Neutral Citation Number: [2025] EWHC 363 (Ch)

Case No: CR-2024-005152

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
INSOLVENCY AND COMPANIES LIST (ChD)
In the matter of Sandstone Legal Limited
And in the matter of the Insolvency Act 1986

Date: 21 February 2025

Before :

Deputy Insolvency and Company Court Judge Kyriakides

- -

Between :

Sandstone Legal Limited	**Applicant**
- and -	
Curzon Claims Limited t/a Clockwork Claims	**Respondent**

- -
- -

Ram Lakshman (instructed by **Sandstone Legal Limited**) for the **Applicant**
Victoria Roberts (instructed by **RHF Solicitors**) for the **Respondents**

Hearing dates: 19 November 2024

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APPROVED JUDGMENT

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Deputy Insolvency and Company Court Judge Kyriakides :

1. This is an application by Sandstone Legal Limited ("**the Company**") to restrain Curzon Claims Limited t/a Clockwork Claims ("**Curzon**") from presenting a winding up petition against it on the grounds that the debt of £490,214.67 plus VAT claimed by Curzon in a statutory demand dated 2 August 2024 and served on the Company ("**the Statutory Demand**") is bona fide disputed on substantial grounds.

Preliminary

2. At the start of the hearing, several applications were made to me. These included an application by Curzon for certain documents to be admitted in evidence, including a reconciliation of the Plevin Claims and invoices. These documents had only been produced shortly before the hearing, were unsupported by any witness evidence and their admission was opposed by the Company. I refused to allow them to be admitted as evidence.

3. At the end of the hearing I asked the parties to produce for me a table so that I could understand the value of the various claims being made by the Company and also the invoices which the Company had paid as derived from the existing evidence.

4. The parties have produced for me some very helpful tables as well as the invoices which were rendered by Curzon to the Company. As both parties have now agreed to these documents being admitted, I have taken them into account.

5. Curzon's solicitors, however, also emailed to me other documents, including the reconciliation of Plevin Claims, which they had previously applied to admit. I have not considered these documents as they are not exhibited to any witness statement, there is no application for them to be admitted and, in any event, if matters had been put properly in order, it is in my judgment too late.

Background

6. The Company is a law firm specialising, among other matters, in financial mis-selling claims, which seek redress for consumers arising from the non-disclosure of commissions by banks in relation to Payment Protection Insurance policy sales ("**Plevin Claims**").

7. With investment from Truehaven Capital LLC ("**Truehaven**"), a funder, the Company acquired Plevin Claims for the purposes of participating in a proposed Group Litigation Order ("**Plevin GLO**"), the lead firm of which was Harcus Parker LLP, with the Company being a following firm. It was in this context that the Company was introduced to Curzon.

8. Curzon is a claims management company specialising in the sale of both PPI and Plevin Claims.

9. On 29 February 2024 the Company and Curzon entered into a written agreement pursuant to which Curzon agreed to supply Plevin Claims to the Company ("**the Agreement**"). The Agreement was negotiated by Case to Answer Limited ("**CTA**" on behalf of the Company, and signed by Andrew Settle ("**Mr Settle**") on behalf of the Company. Mr Settle states that he himself played no active part in the negotiations.

10. The sole director of CTA was Francisco Javier Rodriguez Purcet ("**Mr Rodriguez**") and the employee at CTA who liaised, together with Piers Dryden of Ignite Group Services Limited ("**Ignite**") (a company affiliated to CTA) with Curzon in conducting the negotiations for an agreement was Jeff Hudson ("**Mr Hudson**").

11. The relevant provisions of the Agreement are as follows:

11.1. clause 2.1, which provided that the Company agreed to pay Curzon a purchase price ("**the Purchase Price**") in accordance with clause 2 and Schedule 2 for Accepted Claims derived from the Data. "Accepted Claim" was defined in the Agreement as "*a Prospective Claim which, following transfer of the Data in accordance with the terms set out in this agreement and assessment by the Buyer, the Buyer in its sole opinion (to be exercised reasonably) determines meets the criteria set out in Schedule 1 or any other criteria mutually agreed among the parties*". "Data" was defined as "*the data or information relating to the client "packaged cases" which clients have instructed the Seller or a third party with whom the Seller has a commercial relationship to assist in bringing claims arising from the financial product irregularities, primarily under the "Plevin" ruling"*;

11.2. clause 2.4, which provided that upon agreement with Curzon to deliver the first 1,500 Prospective Claims ("**First prospective Claims**"), the Company would pay Curzon the sum of £75,000 in immediately cleared funds to Curzon's Bank Account ("**First Advance Payment**") and that the First Advanced Payment would represent funds on account to be applied towards the Purchase Price of such of the First Prospective Claims as become Accepted Claims;

