EMPLOYMENT TRIBUNALS

Claimant: **P Ovat**

Respondent: **Effective Security Services Ltd t/a Professional Security**

Heard at: **Newcastle Upon Tyne** **On: 12 May 2026**

Before: **Employment Judge O'Dempsey**

Representation
Claimant: self
Respondent: Wilshire (counsel)

JUDGMENT

The claimant is not entitled to any further monetary award.

The respondent's payment of £848.73 extinguishes any recoverable consequential loss of £144 arising out of the unlawful deductions claim.

The claimant's application for a preparation time order is refused.

The respondent's application for costs is refused.

REASONS

Introduction

1. By a liability judgment promulgated on 9 January 2026 I upheld the claimant's complaint of unlawful deductions from wages arising from the respondent's failure to pay the National Minimum Wage. The claimant's remaining claims, including claims for detriment and dismissal arising from protected disclosures and the assertion of statutory rights, were dismissed. It has taken me longer than I had hoped to produce these reasons and I give my apologies to the parties for that delay.

2. This hearing was concerned with:
(1) Remedy flowing from the successful unlawful deductions complaint; and

(2) Cross-applications for costs, including the claimant's application for a preparation time order.

3. I heard evidence from the claimant and submissions from both parties. I also considered the written skeleton arguments and the documentary evidence contained within the remedy bundle.

The Relevant Law

4. Section 24 of the Employment Rights Act 1996 provides that where a complaint under section 23 is well founded the Tribunal shall make a declaration to that effect and may order the employer to pay the amount of the deduction.
5. Section 25(3) Employment Rights Act 1996 provides:

   > "An employer shall not under section 24 be ordered by a tribunal to pay or repay to a worker any amount in respect of a deduction or payment ... in so far as it appears to the tribunal that he has already paid or repaid any such amount to the worker."

6. The Tribunal may in an appropriate case compensate a claimant for losses flowing from unlawful non-payment or late payment of wages. Such losses must however be proved by evidence and must be caused by the unlawful deduction.

Remedy

The Claimant’s evidence

7. The claimant gave evidence that the underpayment of wages caused him significant financial hardship between approximately June and October 2024. He stated that there were several occasions when he was unable to meet his rent obligations because his earnings were insufficient. On one occasion he missed a rent payment entirely and his landlord chased him for payment. He said that if he had received the hours and rate of pay he expected, he would not have experienced those difficulties.

8. He told me that he borrowed money from his brother, Dr Faithman Ovat, in order to meet his living expenses and rent. He referred to a loan of £400 in June 2024 and a further £500 in July 2024. He identified a payment of £500 received from Faithman Ovat on 9 July 2024 and pointed to subsequent payments to his landlord, SDM Properties. He said that some of the borrowed funds were used towards rent and some were used to meet other debts. He referred to rent payments including payments of £230 on 22 June 2024 and 11 July 2024 and stated that at page 363 of the bundle there was evidence of an outgoing rent payment of £575 made using borrowed funds. He also said that he received a further loan of £750 from Faithman Ovat in December 2024, although he accepted that he could not demonstrate from the documentary evidence that this particular sum had been used to pay rent.

9. The claimant further stated that he borrowed money from his wife and from friends in order to meet other living expenses. He referred to financial assistance received from Jessica and another friend. He accepted that these loans were informal arrangements and that no interest was charged on any of them.

10. The claimant was unable to quantify precisely the financial loss arising from the underpayments. He said that he could not give a definitive figure

but maintained that, had he been paid correctly, he would not have needed to take the loans in question.

11. The claimant also gave evidence that he used credit cards to fund day-to-day living expenses, including food. He said that because of the underpayments he accumulated credit card debt and ultimately had to consolidate balances through balance-transfer arrangements. He referred to a credit card balance of approximately £668, which he said was later reduced and eventually cleared once he obtained sufficient income from two jobs.

