



# EMPLOYMENT TRIBUNALS

**Claimant**  
B Royce

v

**Respondent**  
Legalicity (UK  
Operations) Limited

**Heard at:** Reading (by video)  
**Before:** Employment Judge W Anderson  
S Dengate  
C Grant

**On:** 30 January 2026

## **Appearances**

**For the claimant:** In person  
**For the respondent:** L Baynham (counsel)

## **JUDGMENT ON COSTS**

The claimant is ordered to pay the respondent's costs in the sum of £5000 by 30 July 2026.

## **REASONS**

### **Background**

1. The claimant's claim of age discrimination was dismissed by the tribunal in a judgment dated 29 November 2024. In a letter dated 8 January 2025 the respondent made an application for costs in the sum of £20,000 on the grounds that the claimant had acted unreasonably in bringing the proceedings, and that the claim had no reasonable prospects of success.

### **The Hearing**

2. The parties filed a joint bundle of 128 pages. The respondent filed a skeleton argument. The claimant filed written submissions along with a current tenancy agreement and a previous order for possession relating to a different property. The claimant gave evidence on oath about his means. Both parties made oral submissions.

### **The Law**

3. Employment Tribunal Procedure Rules 2024

**When a costs order or a preparation time order may or must be made**

**74.**—(1) The Tribunal may make a costs order or a preparation time order (as appropriate) on its own initiative or on the application of a party or, in respect of a costs order under rule 73(1)(b), a witness who has attended or has been ordered to attend to give oral evidence at a hearing.

(2) The Tribunal must consider making a costs order or a preparation time order where it considers that—

(a) a party (or that party's representative) has acted vexatiously, abusively, disruptively or otherwise unreasonably in either the bringing of the proceedings, or part of it, or the way that the proceedings, or part of it, have been conducted,

(b) any claim, response or reply had no reasonable prospect of success, or

(c) a hearing has been postponed or adjourned on the application of a party made less than 7 days before the date on which that hearing begins.

(3) The Tribunal may also make a costs order or a preparation time order (as appropriate) on the application of a party where a party has been in breach of any order, rule or practice direction or where a hearing has been postponed or adjourned.

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4. The tribunal must consider firstly whether the threshold set out in Rules 74 (2)(a) and/or (b) has been met and then go on to consider whether to make a costs order. If it decides to make an order it must assess the amount to be awarded. A tribunal may take into account the claimant's ability to pay in considering whether to make an order and in deciding the amount (rule 82).
5. An award of costs in the employment tribunal is the exception rather than the rule. This principle was reiterated by the Court of Appeal in *Yerrakalva v Barnsley Metropolitan Borough Council and anor 2012 ICR 420, CA*.

**Relevant Findings of Fact**

6. With few exceptions the claimant has worked consistently for approximately 25 years. He was unemployed for three months following his dismissal by the respondent on 21 October 2023 and has been unemployed again since late October 2025. He is not currently eligible for Universal Credit.
7. In his most recent employment, the claimant had net pay of approximately £6000 per month. In the employment previous to that he had net pay of approximately £4700 per month.
8. The claimant was ordered to pay rent arrears in the sum of £30,550 on 5 February 2024.
9. The claimant and his son entered into a tenancy agreement on 6 September 2024. The monthly rent payable is £4300.

10. The claim lives with his son and his daughter in law. His son has permanent employment.
11. The claimant has more than one bank account. He produced statements for one account and was overdrawn by £563.33 on 15 January 2026 as shown on the most recent statement for that account.
12. The respondent gave the claimant costs warnings, and made offers to settle on 12 August 2024, 31 October 2024 and 13 November 2024.

