EMPLOYMENT TRIBUNALS

Claimant: Mr Ian Ashton

Respondent: HOCB (Retail) Limited

Heard at: Manchester (in private; remote by CVP) **On:** 24 September 2026

Before: Employment Judge Humble (sitting alone)

Representatives
For the claimant: In person
For the respondent: Mr Lansman, Counsel

RESERVED JUDGMENT

The Judgment of the Employment Tribunal is that:

1. The unauthorised deduction from wages claim was presented out of time. It was reasonably practicable to have brought the claim in time. Further, the sums claimed do not meet the definition of wages for the purposes of section 27 Employment Rights Act 1996.
2. The respondent was not in breach of the claimant's contract of employment.
3. The claims are dismissed.

REASONS

The Hearing

1. This hearing took place on 24 June 2026. It was a one day hearing, heard remotely by CVP video link. The claimant was self-represented and he gave evidence on his own behalf. The respondent was represented by Mr Lansman of Counsel, and evidence was given by Mr Hodgson, a director of Sirens Design Limited which was part of the same group of companies as the respondent. There was an agreed bundle of documents which extended to

260 pages. Evidence in chief was given by way of written statements from both witnesses who were then cross examined. The evidence and submissions were concluded on the afternoon of 24 June and Judgment was reserved.

The Issues

2. The claimant brought claims for unauthorised deductions from wages and for breach of contract in respect of a sum of £135,000, which he claims was the sum of two payments due to him, comprising:

   a) £60,000 outstanding on a bonus payment from 2023 ; and

   b) £65,000 outstanding as an additional sum agreed on termination.

3. The tribunal identified and discussed the issues with the parties, and these were agreed as follows:

   Unauthorised deduction from wages

   (1) Was the unauthorised deduction from wages claim brought within the statutory time limit? If not, was it reasonably practicable to bring it within the statutory time limit, and was it brought within such further period as the tribunal deemed to be reasonable?

   (2) Was the bonus payable and, if so, did it fit the definition of wages under section 27(1) Employment Rights Act 1996?

   (3) Was any agreement reached to the effect that the claimant would receive £65,000 upon the termination of his employment and, if so, did that agreement meet the definition of wages under section 27(1) ERA 1996?

   Breach of Contract

   (4) Has the claimant shown that there a contractual entitlement to a bonus which was payable upon termination?

   (5) Was there a binding contractual agreement in place in relation to both the payment of the bonus and the termination payment? If so, was the respondent in breach of that agreement?

The Law

4. The Employment Rights Act 1996 states, in so far as relevant for the purposes of this case:

   "*An employer shall not make a deduction from wages of a worker employed by him…*

   23 (2) Subject to subsection (4), an employment tribunal shall not consider a complaint under this section unless it is presented before the end of the period of ***three*** *months beginning with—*

   (a) in the case of a complaint relating to a deduction by the employer, the date of payment of the wages from which the deduction was made, or

(b) in the case of a complaint 13 (1) relating to a payment received by the employer, the date when the payment was received.

(3) Where a complaint is brought under this section in respect of—

(a) a series of deductions or payments, or

(b) a number of payments falling within subsection (1)(d) and made in pursuance of demands for payment subject to the same limit under section 21(1) but received by the employer on different dates,

the references in subsection (2) to the deduction or payment are to the last deduction or payment in the series or to the last of the payments so received…

(4) Where the employment tribunal is satisfied that it was not reasonably practicable for a complaint under this section to be presented before the end of the relevant period of six months, the tribunal may consider the complaint if it is presented within such further period as the tribunal considers reasonable."

and at Section 27:

"*(1) In this Part "wages", in relation to a worker, means any sums payable to the worker in connection with his employment, including -*

(a) any fee, bonus, commission, holiday pay or other emolument referable to his employment, whether payable under his contract or otherwise…

(3) Where any payment in the nature of a non-contractual bonus is (for any reason) made to a worker by his employer, the amount of the payment shall for the purposes of this Part -

(a) be treated as wages of the worker, and

(b) be treated as payable to him as such on the day on which the payment is made."