12. He estimated that between June 2024 and February 2025 he had incurred at least £1,000 of credit card borrowing. He stated that one card carried an annual percentage rate of approximately 39%, whilst other cards carried rates in the region of 27% to 29%. He accepted, however, that he had not disclosed any credit card statements and that there was therefore no documentary evidence before the Tribunal showing the applicable interest rates, the balances outstanding, or the transactions which had generated the debt.

13. The claimant's case was that the underpayments forced him to rely upon credit cards and that the resulting interest charges constituted consequential loss flowing from the unlawful deductions. He referred to payments made to Capital One and contended that the accumulation of interest arose because of the financial hardship caused by the respondent's failure to pay him correctly. He relied upon figures set out in his skeleton argument, including a calculation of £140.77 said to represent interest attributable to the underpayments.

14. During cross-examination the claimant accepted that no interest had been payable on the loans received from his brother, wife or friends. He also accepted that his landlord had not imposed any late-payment charges or other financial penalties because of delayed rent payments. He therefore agreed that he had not suffered any direct financial loss arising from the borrowing itself or from any delay in paying rent.

15. The claimant accepted the respondent's calculation that, assuming payment on the basis of the National Minimum Wage of £11.44 per hour, he should have received £5,285.38 in total and that he had received £5,000.05, leaving a shortfall of £285.33 before the payment made by the respondent in September 2025. He maintained, however, that his losses should not be assessed solely by reference to the National Minimum Wage because he considered that he had been promised a higher hourly rate. He accepted that this issue had not been determined in the liability judgment.

16. When it was put to him that the maximum consequential loss arising from interest on a £285.33 underpayment might be approximately £144, the claimant stated that he could not say whether he would have been able to pay off the credit card balances sooner if he had been paid correctly. He accepted that the Tribunal had not been provided with documentary evidence establishing the amount of credit card interest actually incurred or demonstrating precisely how any such interest was attributable to the wage underpayments. Nevertheless, he maintained that some element of

the credit card interest had been caused by the respondent's unlawful deductions.

The Parties' Positions

17. The claimant accepted that the respondent had made payments totalling £848.73 following the initiation of the liability proceedings.
18. The claimant contended that despite those payments he had suffered consequential financial losses. He relied principally upon:
    (1) Difficulties paying rent;
    (2) Borrowing money from friends and family;
    (3) Use of credit cards to fund living expenses; and
    (4) Interest allegedly incurred on credit card debt.
19. The claimant accepted in cross-examination that:
    (1) Friends and family charged no interest on the loans provided to him;
    (2) His landlord did not charge late-payment fees or penalties;
    (3) There was no direct documentary evidence showing what part of his borrowing was attributable to the wage underpayments;
    (4) No credit card statements had been produced showing the balances, interest rates, or the expenditure which generated the debt.
20. The respondent submitted that the claimant had failed to prove any consequential loss. It argued that the unlawful deductions, calculated on the National Minimum Wage basis accepted by the Tribunal, amounted to approximately £285 and had subsequently been overpaid by the respondent. Even taking the claimant's case at its highest, the respondent submitted that any interest loss could not exceed approximately £144.

Findings

21. I accept the claimant's evidence that the underpayments caused him genuine financial difficulty in the sense of his having cash flow difficulties.
22. I accept that he occasionally struggled to meet rental commitments, borrowed money from relatives and friends and relied upon credit facilities to fund day-to-day expenditure.
23. The difficulty for the claimant is evidential rather than credibility based. The Tribunal must assess compensation by reference to proved loss.
24. His evidence also establishes the sensible steps he took to mitigate any loss that might have flowed from the delay in payment by the respondent, namely I accept his evidence that:
    (1) No interest was payable to family members or friends who advanced money to him;
    (2) No additional rent, penalty or charge was imposed by the landlord;
    (3) No documentary evidence was produced showing the accumulation of credit card debt, the interest charged or the extent to which the debt was attributable to the wage underpayments rather than ordinary living expenditure.
25. I nevertheless accept the claimant’s oral evidence to the effect that at least some part of his use of credit cards was caused by the respondent's unlawful underpayments and the delay in payment.
26. Doing the best I can on the evidence available, I assess the claimant's attributable loss at £144. This broadly reflects the respondent's calculation of potential interest attributable to the underpayment.
27. However, the respondent has already paid the claimant £848.73.
28. The evidence demonstrates that this payment was made in respect of the same wage deductions which formed the basis of the successful claim.

