



EMPLOYMENT TRIBUNALS

Claimant: Syed Khalil
Respondent: Innovate Transport UK Ltd
Heard at: Watford Employment Tribunal (in person)
On: 27 March 2026
Before: Employment Judge L Wilson (sitting alone)

Appearances:
For the Claimant: In person
For the Respondent: Satpual Boparai

RESERVED JUDGMENT

1. The claimant was not a worker.
2. The claim for unlawful deduction from wages is not well founded and fails.
3. The claim for compensation is not well founded and fails.

REASONS

Claims and Issues

1. The claimant commenced early conciliation on 9 February 2025 and the early conciliation certificate was issued on 25 February 2025. The ET1 claim was presented in the Watford Employment Tribunal on 17 March 2025. The claimant brought claims for unlawful deductions from wages plus compensation and sought a declaration that he was a worker or employee. An ET3 response was received on 14 April 2025. The case was listed for final hearing, initially in December 2025 but this was postponed at the Claimant's request until 27 March 2026 before a Judge sitting alone.

2. The amount requested by the claimant is £1057.68 in unpaid wages plus compensation.
3. Both parties agree that the respondent paid the claimant £1426.32.

Proceedings and Record of Hearing

4. No Preliminary Hearing took place, but the parties were ordered to comply with various case management directions in the Written Orders dated 30 June 2025.
5. As well as the claim form, the claimant sent the Tribunal three sets of PDF documents, totalling 161 pages. Some of these are duplicates. They are not sequentially paginated so references to pages will specify whether it is Claimant Bundle 1 (42 pages), Claimant Bundle 2 (28 pages) or Claimant Bundle 3 (91 pages).
6. The respondent sent the Tribunal a document consisting of 20 pages in total ('Respondent Bundle'). Unfortunately, the respondents' documents did not reach the Tribunal before the date of the hearing, through no fault of the parties. The Tribunal took time to consider these documents at the start of the hearing, and parties were content to proceed.
7. At the hearing, Mr Khalil represented himself. Mr Boparai attended on behalf of the Respondent.

Submissions

8. At the hearing the claimant conceded that he was not an 'employee' and referred to himself repeatedly as "self-employed". He stated that he had never asserted that he was employed and that the suggestion in the ET1 that he was an employee, was a misunderstanding. The claimant submits that he was a 'worker'. The claimant submits that he had no autonomy over his working hours and was required to work fixed shifts dictated by the respondent; he was not permitted to send a substitute in his place; his work was directly controlled and supervised within the FedEx depot.
9. The claimant asserts that the respondent made an unlawful deduction from wages, on the ground that he was entitled to payment of £230 plus VAT per day and that he therefore should have been paid £2484 plus VAT. He was only paid £1426.32, leaving £1057.68 outstanding. The claimant avers that the respondent is wrong to calculate pay by 'drop-rate' rather than daily rate.

10. In his ET1 the claimant also contends that he was not paid the agreed sum of £80 for a training day on 16 January 2025.
11. The respondent disputes that the claimant was a worker, asserting that he was a sub-contractor at all material times.
12. The respondent further disputes that he made a deduction from wages. The respondent avers that the claimant was entitled to payment per drop, rather than per day and therefore the payment of £1426.32 is correct. The respondent contends that this includes the sum of £80 for 16 January 2025.

Findings of Fact

13. There was little dispute between the parties about the background facts. Where there was dispute between the parties, the Tribunal preferred the evidence of the respondent over that of the claimant. The claimant was evasive in evidence, self-serving and inconsistent in his answers and his assertions were often contradicted by the documentary evidence. Mr Bopari, on the other hand, was a candid and credible witness. Mr Bopari was consistent in his evidence and attempted to assist the Tribunal with his answers, even when the answers may have undermined the respondent's submissions. Mr Bopari's assertions were consistent with the documentary evidence.

Background

14. The respondent is a transport and courier company which has a contracted "drop rate" area with FedEx. The respondent is responsible for the delivery and collections of the parcels within the area. All the delivery routes within that area are operated by drivers.
15. The Claimant saw a job advertisement placed on Gumtree by the respondent for a delivery driver who owns their own van. The claimant asserts that the job advertisement referenced "FedEx" and that it promised a daily rate of £230 plus VAT. The Tribunal does not accept this and prefers the evidence of the respondent that the advertised rate was £2.30 per drop (ie £2.30 for each delivery or collection). The Tribunal reaches this conclusion because the job advertisement before the Tribunal does not reference "FedEx". Instead, it references an unspecified "large courier company" (Claimant Bundle 1/Page 26 and Respondent Bundle/Page 3). Nor does it specify a daily rate. The advertisement refers to "Very Competitive Drop Rates (up to £2.30 per drop)".