5. In relation to the breach of contract claim, the relevant statutory provisions are under the Employment Tribunals Extension of Jurisdiction (England and Wales) Order 1994. It was not in dispute that this claim was brought within three months of the termination of the claimant's employment and was therefore within the relevant time limit. The issue was whether there was any contractual agreement in place.

6. The statutory limit for a breach of contract claim, of which the parties were aware, is £25,000. There is no statutory cap on an unauthorised deduction from wages claim.

7. The tribunal was referred to the following case law: Group 4 Nightspeed Ltd v Gilbert [1997] IRLR 398, EAT; Porter v Bandridge Ltd [1978] ICR 943, CA; Wall's Meat Co Ltd v Khan [1979] ICR 52 (CA); Radakovits v Abbey National plc [2009] EWCA Civ 1346; Rock-It Cargo Ltd v Green [1997] IRLR 581, EAT; Evergreen Timber Frames Ltd v Harrington [2021] UKEAT/0072/20; Oni v UNISON [2018] ICR 1111, EAT; RTS Flexible Systems Ltd v Molkerei Alois Müller GmbH [2010] UKSC 14; Hyde v Wrench (1840) 3 Beav 334; Blue v Ashley [2017] EWHC 1928; Joanne Properties Ltd v Moneything Capital Ltd [2020] EWCA Civ 1541; and Kelly v Fraser [2012] UKPC 25.

Findings

The Employment Tribunal made the following findings on the balance of probabilities (the tribunal made findings of fact only on the matters which were material to the issues to be determined at the hearing and not upon all the evidence placed before it):

Background

8. The claimant was employed by HCOB (Retail) Limited ("the respondent") as Head of Global Retail. The respondent is a global fashion business which trades as House of CB and operates retail outlets in the United Kingdom, selling goods supplied by Sirens Design Limited, which also trades as House of CB. The claimant's employment with the respondent commenced on 1 June 2021, but his case is that he had continuous service from 2012 because he was previously employed by predecessor companies which went into liquidation. The respondent does not necessarily accept that the claimant had continuous service prior to 2021 but nothing turns upon it for the purpose of the claims.

9. The claimant was responsible for developing the retail business of the respondent. He was paid a salary of approximately £100,000. In addition, he said that he was entitled to an annual bonus which he said, "broadly reflects between 5% and 10% of the profits generated by the retail business". There was no written bonus scheme setting out any formula for such a bonus, and there was no written contract of employment. The payslips from January 2023 to May 2025 show salary and overtime payments only (pages 101 to 132 of the bundle) and do not disclose any form of bonus.

10. It was established in evidence that additional payments, over and above the claimant's salary, were paid by the respondent in relation to the claimant's services but they were not paid to him through the respondent's payroll. The claimant said that he, "*received payments in cash, typically between £10,000 and £20,000, whilst the balance was provided through other arrangements agreed with Brian Walker. These arrangements included, for example, the provision of a company vehicle or the funding of improvements to my home.*" Brian Walker was not a director of the respondent, but was an owner of the group of companies of which the respondent was a part and he was the main point of contact for the claimant.

11. The claimant also received additional payments through a limited company which he owned and which was based in Dubai. The claimant was required to raise invoices for these payments and they were described as "consultancy fees", but he did not provide any additional consultancy work and they were in fact additional payments made in relation to his employment with the respondent. The claimant said that they were made in satisfaction of his bonus. He said, "*My understanding was that Brian Walker preferred not to pay the entirety of my bonus through payroll because of the associated tax and employment costs.*" It appeared to the tribunal that there might well be an issue of illegality in relation to these additional payments, as a minimum there appeared to be a tax advantage to both parties in payments being made outside of the respondent's payroll. However, that was not an issue which we were invited, or required, to address.

12. The claimant initially enjoyed a good working relationship with Brian Walker, but this deteriorated from the end of 2024 when communication with him lessened and instructions from Mr Walker were increasingly given to the claimant through John Hodgson, a director of Sirens Design Limited. In early March 2025, the claimant had a conversation with Mr Hodgson during which he asked about, what he described as, "*my outstanding 2023 bonus and my anticipated 2024 bonus*". Mr Hodgson spoke with Mr Walker and later reverted to the claimant and said words to the effect that Brian Walker had said that no bonus would be payable for either year because the "*retail business had not made a profit*".