11.3. clause 2.5, which provided that within 10 business days of Curzon delivering the Data for the First Prospective Claims to the Company, the Company would assess the First Prospective Claims and agree with Curzon the number of First Prospective Claims as are Accepted Claims, upon which the parties would then agree the Purchase Price for the First Prospective Claims, deduct the First Advance Payment and determine the balance due ("**Due Balance**"). On production of an invoice by Curzon specifying with sufficient details the Accepted Claims to which it relates, the Due Balance would then be paid to Curzon's Bank Account within 3 business days;

11.4. clause 2.6, upon agreement with Curzon to deliver the data for one or more further tranches of 2.500 Prospective Claims to the Company ("**Subsequent Prospective Claims**"), the Company would pay Curzon the sum of £125,000 per proposed tranche in immediately cleared funds to Curzon's Bank Account ("**Subsequent Advance Payment**"), which would represent funds on account to pay towards the Purchase Price of such Subsequent Prospective Claims as became Accepted Claims;

11.5. clause 2.7, which provided that within 10 business days of Curzon delivering the Data for each tranche to the Company, the Company would assess the relevant Prospective Claims and agree with Curzon the number of Subsequent Prospective Claims as are Accepted Claims, upon which the parties would agree the Purchase Price for the relevant Subsequent

Prospective Claims, deduct the Subsequent Advance Payment and determine the balance due ("**Due Balance**"). On production of an invoice by Curzon specifying with sufficient details the Accepted Claims to which it relates, the Due Balance would then be paid to Curzon's Bank Account within 3 business days;

11.6. clause 2.8, which provided that when the parties agreed 10,000 Accepted Claims had been delivered by Curzon to the Company under the Agreement (both parties acting reasonably in the assessment), the Company would pay to Curzon the sum of £250,000 to Curzon's Bank Account as a volume bonus;

11.7. clause 3.1, which provided that within 5 business days of the last business day of each month, Curzon would deliver to the Company a statement showing the number of Prospective Claims sent to the Company and reconciling the number of Prospective Claims against monies received and Prospective Claims as had become Accepted Claims and within 5 business days, the parties would then reconfirm mutually (acting reasonably) the number of Prospective Claims as had become Accepted Claims;

11.8. clause 4.1, by which Curzon covenanted and undertook to the Company that, in the event that the Company determined that an Accepted Claim which was a Rejected Claim had a quantum ("**the Assessed Quantum**") of less than £2,000 (**Target Quantum**"), the Company would be entitled to claw back from Curzon an amount equal to 25% of the Purchase price paid for that Accepted Claim in recognition of the fact that the Assessed Quantum is below the Target Quantum (**"the Clawback Sum**"). "Rejected Claim" was defined as "*a Prospective Claim in which the relevant bank has communicated in writing to the satisfaction of the Buyer (acting reasonably) that the Prospective Claim has ben rejected*" ;

11.9. clause 4.2, which provided that the Assessed Quantum would be determined by the Company in its sole discretion (acting reasonably) with reference to the relevant disclosure from the relevant defendant;

11.10. clause 4.3, which provided that the Company would require payment of the Clawback Sum from Curzon by sending a notice to Curzon evidencing the Assessed Quantum ("**Clawback Notice**") and Curzon would pay the Clawback Sum to the Company within 3 business days of the date of the Clawback notice;

11.11. Clause 5, which provided that if any payment constituted the whole or any part of the consideration of a taxable or deemed taxable supply by Curzon, the Company would increase that payment by an amount equal to the VAT that was chargeable in respect of the taxable or deemed taxable supply, provided that Curzon delivered a valid VAT invoice in respect of such VAT to the Company;

11.12. Schedule 1, which set out the acceptance criteria comprising the listed criteria and such other criteria as might be required by the Company's funder from time to time;

11.13. Schedule 2, which provided that the Company would pay a Purchase Price per Accepted Claim of £75 based on an average minimum value per Tranche of £2,000.01, with each Rejected Claim with corresponding Rejection Letter contained in each Tranche, having an assumed average value of £2,500 without prejudice to clause 4.

12. Whilst reference was made to possible variation requests relating to the Agreement, both parties are agreed that no variations were, in fact, agreed.

13. It does not appear to be disputed between the parties that over the course of the Agreement, Curzon delivered eleven tranches of Plevin Claims between February 2024 and some time in June 2024. It is Curzon's case that it liaised with CTA in relation to the processing and acceptance of those claims.