16. The Tribunal accepts Mr Bopari's evidence that the advertisement before the Tribunal in both the claimant's and respondent's bundles is a "screenshot" of the advertisement that the claimant responded to and is not a document subsequently created by him.
17. The Tribunal found that Mr Bopari was an honest witness and rejects the suggestion that he has doctored the paperwork. The claimant has not produced an alternative advertisement; the advert is identical in both the claimant and the respondent bundles. The Tribunal also rejects the claimant's evidence that Gumtree does not permit the user to advertise by drop rate. It is plain on the face of the written evidence that 'drop rates' are explicitly referred to in the body of the text (Claimant Bundle 1/Page 26 and Respondent Bundle/Page 3). The claimant's suggestion that the couriership industry does not advertise per drop is inconsistent with the job advertisement at Claimant Bundle 1/Page 17.
18. The claimant was one of a number of individuals who responded to the advert. The claimant enquired what size van the respondent was "ideally looking for". He sent the enquiry from 'sales@aayaw.com'. The claimant is the sole director of a limited company called AAYAW LTD.
19. A few days later the claimant spoke to Mr Bopari on the telephone. The claimant indicated that he had years of experience as a delivery driver for a number of large organisations, but that he did not currently have his own van. They agreed that the respondent would insure the claimant on their own spare van for a few weeks until he sourced his own. The claimant invoiced the respondent for the cost of the insurance, in the name of AAYAW LTD.
20. The respondent sent a text message to the claimant inviting him to attend the FedEx warehouse from 7:30 am on 16 January 2025 for a face-to-face discussion and training and to bring his driver's licence as well as safety boots and a high visibility jacket if he has one. They agreed that the claimant would be paid £80 for that day.
21. On 16 January 2025 the claimant attended the respondent warehouse as arranged and spent the day with another driver to learn the systems and procedures.
22. The claimant started the route on Monday 20 January 2025 and finished on Wednesday 29 January 2025 at the agreed rate of £2.30 per drop. The claimant was a delivery driver for the respondent for 9 days in total, including the training day.

23. Each morning, the drivers would attend the respondent's warehouse, collect a "Proof of Delivery" (POD) electronic device, collect their designated parcels from bays in the warehouse and then commence their designated route, delivering and collecting parcels.
24. Daily deliveries needed to be completed by 6pm in order to avoid a financial penalty being imposed upon the respondent by FedEx. The Tribunal does not accept the claimant's evidence that he was directed to work 12 hour days between 7am and 7pm.
25. The Tribunal prefers the evidence of Mr Bopari that the claimant was advised that 7am was a good time to arrive at the warehouse in order to load the van and get on the road by 8am in order to avoid rush-hour traffic and that there were no "clock in/clock out" times as stated by the claimant. The Tribunal accepts the Respondent's evidence that the start times and end times were ultimately a matter for the claimant.
26. No discussion took place at any time between the respondent and the claimant as to rest breaks, holiday, appraisals, disciplinary procedures or uniform, save for being encouraged to wear safety boots and high visibility jackets in the warehouse for safety reasons. Drivers were encouraged to drive white vans.
27. Balancing these factors against each other, the Tribunal is satisfied that the claimant had autonomy over his working hours and was not required to work fixed shifts dictated by the respondent. The Tribunal is also satisfied that the claimant's work was not directly controlled and supervised within the FedEx depot.
28. A competent experienced driver can achieve 13-20 drops per hour. The claimant was only completing 50-60 drops per day. The respondent informed the claimant that his services were no longer required and the claimant ceased driving for the respondent.
29. There was no contract of employment between the parties.
30. On 4 February 2025 the claimant invoiced the respondent in the sum of £926.32 total for "Transport Services". This sum consisted of the following amounts:
 - 27.1. Week commencing 19 January 2025: £80 for 16 January 2025.
 - 27.2. Week commencing 26 January 2025: £646.30, calculated as 281 drops multiplied by £2.30.
 - 27.3. Week commencing 2 February 2025: £462.30, calculated as 201 drops multiplied by £2.30.