13. By this stage the claimant was dissatisfied with his employment, in particular the information he had receive from Mr Hodgson in relation to the bonus, and he therefore submitted his resignation on 5 March 2025, giving six months' notice (page 90). The claimant said that he received no communication from Mr Walker at all following his resignation. In the weeks which followed, the scope of his responsibilities was reduced and, as a consequence, the claimant enquired with Mr Hodgson about the possibility of an early exit from the business on, what he described as, "*suitable terms*".

14. There followed a series of communications between the claimant and Mr Hodgson, in large part by WhatsApp, in which the claimant sought to obtain what he believed should be paid by way of outstanding bonus and exit terms. A payment was made on or about 26 March 2025 when, at Mr Walker's request communicated through Mr Hodgson, the claimant raised an invoice from his consultancy company to the respondent in the sum of $40,000, which was paid. In relation to that payment, Mr Hodgson said by WhatsApp, "*he told me if you could write up an invoice for 40k USD for your company mate…he's still working out the rest but wants to send you 40k now"* (page 154).

15. On 8 May 2025, the claimant sent Mr Hodgson a WhatsApp message (page 207-208) with a draft of an email he proposed to send Mr Walker, which stated as follows:

    "I was talking to John and he said that you would consider me leaving early.

    I have two options

    If I leave now and a settlement can be agreed, I would like the following:

    2023 60k is still owed if we are working on your 200k for 2023. I have been paid 140k so far. You and I did discuss 250k when we were talking but I will do the 200k.

    Then for 2024 I know you are still working out numbers etc but I would say that 200k same as 2023.

    I would then need my notice pay till Sept which would be around 40k plus holiday owed at £11,600.

    So that would be £311,600 as a final settlement, with no animosity or unresolved issues.

    Or I can work till my end notice date but would need my 60k from 2023 paid in May 2025.

Then in writing what my 2024 swings would look like and when I shall receive this.

Please let me know what you think?"

16. Mr Hodgson replies: "*Mate if I'm honest this is completely reasonable*" (page 208). The claimant then sent an email to Mr Walker, and copied it in Mr Hodgson (page 91). He did not receive a reply. Mr Hodgson spoke with Mr Walker who said, in essence, that he would not agree to the proposal. There was a subsequent conversation between the claimant and Mr Hodgson, on or about 20 May 2025. Mr Hodgson said words to the effect that the claimant might want to try requesting £5000 for each year of service, although the claimant's evidence was that Mr Hodgson was more definite than this and said that Mr Walker "*would agree £5,000 a year*".

17. On 21 May 2025 the claimant sent a WhatsApp message to Mr Hodgson in which he stated:

"*For Brian*

60k 2023

Wages till 5th Sept and holiday pay 11600.

Brian's payment for service 10k per year for my 13 years??"

18. Mr Hodgson replied: "*Worth a try mate that's a good breakdown*", and "*You want me to try*"; The claimant replied, "*Yes please*". Mr Hodgson wrote: "*Roger that I will tell him as soon as he calls me*" (page 222). Mr Hodgson spoke with Mr Walker who did not accept the offer, but also did not appear to dismiss the prospect of some agreement on exit terms being reached.

19. Further conversations took place between the claimant and Mr Hodgson, and it was evident that no agreement had been reached at this stage. The claimant said, in a message of 28 May 2025: "*Sorry u r stuck in middle John*"; Mr Hodgson replied: "*don't ever apologise mate*" and "*i just want the most amount of money for ya"* (page 230).

20. On 29 May 2025 the claimant wrote: "*I will take the 5k a year to just go, I cannot work under these conditions. But i want all the money tomorrow and my last day will be on Sunday when i do a handover…so that will be 60k 2023 monies owed, 65k 13 years service, wages till 5th Sept, 9 weeks holiday pay*"; This was followed by a further message, "*Also i want make sure i get a reference*" (231-232).