14. As shown by a schedule signed on 9 August 2024 by Simon Smith, a director of Curzon ("**Schedule**"), the sum of £490,214.67 plus VAT claimed by Curzon in the Statutory Demand has been calculated on the basis that:

14.1. 17,939 Plevin Claims were accepted and charged at £75 plus VAT per claim, giving a total of £1,345,425 plus VAT;

14.2. 4431 Plevin Claims were "*provisionally accepted"* on the basis that they satisfied the criteria in Schedule 1 and must be deemed to be accepted pursuant to clause 2.7 of the Agreement. These claims were each charged at £75 plus VAT, giving a total of £332,325 plus VAT;

14.3. the 17,939 accepted Plevin Claims included 2,500 claims in tranche 11 that were, according to the Notes to the Schedule "deemed as Accepted" pursuant to clause 2.7. These cases were each charged at £75 plus VAT, giving a total of £187,500;

14.4. a bonus in the sum of £250,000 plus VAT was claimed pursuant to clause 2.8 on the grounds that the parties had agreed that 10,000 Accepted Claims had been delivered;

14.5. a sign on fee in the sum of £175,000 plus VAT was charged;

14.6. the total amount charged according to the Schedule was £2,102,750 plus VAT, from which were deducted payments made by the Company, which are said by Curzon to total £1,612,535 plus VAT.

15. The Company's case is that the debt of £490,425 plus VAT is disputed on the following grounds:

15.1. no sums are owed because CTA had no authority to accept any Plevin Claims on behalf of the Company;

15.2. alternatively, if CTA did have authority (whether actual or apparent) to accept Plevin Claims:

15.2.1. not all of the claims said to have been accepted were, in fact, Accepted Claims;

15.2.2. the calculation of the Accepted Claims is not correct;

15.2.3. the Company has a genuine set-off and/or cross claim;

15.2.4. the Company's bank statements show that a total sum of £1,992,750 was paid to Curzon and not £1,612,535.53 as set out in the Schedule, although the amount the Company alleges to have been paid has now changed to £2,142,570 ; and

15.2.5. finally, the independent review carried out by Micah John Wakefield ("**Mr Wakefield**"), the Founder and Managing director of Truehaven, shows that, in fact, the sum of £1,229,797.42 is owed by Curzon to the Company.

The Law

16. There does not appear to be any disagreement between the parties on the law relating to the grant of injunctive relief to restrain the presentation of a winding up petition . The principles as derived from *Angel Group Limited v British Gas Trading Limited* [2012] EWHC 2702 (Ch) at [22], *Coilcolour Ltd v Camtrex Ltd* [2015] EWHC 3202 (Ch) at [32]-]33], *Re a Company* [2007] EWHC 2137 (Ch) at [2] and *Tallington Lakes Ltd v South Kesteven District Council* [2012] EWCA Civ 443 may be summarised as follows:

16.1. a creditor's petition may only be presented by a creditor, and until a prospective petitioner is established as a creditor he is not entitled to present the petition and has no standing in the Companies Court;

16.2. the company may challenge the petitioner's standing as a creditor by advancing in good faith a substantial dispute as to the entirety of the petition debt (or at least so much as will bring the indisputable parts below £750);

16.3. a dispute will not be 'substantial' if it has really no rational prospect of success. However, it will be "substantial" if it has a real prospect of success, even if, on an application for summary judgment, the defence could be regard as "shadowy";

16.4. a dispute will not be put forward in good faith if the company is merely seeking to take for itself credit which it is not allowed under the contract;

16.5. there is thus no rule of practice that the petition will be struck out merely because the company alleges that the debt is disputed. The true rule is that it is not the practice of the Companies Court to allow a winding up petition to be used for the purpose of deciding a substantial dispute raised on bona fide grounds, because the effect of presenting a winding up petition and advertising that petition is to put upon the company a pressure to pay (rather than to litigate) which is quite different in nature from the effect of an ordinary action;

16.6. the courts will not allow this rule of practice itself to work injustice and will be alert to the risk that an unwilling debtor is raising a cloud of objections on affidavits in order to claim that a dispute exists which cannot be determined without cross-examination;

16.7. the court will therefore be prepared to consider the evidence in detail even if, in performing that task, the court may be engaged in much the same exercise as would be required of a court facing an application for summary judgment.

16.8. the court will also restrain a company from presenting a winding up petition in circumstances where there is genuine and substantial cross-claim that exceeds any part of the petitioner's claim which is undisputed.

17. Further, in considering any witness statement evidence before the court, it has been held that it would be open to the court to reject that evidence if it was inherently implausible or if it was contradicted, or was not supported, by contemporaneous documentation (*Collier v P & MJ Wight (Holdings)* Limited [2007] EWCA 1329 at [21]).