- 27.4. Invoice subtotal: £1188.60.
- 27.5. VAT Rate: 20.00%
- 27.6. VAT: £237.72.
- 27.7. Minus Payment Received: £500.00 (for insurance costs).
- 27.8. Total: £926.32

31. The invoice was in the name of AAYAW LTD and was entitled, 'VAT Invoice'. Contact details were given as sales@aayaw.com and contained the company's VAT number. Payment details were for the bank account in the name of AAYAW LTD. The terms of payment specified that the total was due in <0> days and overdue payments would be subject to a service charge of 20% per month.

32. The respondent paid the claimant £926.32 as requested.

33. On 7 February 2025, the claimant invoiced the respondent in the sum of £1057.68 total for "Transport Services". This sum consisted of the following amounts:

- 30.1. 16 January 2025: £80 for Training.
- 30.2. 20 January 2025: £230.00 for Full Day Transport Services.
- 30.3. 21 January 2025: £230.00 for Full Day Transport Services.
- 30.4. 22 January 2025: £230.00 for Full Day Transport Services.
- 30.5. 23 January 2025: £230.00 for Full Day Transport Services.
- 30.6. 24 January 2025: £230.00 for Full Day Transport Services.
- 30.7. 27 January 2025: £230.00 for Full Day Transport Services.
- 30.8. 28 January 2025: £230.00 for Full Day Transport Services.
- 30.9. 29 January 2025: £230.00 for Full Day Transport Services.
- 30.10. Invoice subtotal: £2,070.00.
- 30.11. VAT Rate: 20.00%
- 30.12. VAT: £414.00.
- 30.13. Minus Payment Received: £1,426.32.
- 30.14. Total: £1,057.68.

34. The invoice was in the name of AAYAW LTD and was entitled, 'VAT Invoice'. Contact details were given as sales@aayaw.com and contained the company's VAT number. Payment details were for the bank account in the name of AAYAW LTD. The terms of payment specified that the total was due in <0> days and overdue payments would be subject to a service charge of 10% per month.

35. On 15 March 2025, the claimant invoiced the respondent in the sum of £1057.68 total for "Courier Services". This sum consisted of the following amounts:

- 32.1. 16 January 2025: £276 for Courier Training.
- 32.2. 20 January 2025: £276.00 for Full Day Courier Services.
- 32.3. 21 January 2025: £276.00 for Full Day Courier Services.
- 32.4. 22 January 2025: £276.00 for Full Day Courier Services.
- 32.5. 23 January 2025: £276.00 for Full Day Courier Services.
- 32.6. 24 January 2025: £276.00 for Full Day Courier Services.
- 32.7. 27 January 2025: £276.00 for Full Day Courier Services.
- 32.8. 28 January 2025: £276.00 for Full Day Courier Services.
- 32.9. 29 January 2025: £276.00 for Full Day Courier Services.
- 32.10. Invoice subtotal: £2,484.00.
- 32.11. Minus Payment Received: £1,426.32.
- 32.12. Total: £1,057.68.

36. On this occasion, the invoice was in the claimant's personal name and was not entitled 'VAT Invoice' as the two previous versions had been. Contact details were for the claimant's personal email address and, unlike on the two previous versions, this version did not contain AAYAW LTD's VAT number. Payment details were for the bank account in the name of the claimant's personal details. The terms of payment specified that the total was now overdue and that overdue payments would be subject to a service charge of 10% per month.

37. Significantly, that third invoice was issued by the claimant after receiving the Early Conciliation Certificate and just two days before he commenced the ET1 claim against the respondent.

38. In evidence, the claimant gave contradictory explanations as to why he issued the third invoice in his personal name and was unable to account for the other changes between that version and the first two versions. Nor was he able to account for why he continued to charge for the training day on 16 January 2025 when it had already been paid for by the respondent, or why he increased the amount he claimed was due for the training. The Tribunal found the claimant evasive and that he was not able to give any credible explanation for these changes. The Tribunal is satisfied that the first invoice, which mirrored the text messages between the parties, reflected the true agreement between the claimant and the respondent, and that they each acted in accordance with it. The agreement was between the respondent and AAYAW LTD.