21. Mr Hodgson spoke with Mr Walker, who again he did not agree to the claimant's proposal. At that point, the respondent and Sirens Design LLC were investigating losses made within the business. On 10 June 2026 Mr Hodgson sent a message to the claimant in which he said, "*you should have your payment over to you by Friday for the HOCB RETAIL money*" (235). Mr Hodgson was referring to a payment in lieu of notice and holiday pay, but the claimant believed this was a reference to the proposal he had put forward on 29 May 2025.

22. By 10 June 2026 the respondent had discovered that a Human Resources advisor appointed by the claimant had, allegedly, stolen funds from the group of companies by overcharging on items and/or creating fictious employees on

the respondent's and Siren's payroll system. This altered the respondent's view on how quickly it might release the claimant from his notice period since it was decided that it would need the claimant's assistance with the investigation.

23. On 19 June 2025 the claimant emailed Mr Walker and Mr Hodgson seeking, among other things, written confirmation of his final working day (page 92). Mr Hodgson replied on 21 June 2025 and stated that his notice period would run to 5 September 2025 and that they required his assistance in the meantime to "*provide a detailed account of your interactions with the individual in question* [the person accused of fraud]" and said, "*your continued support is now essential*" (page 95-96).

24. The claimant sent further emails to Mr Walker and Mr Hodgson on 22 June. In the first he made some assertions in relation to garden leave, payment in lieu of notice and stated that, "*my last working day will be Wednesday 25th June 2025 with the payment in lieu of notice…to be paid shortly afterwards*" (page 95). In the second, he set out a timeline of events in relation to the negotiation of exit terms and stated that he made a proposal on 21 May and that, on 29 May 2025, Mr Walker, "*Brian counter-offered £5k per year of service, which I accepted. I also informed the team that I expected payment on 30th May and would complete a handover by 1st June 2025*" (page 93).

25. On 25 June the claimant sent a further email stating that all handovers had been completed, and stated that, "*I have not yet received a response to my emails of Sunday 22nd June 2025. Given that three full working days have now passed, I can only interpret the continued silence from both the business and its legal representation as confirmation that the terms and conditions outlined in my email were accepted, and that this matter is now concluded. With Friday 27th June 2025 being payday, and my final payslip already generated, I see no reason why all remaining monies owed under payment in lieu of notice should not be paid in full on that date marking the formal and final conclusion of our contract.*" (page 259).

26. The claimant's final payslip was issued on 27 June 2025, it comprised a salary of £28,080, equating to three months salary, and holiday pay of £19,440 (page 132). There were no other payments made to the claimant.

27. On 3 July 2025 the claimant emailed Mr Walker and Mr Hodgson and requested, "*a formal written response regarding the agreed settlement payment of £130,000, which remains unpaid. As outlined clearly in my previous emails, none of which have received a reply, this figure was negotiated in good faith and agreed upon between myself and the senior management team.*" (page 98)

28. The claimant progressed the matter further in a telephone call with Mr Hodgson on, or about, 9 July and in a follow up WhatsApp message, on 10 July, in which he asked, "*Hello John, any update?*" Mr Hodgson replied: "*Hello mate sorry today has been crazy! I spoke to him and he said he's gonna take a moment and will call me tomorrow about it all*" (page 245).

29. On 30 July 2025 the claimant sent an email to Mr Walker and Mr Hodgson headed, "*Without prejudice and subject to contract*": This stated, among other things, "*to withhold my lowered yet agreed £130,000 settlement under the*

vague pretext of "risk" or "timing is both inconsistent and unjustified" and, "*Please confirm, in writing, by Friday 1st August 2025, that my settlement will be paid and the issue resolved. After this date, I will consider direct communication closed and pursue formal alternatives.*" (page 71-73). On 31 July 2025 Mr Hodgson replied by email, "*As previously stated, no discussions will be progressed until the judgment in the ongoing fraud case has been delivered. This remains our position given the scale and severity of the issue at hand*." (page 69-70).

30. The claimant notified ACAS of a prospective claim on 15 September 2025, and the ACAS certificate was issued on 27 October 2025. The claim form was presented to the tribunal on 14 November 2025.