### **Submissions**

13. A summary of the parties' submissions is set out below. The submissions are not reproduced verbatim.
14. Mr Baynham filed a skeleton argument setting out the respondent's position on why costs should be awarded. In oral submissions he said that it was clear that the threshold test in s74 2(a) and (b) had been met and the question was one of discretion. He went through the eleven points on discretion raised in the skeleton. On means he said that the claimant's evidence presented a confusing picture. There were payments from his account going to his daughter or other family members under a description which was his name, in circumstances where he accepts that he has other bank accounts. It was more likely that the payments were being made to another of his accounts. Statements from the other accounts were not before the tribunal. In any event, the respondent's central submission was that the claimant had an unbroken employment record of 25 years other than for two periods of three months, and has been earning a good wage. The tribunal can be satisfied that the claimant has realistic prospects of returning to work so should not make an assessment based on the picture today. The respondent is a small startup company with three employees. Meeting unmeritorious claims has more of an impact on it than it would on a larger employer.
15. The claimant said that the threshold had not been met. He referred to the prospects of success being discussed at the preliminary hearing and dismissed. He did not make up the comments he alleged that Mr Stonehill made. Costs are the exception not the rule and losing a case is not enough to warrant a costs order. If the case had been hopeless, it would not have been case managed in the way that it was, and the respondent is trying to justify costs through hindsight. He had dropped the unfair dismissal claim at case management stage when it was explained to him there was no prospect of success. Deciding not to accept the terms of a settlement offer is not unreasonable conduct. There were no findings of dishonesty. The tribunal should exercise its discretion to make no order. The claimant was a litigant in person facing two lawyers and a barrister. He could not afford a representative, and the hearing was difficult for him. The claimant's means are extremely limited. He is unemployed and has no savings. He has a rent related CCJ and poor mental health. If anything is awarded it should be nominal with a payment rate of £1 a month.

## Decision and Reasons

16. It was the tribunal's clear finding following the liability hearing that the discriminatory comments attributed by the claimant to Mr Stonehill were not made. On that basis, and because those alleged comments were the foundation of the discrimination claim, the tribunal finds that the threshold by which it must consider whether to make a costs order has been met both in terms of s74(2)(a) (acting unreasonably in the bringing of proceedings) and s74(2)(b) (no reasonable prospects of success).
17. The tribunal has considered whether or not to exercise its discretion to make an order. It has decided that the exercise of that discretion in the respondent's favour is warranted, and that this case is one which is an exception to the general rule against costs awards. The case was one of age discrimination only and was founded on the allegation that a comment was made by Mr Stonehill, which the tribunal has found was not made. The tribunal is satisfied that it is not being influenced by hindsight and is not taking into account things that could not have been known at the outset of the litigation (*Radia v Jefferies International Ltd [2020] I.R.L.R. 431 [65]*), as the claimant will have known what was or was not said by Mr Stonehill before proceedings were issued. It is correct that the tribunal did not make an express finding of dishonesty, but it clearly recorded at paragraph 28 why it concluded that the comment had not been made, and the tribunal also noted that the claimant did not properly represent the wording of an email from Mr Stonehill to him in his witness statement [paragraph 38].
18. The tribunal has taken into account that the claimant was warned by the respondent on more than one occasion that it would apply for costs if the claim was pursued and that it made three offers to settle. The tribunal notes of course that costs warnings and settlement offers are often used as tactics in litigation, but its view here is that the claimant must have known that he was acting unreasonably or that the claim had no prospect of success.
19. The tribunal agrees with Mr Baynham that in this case, the fact that the claimant was not legally represented is not a relevant factor. The claimant's decision to proceed with this case was not a decision where a question of complex law or a misunderstanding of process arose that may have been explained by a professional, leading to a different decision by the claimant on whether or how to plead his claim.
20. The tribunal has scrutinised the respondent's evidence about costs incurred. The claimant said that was an exercise he wanted the tribunal to undertake as he did not have the knowledge to analyse the fee notes. The tribunal has done so. It notes that the respondent is not in any event seeking the full amount of its costs which it puts at £25,158, but a lesser sum, amenable to summary assessment, of £20,000. The tribunal accepts that £20,000 is not an unreasonable sum to claim for the work done, based on prevailing hourly rates and the preparation required for a two day hearing.
21. The tribunal has taken into account the claimant's ability to pay. It is of the view that this is appropriate where the claimant has presented evidence

which he says shows that he is in serious financial difficulties and is currently unemployed. Having taken into consideration the evidence it has heard on this matter its notes that the claimant clearly has potential to earn a good salary in the near future. It heard evidence that periods of unemployment recently have not exceeded a few months. It is a fact though that the claimant is currently unemployed. Whilst accepting that the claimant has financial difficulties and debts, it did not find that it had a clear picture of the extent of the difficulties, as the evidence presented was partial and at times unclear.

22. Taking all of this into consideration the tribunal makes an award of costs to the respondent in the sum of £5000, to be paid with six months, which is to allow time for the claimant to find his next contract or permanent job

Approved by:

Employment Judge Anderson

Date: 3 February 2026

Sent to the parties on: .25 March 2026..

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For the Tribunal Office