, student loan and pension contributions should not be deducted from his salary. Further, his case is that the respondent had no right to seek to recover payments for his student loan from him, which the respondent failed to deduct from him earlier in his employment.
5. The respondent’s case is that the claimant was never told that the respondent would pay the claimant’s student loan on his behalf, and that it is entitled to and statutorily obliged to deduct student loan payments from the claimant’s salary. The respondent’s case is that it made a genuine mistake, as a result of its use of a third-party payroll provider, in inadvertently failing to deduct the claimant’s student loan payments from his wages and it is therefore able to recover the payments it should have deducted from him earlier in his employment. In relation to pension, the respondent states that there has, in effect, been no deduction because the claimant’s salary was increased to cover the deduction.

Issues

6. The parties agreed that the claimant was an employee and that the claim had been brought in accordance with the statutory time limit.
7. The issues for me to consider were as follows:
- a. Had the respondent made a deduction from the claimant’s wages.
 - b. If so, on what dates.
 - c. What was the purpose of each deduction.
 - d. Was the deduction authorised.
 - e. Was it an exempt deduction.

The hearing

8. The matter was heard before me on 20 June 2025. It was listed for an hour, but the hearing lasted three hours. The Claimant gave evidence. Mr Veselin Matov gave evidence on behalf of the respondent.
9. Whilst there was a bundle provided in advance of the hearing, that bundle was supplemented by the claimant at the outset of the hearing with three additional bundles.

10. I have read and considered the documents which the parties identified I should read, those referenced in the witness statements and those to which my attention was drawn by the parties during the hearing.
11. At the outset of the hearing, the claimant made an application to include a covert recording of a meeting, held on 14 October 2024, between the claimant and other employees of the respondent and Mr Ivanov and Mr Matov of the respondent. The claimant did not make the recording, and it had been provided to him by a third party. He did not know it existed until 18 June 2025. The claimant stated that the recording corroborated his witness evidence as to the behaviour of Mr Ivanov and Mr Matov at that meeting. He stated that whilst it was not entirely relevant it showed that the respondent had behaved egregiously and would enable the claimant to prove that. The claimant conceded that the recording wasn't directly relevant but provided contextual information.
12. Mr John objected to the late admission of the evidence on the basis that (i) it had been received by the respondent extremely late the night before the hearing, (ii) it was purportedly a covert recording but there had been no opportunity to check its authenticity, (iii) there were GDPR concerns associated with its admission, and (iv) to admit the recording now would jeopardise the listing in circumstances where the respondent had incurred costs retaining legal representation.
13. I rejected the claimant's application to admit the evidence on the basis that it was not in accordance with the overriding objective to admit it. This was because the evidence was, as the claimant conceded, not directly relevant to the matters I had to decide, and therefore a proper consideration of the issue was possible without its admission. Further, the lateness of the application risked (i) a disproportionate delay to the matter given the issues in the case and (ii) wasted expense given the claim was otherwise ready to proceed.

Facts

14. The relevant facts are as follows. I have confined myself to making findings in relation to only those facts which are relevant to my decision. Where I have had to resolve any conflict of evidence, I will explain how I have done so. References to page numbers are to the agreed bundle of documents.
15. The claimant had a student loan. This was a personal debt that related to the claimant alone and was incurred prior to his employment with the claimant. The claimant was familiar with the idea that an employer could deduct student loan repayments because, at his previous employer, his student loan repayments were deducted from the claimant's gross salary and passed on to the student loans company.
16. The claimant signed a contract with the respondent on 24 August 2023 and began his employment with the respondent on 2 October 2023 [bundle page C15].
17. The claimant's contract stated that he would be paid a net salary. There is no definition of net in the contract. The contract is silent about the repayment of student loans [bundle page C15-C27]. There was no discussion between the claimant and anyone at the respondent about whether the claimant's student loan would be repaid prior to the contract being signed.