The grounds of dispute raised by the Company

(1) The issue of CTA's authority to accept Plevin Claims

The Company's submissions

18. The Company accepts that CTA was authorised to negotiate the Agreement on behalf of the Company (subject to final sign off from the Company), albeit that Mr Settle, the Managing Director of the Company who signed the Agreement on its behalf, states in his evidence that he personally had no dealings with Curzon directly, either in relation to those negotiations or subsequently, in relation to the performance of the Agreement. It is not suggested, however, that the Agreement was not binding on the Company.

19. As regards the performance of the Agreement, Mr Lakshman on behalf of the Company pointed out that the final price for the Plevin Claims supplied by Curzon would only be determined

following review and an acceptance or rejection of Plevin Claims by the Company in accordance with the criteria specified in Schedule 1 to the Agreement (with a reconciliation process intended to take place each month to account for any under/overpayment). He submitted that no such review or acceptance/rejection had, in fact, ever taken place, because, in breach of the Agreement, Curzon delivered the Plevin Claims to CTA and liaised solely with CTA in relation to the acceptance/rejection of Claims, despite the fact that CTA had no actual or apparent authority to review and accept/reject claims on behalf of the Company. The substance of this argument is therefore that no claims were accepted by the Company and that the review process has still to be carried out.

20. In relation to actual authority, the Company's arguments may be summarised as follows:

    20.1. the Company accepts that all Plevin Claims from Curzon were delivered by Curzon to CTA, although Mr Settle in his evidence states that CTA would provide the proposed packages of Plevin Claims for him to consider and that he would then make the final decision as to whether to purchase those claims on behalf of the Company;

    20.2. Mr Settle never made any decision to accept or reject any Plevin Claims supplied by Curzon; only CTA purported to accept or reject them, even though they had no authority to do so;

    20.3. no direct evidence, for example, from CTA, has been adduced by Curzon to contradict Mr Settle's evidence that CTA had no authority to accept or reject claims and, in his evidence, Simon Smith ("**Mr Smith**"), a director of Curzon, concedes that there may have been no express agreement between CTA and the Company;

21. In relation to apparent authority, the Company's arguments may be summarised as follows:

    21.1. there was no suggestion by Curzon that the Company instructed Curzon to deliver Plevin Claims to CTA or expressly represented to Curzon that CTA had authority to accept or reject such claims. Instead, Mr Smith states that, given the fact that CTA assisted in the negotiations, it was obvious to him that they would be involved in the performance of the Agreement. No reasons are given by Mr Smith, however, as to why he regarded this conclusion as being obvious, since the latter authority does not automatically follow from having had the former authority and it is common to have agents who may negotiate an agreement, but have nothing to do with its performance;

    21.2. the payment of invoices rendered by Curzon to the Company does not amount to a representation to Curzon that CTA had authority to accept or reject Plevin Claims, since under the terms of the Agreement, advance payments on account were to be made with a reconciliation process being carried out later in relation to those Plevin Claims which had

been accepted. In his evidence, Mr Settle states that those payments were made by the Company's accounts team in the expectation that a reconciliation would be required between all parties to ensure that the cases met the agreed criteria and where they did not meet that criteria, credit notes could be issued and/or they could be replaced by cases that did meet the criteria. He also makes the point that payments were being made within a compressed timeframe, where the Company was receiving a large number of cases from sources other than CTA, as part of the Plevin GLO;

21.3. no evidence has been adduced by Curzon that it relied on any matters as amounting to an implied representation that CTA had authority to accept or reject Plevin Claims or that it relied on any such representations.

22. Further, the Company relies on the evidence of Mr Wakefield, which it says shows that there are various matters that need to be investigated and that there may have been a fraudulent scheme by the "Justizia" Group of companies, comprising CTA, Ignite and Justizia Ltd, whereby the Company, Curzon and Truehaven may all have been deceived and which, in any event, is yet further evidence that CTA did not have authority to accept any Plevin Cases. In making his submissions, Mr Lakshman drew my attention, in particular, to the following parts of Mr Wakefield's evidence:

22.1. representations made to MrWakefield in March 2024 by Mr Prior, who said he was a director of CTA, that Mr Rodrigrez was about to become a partial owner of the Company, that there were revenue agreements in place between the Company and the group and that there would soon be a master services agreement between the Company and the Justizia Group to provide all necessary support services (Mr Wakefield says that such an agreement was never entered into);

22.2. the failure by CTA to supply data access requests made by Truehaven in respect of merit-reject claims, despite the request having been communicated to CTA and it having been agreed;

22.3. the relationship between Ignite, CTA and Jutizia Ltd and the three people involved with the group, namely, Mr Dryden, Mr Rodriguez and Mr Prior, and their role in supplying Plevin Claims to law firms other than the Company;

22.4. the fact that CTA was indebted to Curzon and that the debt was to be reduced by bonus payments made by the Company under the Agreement, including the signing fee in the sum of £175,000 as evidenced by the emails dated 19 February 2024 and 23 February 2024 from Mr Smith to Mr Dryden and Mr Hudson. It was argued that this arrangement acted as an incentive for CTA to accept Plevin Claims delivered to it.