Law

Employment Status

39. Pursuant to section 230(1) Employment Rights Act 1996, an employee means an individual who has entered into or works under (or, where the employment has ceased, worked under) a contract of employment.
40. Pursuant to section 230(3) of the 1996 Act, a worker means an individual who has entered into or works under (or, where the employment has ceased, worked under):
- a. *a contract of employment, or*
 - b. *any other contract, whether express or implied and (if it is express) whether oral or in writing, whereby the individual undertakes to do or perform personally any work or services for another party to the contract whose status is not by virtue of the contract that of a client or customer of any profession or business undertaking carried on by the individual.*
41. Case law has clarified how employment status is to be interpreted. There is a two-stage test that the tribunal should apply.
42. The first stage of the test is to assess whether the three minimum requirements for a contract of employment exist to a sufficient degree. Those three requirements are personal service, mutuality of obligation and control.
43. The requirement of personal service derives from the case of **Express and Echo Publications Ltd v Tanton [1999] IRLR 367** and relates to the obligation on the individual to carry out their work personally rather than that work being carried out by others (including their own employees or workers).
44. The requirement of mutuality of obligation derives from the case of **Carmichael v National Power plc [200] IRLR 43**. For the duration of the contract, the parties must be under legal obligations to one another. Typically, such obligations include an obligation for work to be provided and a corresponding obligation for work so provided to be done.

45. The requirement of control derives from the case of **Ready-Mix Concrete (South East) Ltd v Minister of Pensions and National Insurance [1968] 1 All ER 433**. For the requirement to be satisfied, work does not have to be carried out under direct supervision or control. The requirement will be satisfied provided that ultimate authority resides with the work provider and the individual carrying out the work is subject to direction of the work provider.
46. If any one or more of these three minimum requirements do not exist to a sufficient degree, then the legal status of the relationship between the parties cannot be one of employer and employee. If all three do exist to a sufficient degree, then the status of the legal relationship between the parties *might* be one of employer and employee.
47. In that latter situation, the tribunal must then go on to consider the second stage of the test. This involves considering the overall picture (**Hall (Inspector of Taxes) v Lorimer [1994] 1 All ER 250**. See also **Market Investigations Ltd v Minister of Social Security [1968] 2 AC 374**).
48. There is no exhaustive checklist when considering the second stage of the test, although tribunals will usually consider factors such as the method of payment, the provision of equipment, the applicability of employment procedures, the provision of employee benefits, whether the work the individual carries out an integral part of business, whether there are restrictions on the individual working for others, whether the individual hires their own help, whether the individual has the opportunity to profit from sound management, whether the individual is responsible for management tasks and the degree of financial risk that the individual is expected to take.
49. In **Byrne Brothers (Formwork) Ltd v Baird [2002] ICR 667** the EAT (Mr Recorder Underhill QC and members) said at [17] (in part)

(4) It seems to us that the best guidance is to be found by considering the policy behind the inclusion of limb (b). That can only have been to extend the benefits of protection to workers who are in the same need of that type of protection as employees stricto sensu - workers, that is, who are viewed as liable, whatever their formal employment status, to be required to work excessive hours (or, in the cases of Part II of the Employment Rights Act 1996 or the National Minimum Wage Act 1998, to suffer unlawful deductions from their earnings or to be paid too little). The reason why employees are thought to need such protection is that they are in a subordinate and dependent position vis-à-vis their employers: the purpose of the Regulations is to extend protection to

workers who are, substantively and economically, in the same position. Thus the essence of the intended distinction must be between, on the one hand, workers whose degree of dependence is essentially the same as that of employees and, on the other, contractors who have a sufficiently arm's-length and independent position to be treated as being able to look after themselves in the relevant respects.

50. The tribunal must look at reality of the relationship, rather than any labels put on it by the parties. In **Autoclenz Ltd v Belcher & Others** [2011] IRLR 820, the Supreme Court held that written contracts may be disregarded if they do not reflect the true agreement, confirming that employment status depends on the reality of the working relationship, not just contractual labels.
51. As noted by Baroness Hale in **Clyde & Co v Bates van Winkelhof**, [2014] UKSC 32, at paragraph 39, “there can be no substitute for applying the words of the statute to the facts of the individual case”.
52. In **Uber v BV and others v Aslam and others** [2021] ICR 657, the Supreme Court held that the determination of worker status is a question of statutory interpretation, not contractual interpretation and that it is therefore wrong in principle to treat the written agreement as a starting point. The correct approach is to consider the purpose of the legislation, which is to give protection to vulnerable individuals who are in a subordinate and dependant position in relation to a personal organisation who exercises control over their work.
53. In **Catt v English Table Tennis Association Ltd and others** [2022] EAT 125, the then President of the EAT, Mrs Justice Eady, emphasised the importance, when considering worker status, of an initial focus upon whether there was a contract between a Claimant and putative ‘employer’ through which the former undertook to perform work or services for the latter.
54. Eady P also noted that in the Uber case, it was not in dispute that the drivers worked under a contract, nor that they undertook to perform driving services personally: the issue was whether they were working with contracts with Uber London, or, as contended by the Uber company, they were to be regarded as performing services solely for and under contracts made with passengers through the agency of Uber London. She noted that it was not contended that any Uber company was a client or customer of the Claimants.