18. The contract contained a clause allowing the respondent to deduct any sums due to it from the claimant's salary, including any overpayments to which the claimant was not entitled [bundle page C16]. The contract also contained a clause in which the respondent reserved the right to require the claimant to repay the cost of any training paid for and provided by the employer if the claimant resigned during the training, or within a certain time frame from the date of completion of the course [bundle page C15-C16].
19. The contract also stated that, if eligible, the claimant would be enrolled in the company pension scheme and full details of the scheme including the minimum level of contributions that he would be required to make would be provided to him. The clause stated that whilst participating in the scheme, the claimant agreed to worker pension contributions being deducted from his salary [bundle page C16-C17]. The pension put in place was a NEST pension.
20. At some time in December 2023 or January 2024, the claimant had a conversation with his supervisor (Dr Zoltan Csikos) about an application called smartsheet.
21. The conversation with Dr Csikos was a brief one, which occurred 3 months after the claimant's employment started and 5 months after the contract was signed. This was the only discussion the claimant had with anyone at the respondent about his contract, prior to September 2024, when the claimant was informed that there had been an error in relation to his student loan.
22. The extracts from smartsheet record a breakdown of the bonus that the claimant received, in addition to a figure termed "sum for reclamations", a figure termed "basic salary" and a figure termed "total after deductions". These terms are not defined on the smartsheet extracts [bundle B62] or in the contract.
23. I find that smartsheet was a system by which the respondent recorded the monthly bonus owing to the claimant, set out how that bonus had been earned and provided a final total which included the claimant's net salary and removed any "reclamations". However, the contract did not make any reference to the use of smartsheet as being the method by which the claimant's pay would be calculated. The claimant received separate payslips which set out his net salary and his net bonus.
24. I accept that the claimant was told in the discussion with Dr Csikos that smartsheet would form the basis for his pay. That is because this is consistent with what smart sheet appears to be used for. I also accept Mr Csikos told the claimant that the number in smart sheet would be the number in his bank account unless he ordered lunch. This is consistent with the document at B55 of the bundle, which shows an automated message recording an order the claimant made for lunch on 21 February 2025 and informing him that the cost of the meal would be deducted from his monthly salary.
25. However, I do not accept that what the claimant was told by Dr Csikos in this regard reflected what happened in practice. I do not accept the claimant's evidence that his payslips reflected the amounts on smart sheet between January 2024 and October 2024.

26. On the claimant's own account there were minor discrepancies, which he did not query between February 2024 and July 2024. These discrepancies were not always minor. For example, the bonus in the claimant's July 2024 payslip was £7834.56 [bundle page B52] but the June entry in smartsheet was £7934.56 [bundle page B62]. The bonus in the claimant's August 2024 payslip was £8195.84 [bundle page B50] but the July entry in smartsheet was £7335.84 [bundle page B62].
27. I accept the August, September and October entries in smartsheet [bundle page 62] are reflected in the claimant's September 2024, [bundle page B53], October 2024 [bundle page B47] and November 2024 payslip [bundle page B45].
28. I therefore find that the figures in smartsheet did not reliably reflect the figures in the claimant's payslips.
29. Further, and contrary to the claimant's evidence, I do not accept that the claimant expressly asked Dr Csikos whether his net pay would reflect all deductions including income tax, student loan, NIC, pension contributions and other deductions. Nor do I accept that this conversation was a significant one on which the claimant placed reliance at the time.
30. This is because when he raised his formal grievance with the respondent on 18 October 2024, he did not raise the conversation with Dr Csikos at all [bundle page B56-57]. Had the conversation with Dr Csikos occurred, in the way the claimant now suggests it did, it would have been an important reason for the claimant's belief that the respondent could not make the deductions they had informed him they intended to make.
31. I do not accept that the claimant's failure to include it in the letter was because he could not prove that a verbal conversation of that type had taken place, and that the payslips and the contract were far more important evidence. Had the claimant been expressly informed by his supervisor that his net pay would reflect any deductions related to his student loan and his pension, there was no plausible reason not to say so in his grievance letter.
32. I was provided with the claimant's payslips from 5 November 2023 onwards (bar February 2024 which does not appear in the bundle). Between 5 January 2024 and October 2024, the respondent included an entry on the claimant's payslip with the description "Student Loan Plan 2" [bundle pages B37 – B45, B50, B52, B53]. This entry appeared to have been deducted from the total pay owing to the claimant that month. However, there was an entry for a corresponding amount included in the total pay and labelled "GU Student Loans". The effect of this corresponding entry was that no deduction was in fact made from the claimant for his student loan.
33. It is not disputed that the amounts on the payslip in reference to that GU Student Loans description were paid to HMRC by the respondent in relation to the claimant's student loan. Accordingly, the respondent was, in effect, paying the claimant's student loan for him because it was not making any deduction from the claimant.
34. In July 2024, the respondent discovered via an audit that its payroll provider had inadvertently been failing to deduct student loan repayments from its employees with outstanding loans and had in effect been paying the student loans off itself. The respondent did not see its employees' payslips which were managed entirely by the payroll provider.

