



INSURANCE: EMPLOYMENT DISPUTES

Marsh Insurance UK writes about a selection of their successful claims concerning employment disputes.

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The following are examples of successful claims made by Marsh UK on behalf of their clients. This selection covers four **Employment** disputes, all resulting in the payment of legal fees.

Example 1

Following a stock take the Club Steward was surprised to find that the stock of spirits was lower than he expected. Over the following month he kept a close eye on the number of bottles which were used and compared this to the amount of takings shown on the till. His findings proved that the actual money in the till was inconsistent with the stock.

One night in the bar he overheard a member of staff and a club member discussing the sale of bottles of spirits. The Steward made further enquiries and learnt that the member of staff was selling the bottles and pocketing the money. After seeking legal advice the employee was initially suspended on full pay pending a full investigation. He was later dismissed for gross misconduct. The former employee submitted a claim for unfair dismissal. The Employment Tribunal supported the Club's actions. However although they won the Club was still responsible for legal costs which totalled £2,960. These costs were covered by the policy.

Example 2

Mr G had been employed as club steward for 8 years. Several times during his employment he was forced to take short-term sick leave for which he continued to receive his full salary, even though his contract of employment stated that he was only entitled to Statutory Sick Pay (SSP).

However, on this occasion Mr G's absence exceeded 28 weeks at which point his SSP ceased and benefits were paid directly by the state. Mr G complained that the Club should continue paying him as it had in the past.

The Club committee tried to resolve the issue by meeting with Mr G. However Mr G took the view that he had nothing to lose by pressing the matter in hope that the Club would reconsider. The Club was not prepared to offer Mr G any further payments and the matter was taken to tribunal.

The tribunal found that Mr G's terms of employment stated that the Club was required to "top up" SSP to the full level of his wages for a period of 26 weeks. A previous club secretary had

apparently agreed this. The tribunal concluded that Mr G was entitled to back pay of £4,500. Although the policy did not meet the back pay award it did cover the legal fees which amounted to £1,350.

A department of Marsh also assisted the Club, at a small additional fee, in rewriting their contracts of employment to ensure a similar situation did not occur again.

Example 3

Mrs S was employed as a full-time bar person. Over time the Club noticed a considerable drop in profits. Further investigations were made and it was discovered that takings were lower on the nights that Mrs S was working. The Club interviewed all bar staff and discovered that Mrs S was not charging several club members for their drinks and food. There was also concern that Mrs S may be "borrowing" money from the till if she was short of cash herself. The committee confronted Mrs S and she denied the acquisitions blaming the stories on a colleague whom she had fallen out with. The committee accepted this but kept a close eye on the takings.

Several months later a new computerised till system was introduced. The new system allowed the Club to track the takings of individual staff and Mrs S's entries were consistently lower than those of her colleagues. Full investigations were taken which resulted in the Club dismissing Mrs S for gross misconduct. Mrs S disputed this and referred her case to Employment Tribunal. The Club were successful in proving that Mrs S had taken money. The policy met the Club's legal fees of £2,150.

Example 4

The Club employed a new Steward who was assisted by his wife. Shortly after one of the full-time bar staff left and was replaced by an existing part-time worker, Mr P.

Mr P was responsible for opening and closing the Club when the Steward was off duty. The Steward provided the appropriate training and when Mr P was comfortable with this the Steward decided to take his duty days off and allow him to open and close the Club on his own. However Mr P often rang the Steward to check on several matters. The Steward deemed these to be trivial and thought that Mr P should have handled these on his own. The Steward conveyed his thoughts to Mr P. Also Mr P was regularly off sick which created difficulties, as staffing was limited. Relations deteriorated between Mr P and the Steward and Mr P finally walked out following an argument. Mr P claimed constructive dismissal.

Solicitors negotiated on the Clubs behalf and the matter was resolved prior to tribunal. Legal costs amounted to £2,500.

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