Unauthorised Deductions from Wages Claim

31. The claimant's pleaded case was that he should have received payment of the bonus by 10 June 2025. ACAS was not notified of the claim until 15 September 2025 and therefore that notification did not 'stop the clock' in respect of the limitation date. The claim form was not presented until 14 November 2025 at which point it was over two months outside the relevant time limit. The claimant said that he was suffering from stress and anxiety at the time of the termination of his employment because of the circumstances of his exit, but there was no medical evidence before us which suggested it would not have been reasonably practicable for him to have presented the claim form in time. He also admitted under cross examination that he could have notified ACAS earlier.

32. The tribunal held that it was reasonably practicable to presented the claim within the statutory time. The claim is therefore time barred and is dismissed.

33. The tribunal, although not required to determine the point, were also of the view that it was not shown on the evidence that there was a bonus payable to the claimant which fitted the definition of wages for the purposes of section 27 ERA 1996. There was no evidence at all of any bonus payment having being made to him *personally* as an integral part of his wages, properly paid through the respondent's pay roll. Payments made through separate companies and cash payments that fall outside of payroll altogether, even if properly evidence and itemised (which in this case they were not), do not amount to wages.

Breach of Contract Claim

34. In relation to the breach of contract claim, it was established on the evidence that additional payments, over and above the claimant's normal salary, were previously paid to him by the respondent either by way of cash payments or, indirectly, through tax advantaged payments made through a Dubai based company owned by the claimant. There was therefore evidence of an underlining arrangement by which the claimant's salary was "topped up". There was, however, a question mark over the legality of that arrangement and, more pertinently for our purposes, there was no evidence of a contractual bonus being paid to the claimant personally at all. Nor was there any evidential basis upon which to establish what sum might be payable. The claimant suggested in evidence that he was entitled to a bonus based on about 5% to 10% of the the respondent's profit but there was no evidence to that effect beyond the claimant's assertion. The claimant was unable to

identify the actual percentage; there was no other evidence before us of any specific formula; no evidence of what exactly was paid in previous years; and no figures relating to the respondent's profits such that a link to any previous payments received and profits made could be established. In the absence of that information, the tribunal was not persuaded that any bonus had crystallised and was payable to the claimant at the time of the termination of his employment.

35. In relation to the negotiations which took place between March and July 2025, the respondent appeared to be open to making a payment to the claimant by way of some form of exit package. However, no agreement was in fact reached. The claimant's case, taken at its highest, was that on 20 May 2026 Mr Walker indicated through Mr Hodgson that he "*would agree*" to make payment of £5000 a year in relation to the claimants continuous service which is close to, but not the same as, a definitive offer. The claimant's response to this was, in effect, a counter-offer. He proposed £10,000 for each year of service, plus £60,000 by way of the alleged outstanding bonus payment. Having not received a response to that proposal, the claimant then indicated, on 29 May that he would "*take the 5k a year just to go*" but also indicated he was seeking the £60,000, plus nine weeks holiday pay and a reference. In the 7-10 days that followed that message, the respondent cooled on negotiating any exit package, principally because it had discovered that an employee who was recruited by the claimant had allegedly committed fraud costing the respondent a considerable sum. Thereafter, the respondent did not engage in any further negotiations.

36. At no point did the respondent agree to any firm proposal put forward by the claimant. In other words, there was no offer and acceptance which is the basic ingredient required to form a binding contract. Even after the termination of his employment, on 30 July 2025, the claimant sent an email setting out what he believed had been agreed and stated, "*I am also willing to sign a formal agreement, drafted by your legal team, confirming my full cooperation in legal proceedings relating to this matter* [the alleged fraud]" with the email headed, "*without prejudice and subject to contract*", both phrases being indicative of a lack of any final agreement (pages 72-74). The tribunal agreed with the respondent's submission that there was no certainty of terms upon which a valid agreement could be grounded; certainty of terms being another constituent part of a valid binding contract. At best, the claimant could establish some willingness on the respondent's part to agree a termination payment up to the point that the fraud matters came to light, but no settlement terms were agreed.

37. In the circumstance, absent any contractual entitlement to a bonus or any binding agreement on termination terms, there can be no breach of contract.

38. The claims are dismissed.

Employment Judge Humble

21st October 2026

JUDGMENT SENT TO THE PARTIES ON

5 November 2026

FOR THE TRIBUNAL OFFICE

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