35. The respondent took the view that this was unfair because it resulted in two employees on the same salary being treated differently. Employee Y with no student loan would receive a salary of £z whereas employee X, with a student loan, would receive a salary of £z plus their student loan. That meant that employee X received a much higher benefits package from the respondent than employee Y [Bundle C31].
36. The respondent took steps to correct its mistake and held a series of discussions with staff, including the claimant, in September 2024 indicating that it would seek to recoup the amounts overpaid. On 4 October 2024, the respondent wrote to HMRC noting that several employees with student loans had expressed “*serious concerns with our intention to recoup from their future wages all overpayments. The employees claim that by agreeing net pay contracts, the employer guaranteed their net pay irrespective whether an employee had or did not have an outstanding student loan that requires repayment*” [Bundle C30].
37. On 14 October 2024, the “Dentaprime management team” wrote to the claimant stating that there were no provisions in the contract that indicated that the respondent would be responsible for covering, at its own cost, employees’ student loan repayments. The letter stated that the respondent would seek to recover the overpayments it had made to the claimant in that regard [bundle B78].
38. As described above, on 18 October 2024, the claimant wrote in response to Mr Matov to complain about the position the respondent had taken [bundle B56]. He did not mention in that letter his conversation with Dr Csikos but relied on the net salary terminology in the contract, and the absence of any express contractual provision in relation to the repayment of student loans. He did not, in that letter, seek to rely on the figures provided in smart sheet as being the basis for his salary figure.
39. From November 2024, the claimant’s payslip no longer included the “GU Student Loans” entry in the total pay section but continued to include the “Student Loan Plan 2” entry in the deductions from the total pay [bundle B45, B46, B51, B49, B48, claimant’s second bundle p17-19, claimant’s 3rd bundle page 8]. As a result, the claimant’s student loan began to be deducted from his net pay from 5 November 2024. It continued to be deducted until 5 June 2025 (the final payslip that was provided to me).
40. On 5 February 2025, the claimant’s payslip included a further deduction labelled “Other Deductions (EL)”. It was agreed that this deduction represented the respondent’s recoupment of the overpayment of wages it had made to the claimant by including an amount for “GU Student Loans” in the claimant’s total pay. These deductions continued until 5 June 2025 (the final payslip that was provided to me) [bundle B49, B48, claimant’s second bundle p17-19, claimant’s 3rd bundle page 8].
41. On 28 April 2025, the respondent wrote to the claimant explaining it wished to change his contract of employment to pay a gross salary of £3,500 per month reflecting a promotion from intermediate to advanced [bundle C64]. The claimant did not accept that the respondent was entitled to move him from a net salary to a gross salary unilaterally. On 5 May 2025, the respondent’s payslips show that he was paid a salary of £3500 gross [claimant’s second bundle p19] and on 6 June that he was paid a salary of £2625 gross [claimant’s 3rd bundle page 8].

42. On 5 May 2025, the respondent changed the way the claimant's payslip was structured [claimant's second bundle p19]. Rather than setting out a net salary and bonus in the total amount and then adding amounts to gross up the tax and employer's national insurance, the claimant's payslip now set out a gross salary amount and a gross bonus amount in the total pay. It then set out the deductions to be made for tax, national insurance, pension contributions, meals, student loan repayments and recoupment of overpayments (Other Deductions EL) as deductions from the total pay, leaving a net pay figure.
43. From 5 May 2025, the claimant's payslip included a deduction from his total pay labelled "pension contribs". A further deduction of this type was made in the payslip of 5 June 2025 (the final payslip that was provided to me) [claimant's second bundle p19, claimant's 3rd bundle page 8].
44. In relation to the prior payslips, these show employers pension contributions being made from 5 January 2024. There is no reference on any payslip prior to that of 5 May which appears to show any deduction being made from the claimant in respect of a pension. However, given the employer contributions being made from 5 January 2024, I find that the claimant was enrolled in the employer's pension scheme from that date.

Relevant law

45. Section 13 of the Employment Rights Act 1996 provides as follows:
- (1) An employer shall not make a deduction from wages of a worker employed by him unless—*
- (a) the deduction is required or authorised to be made by virtue of a statutory provision or a relevant provision of the worker's contract, or*
- (b) the worker has previously signified in writing his agreement or consent to the making of the deduction.*
- (2) In this section "relevant provision" , in relation to a worker's contract, means a provision of the contract comprised—*
- (a) in one or more written terms of the contract of which the employer has given the worker a copy on an occasion prior to the employer making the deduction in question*
- [...]*
- (3) Where the total amount of wages paid on any occasion by an employer to a worker employed by him is less than the total amount of the wages properly payable by him to the worker on that occasion (after deductions), the amount of the deficiency shall be treated for the purposes of this Part as a deduction made by the employer from the worker's wages on that occasion.*
46. S.14 of the ERA 1996 provides as follows:
- (1) Section 13 does not apply to a deduction from a worker's wages made by his employer where the purpose of the deduction is the reimbursement of the employer in respect of—*
- (a) an overpayment of wages.*
- ...