55. In **Omnium Automotive Limited v Horton [2023] EAT 85**, the EAT (HHJ Tucker) emphasised that an accurate determination of the employment status is best resolved by adopting a structured analysis and structured application of the legal principles set out in section 230 of the ERA 1996. Secondly, those legal principles must then be applied to the myriad situations in which individuals provide their work or services to others, in return for payment. Thirdly, having carried out that exercise, the Tribunal will need to place such weight as it considers appropriate on the different factors which militate in favour of, or against, worker status (Paragraph 52).

56. In **Omnium**, the EAT also affirmed that a limited company has its own distinct legal personality, separate from its directors and shareholders (**Salomon v Salomon [1897] AC 22**). The EAT held that the true arrangement between the claimant and the respondent was in fact between the respondent and the companies in which the claimant was a Director. In allowing the respondent's appeal and substituting that the claimant was *not* a worker, the EAT further held that the contractual arrangements were not a sham or falsely conceived arrangement, but worked to the claimant's benefit (at 62).

Deduction from Wages

57. Section 13 of the Employment Rights Act 1996 states:

“(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.

(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”.

58. Section 27 of the 1996 Act defines wages as “any sums payable to the worker in connection with his employment”, and that includes, in subsection (a), “any fee, bonus, commission, holiday pay or other emolument referable to his employment, whether payable under his contract or otherwise”.
59. The words “properly payable” in section 13(3) mean there must be some legal entitlement to the sum in question (*New Century Cleaning Co Ltd v Church* [2000] IRLR 27).
60. There is no requirement for the sum to be payable or paid during the currency of the worker’s contract for it to be covered by section 13 (*Robertson v Blackstone Franks Investment Management Ltd* [1998] IRLR 376).
61. Once it is established that there is a statutory or contractual provision or a written agreement authorising the type of deduction in question — and what the scope of that authorisation is — a Tribunal may then go on to consider whether the actual deduction is in fact justified, *Fairfield v Skinner* 1992 ICR 836 EAT.

Conclusions

62. The Tribunal is satisfied that the parties intended the claimant provide transport services to the respondent as a self-employed contractor through his Limited Company, and not to work as an employee or worker. The claimant referred to himself as a sub-contractor and corresponded with the respondent through his Limited Company (Claimant Bundle 3/Page 35). The claimant also invoiced the respondent through his Limited Company, up until he received the Early Conciliation Certificate and was about to commence proceedings in the Employment Tribunal.
63. The Tribunal is satisfied that the true reason for the changes to the third invoice was to disguise the genuine nature of the relationship between the parties and to hide the claimant’s true intentions to provide transport services as a self-employed contractor through his Limited Company, AAYAW LTD, and not to work as an employee or worker, at the time he started the driving job. The respondent was a client or customer of AAYAW LTD.

64. The claimant benefited from this relationship by charging VAT and through setting the payment terms that the respondent would be charged 20% and then 10% per month for late payments. The claimant was not controlled by the respondent and retained autonomy.
65. The Tribunal is also satisfied that the respondent paid the claimant in accordance with the agreement to pay £80 for 16 January 2025 and £2.30 per drop thereafter. The payments terms were advertised per drop, as demonstrated by the Gumtree advertisement. The claimant was aware of these payment terms not only from the advert, but also from the text message exchange between himself and the respondent (Claimant Bundle 3/ Page 31). The claimant accepted these payment terms at the time and invoiced the respondent in accordance with that agreement. The respondent paid the claimant correctly.
66. In all the circumstances, the Tribunal concludes that the claimant was not a worker. The claim for unlawful deduction from wages is not well founded and fails. The claim for compensation is not well founded and fails.

Approved by:

Employment Judge EJ Wilson

14 May 2026

SENT TO THE PARTIES ON 15 May 2026

FOR THE TRIBUNAL OFFICE