29. Even after allowing for the consequential loss I have assessed at £144, the payment already made exceeds any sum capable of being awarded.
30. Section 25(3) Employment Rights Act 1996 prevents the Tribunal from making a further repayment order in circumstances where the relevant amount has already been paid.
31. Accordingly:
    (1) The claimant has established consequential loss in the sum of £144.
    (2) That loss has already been extinguished by the respondent's payment of £848.73.
    (3) No further monetary award falls to be made.

The Claimant's Application for a Preparation Time Order

32. The claimant applies for a preparation time order pursuant to rule 77 of the Employment Tribunals Rules of Procedure 2024. He relies upon a number of matters including:
    (1) The respondent's failure to comply with disclosure deadlines;
    (2) The late production of documents;
    (3) Additional documents being supplied shortly before and during the hearing process.
33. I accept that the respondent did not fully comply with all disclosure deadlines. Such conduct is not to be encouraged. However, I also note that on 24 June 2025 the respondent sought, before expiry of the relevant deadline, a suspension of existing case management directions pending a further hearing. I am satisfied that some aspects of the respondent's conduct amounted to unreasonable conduct of the proceedings. The question is whether a preparation time order is just and proportionate.
34. I am not satisfied that the claimant has shown that any substantial additional preparation time was caused by the late disclosure. The claimant still had to read and consider those documents in preparation for the hearing. The principal effect of the delay was to shorten the period available for preparation rather than materially increase the amount of preparation required.
35. The additional material eventually introduced into the bundle was relatively limited.
36. I find that any additional preparation time caused by the respondent's unreasonable conduct was minimal.
37. In all the circumstances, and exercising my discretion under rule 77, I do not consider it just to make a preparation time order. The claimant's application is therefore refused.

The Respondent's Costs Application

38. The respondent applies for costs on a limited basis relating to the hearing before me concerning remedies. It submits that the claimant acted unreasonably by pursuing the remedy hearing after the respondent had made clear its position that nothing further was owed and after settlement offers of up to £1,000 had been made.
39. I reject that application. I accept that the claimant genuinely sought a declaration from the Tribunal and I accept that he genuinely did not appreciate that he had effectively already obtained the declaration arising from the liability judgment. I further accept that the claimant rejected the respondent's commercial offer because:
    (1) He wished to obtain that declaration; and

(2) He believed, incorrectly as it transpired, that he might recover more than £1,000 by way of a preparation time order.

40. Those beliefs were mistaken but not unreasonable.

41. I do not consider the claimant acted vexatiously, abusively or otherwise unreasonably in pursuing either the remedy hearing or his application for a preparation time order. I also do not regard the preparation time application as misconceived. Had the claimant succeeded on that application, a further hearing of approximately half a day would probably have been required in any event.

42. I have also considered the claimant's financial circumstances. Although he may be capable of paying a very modest costs award, I regard him as someone with a genuine sense of grievance arising from his treatment and the circumstances that generated this litigation. I have taken account of the overriding objective in reaching this decision and it does not appear to me to be proportionate for the claimant to have to pay any of the respondent’s costs in the circumstances.

43. Taking all matters into account therefore even if the costs threshold had been crossed, I would not exercise my discretion to award costs. Accordingly, the respondent's costs application is refused.

Employment Judge **O'Dempsey**

10 August 2026

Date