47. A student loan repayment is a deduction which is required by virtue of a statutory provision (see part 4 of the Education (Student Loans) (Repayment) Regulations 2009).
48. A tribunal can construe the terms of an employment contract governing remuneration for the purposes of an unauthorised deduction claim in order to determine whether wages are properly payable (*Agarwal v Cardiff University and Anor* [2018] EWCA Civ 2084).

Analysis and conclusions

49. Contrary to the claimant's position, I do not accept that the contract can properly be construed as meaning that the definition of net pay in the claimant's contract included repayment of the claimant's student loan. This is because it was a significant debt accrued by the claimant prior to his employment by the respondent and the contract is silent on it. Further, the contract contained a clause requiring the claimant to repay the cost of the training paid for and provided by the respondent in certain circumstances. It is inherently implausible that the respondent intended that the claimant's wages would include repayment of his student loan, accrued prior to his employment by the respondent, without an express clause to that effect in the contract.
50. The claimant knew student loan repayments could be deducted from his salary as they had been at a previous employer, but there were no pre-contract negotiations about the claimant's student loan in which he raised the point. The only discussion was the conversation with Dr Csikos. I have found that the claimant was not informed, as part of that conversation, that his net pay would include a deduction in respect of either his pension or student loan. In any event, Dr Csikos was not a member of the HR team for the Respondent and was not capable of binding the company in any way.
51. I find, on the balance of probabilities, that the claimant's contract with the respondent did not include an agreement that his wages would include repayment of the claimant's student loan.
52. I have considered the claimant's arguments about conduct, including that until these issues arose his payslips were, in the main, consistent with smartsheet. For the reasons set out above, I do not accept that the figures in smartsheet reliably reflected the figures in the claimant's payslips.
53. Furthermore, it is clear that smartsheet was not intended to be the method by which the claimant was informed of his salary. This is because (i) the contract makes no reference to it (ii) smartsheet does not include any information about the payment of tax or national insurance; and (iii) the claimant also received a payslip.
54. Having found that the respondent did not agree that the claimant's wages would include repayment of his student loan, it follows that the purpose of the deductions labelled Student Loan Plan 2 from 5 November 2024 and thereafter were deductions for repayment of the claimant's student loan. These are authorised statutory deductions and the claim for unauthorised deductions is not well founded.

55. Accordingly, I also find that the respondent was entitled to seek reimbursement from the claimant in respect of the overpayment of wages between January 2024 and October 2024, when it inadvertently paid the claimant's student loan without seeking a corresponding deduction, to which it was entitled, from the claimant's wages. I find this error was made by the respondent's payroll provider and the respondent only became aware of it in July 2024.
56. S.13 ERA does not apply to a deduction where the deduction is the reimbursement of the employer in respect of overpayment of wages (s.14 ERA). That was the purpose of the deductions labelled Other Deductions EL which the respondent began to deduct from 5 November 2024. The deductions are excepted deductions pursuant to s.14(1)(a) and the claim for unauthorised deductions in relation to those deductions is not well founded.
57. In relation to the pension contributions, I do not accept the respondent's argument that the claimant's salary was increased such that there was in effect no deduction. On the information before me, I find that the increase to the claimant's salary related to his pay rise, as well as the respondent's decision to move to a gross pay model, and I note that the June 2025 payslip's gross figure was significantly less than that of May 2025.
58. I find that from 5 May 2025, the purpose of the deductions labelled "pension contribs" was to reflect the contributions that the claimant was required to make to his pension. The claimant's signed contract made clear that such deductions could be made and paid into the company pension scheme on the claimant's behalf. The fact that those deductions only appear to have begun in May 2025 does not mean that the respondent was not entitled, in accordance with the contract, to make them.
59. Accordingly, I find that the claimant had previously signified in writing his agreement or consent to the making of the deduction, and the claim for unauthorised deductions in relation to those deductions is not well founded.

Approved by
Employment Judge Searley
03 September 2025