Discussion

23. The relationship of principal and agent may be constituted: (i) by the conferring of authority by the principal on the agent, which may be express, or implied from the conduct or situation of the parties, or may or may not involve a contract between them; or (ii) retrospectively, by subsequent ratification by the principal of acts done of the principal's behalf. Where there is no express agreement of agency, agreement between principal and agent for the conferral of authority may be implied where one party has acted towards another in such a way that it is reasonable for that other to infer from that conduct assent to the agency relationship (*Bowstead & Reynolds on Agency* (23rd Ed. 2024 at [2-001], [2-029]).

24. A person may also be liable under the doctrine of apparent authority in respect of the acts of another who is not that person's agent. Apparent authority will arise where a person, P, by words or conduct, represents or permits it to be represented that another person, A, is authorised to act on its behalf and a third party deals with A on the faith of that representation. In such a case, P will be bound by the acts of A as if A had the authority A was represented to have, even though A had no such actual authority (*Bowstead & Reynolds on Agency* (23rd Ed. 2024 at [2-001], [8-009]).

25. In my judgment, for the reasons set out below, the Company has no real prospect of establishing that CTA did not have either actual or apparent authority to accept or reject Plevin Claims supplied by Curzon. I have found Mr Settle's evidence to be less than frank, in many respects unclear and at times inconsistent with some of the documentation. In light of the matters set out below, his assertion that CTA had no actual or apparent authority to review and accept/reject Plevin Claims and that this process never took place is inherently implausible.

26. It appears to be the Company's contention that cases were to be ordered and delivered to the Company, which would then process them, decide whether or not they were to be accepted and then carry out a reconciliation. There are, however, seemingly contradictions between paragraphs 9 and 14 of Mr Settle's first witness statement and paragraph 31 of his second witness statement, where he states both:

    26.1. that the final decision whether to accept a claim or not lay with him and simultaneously that he was not part of the processing and reconciliation decisions that were made and that these were overseen by Lee Anderson, the Head of Operations of the Company until May 2024; and

    26.2. that claims were to be delivered to the Company and simultaneously that they were to be delivered to CTA who would deliver them to the Company. In this respect it is noted that Mr Settle claims that he formed a relationship with CTA in March 2024 (which was after the Agreement had been made).

27. Despite the lack of clarity in Mr Settle's witness statement, the evidence clearly shows that over the period from February 2024 to some time in June 2024 11 batches of Plevin Claims were sent by Curzon to CTA, that CTA processed these claims, and save for batch 11 and some Plevin Claims in batches 5 to 10 (as to which, see below), made decisions as to whether they should be accepted or rejected. It is also clear that the Company knew that these claims were being delivered by Curzon to CTA. For example, the Company received information about Plevin Claims from CTA as shown by the list of cases exhibited to Mr Settle's first witness in respect of which he sought the clients' email addresses. Further, there is no evidence that the Company ever complained to Curzon about any failure by Curzon to deliver any Plevin Claims to it.

28. Plevin Claims were therefore delivered to CTA with the knowledge and consent of the Company. The Company's relationship with CTA did not therefore stop once the Agreement had been concluded, but continued after that date. Mr Settle is evasive, however, as to what that relationship was and what responsibilities CTA had, although both the evidence of Mr Wakefield of Truehaven and Mr Smith for Curzon shows that they both believed that CTA was the Company's agent and responsible for receiving, processing, making decisions on and reconciling the various claims.

29. Although there is no evidence of any express agreement between the Company and CTA relating to its post-Agreement relationship with CTA, it is implausible, having regard to the conduct of the parties, that the Company did not consent or acquiesce in CTA acting as its agent for the purposes of receiving, processing, accepting or rejecting claims and carrying out reconciliations. Alternatively, there was a holding out by the Company to Curzon that Curzon was its agent for the above purposes, which Curzon appears to have acted on as shown by the emails exhibited to the first witness statement of Mr Smith. The conduct from which such consent or acquiescence, alternatively, holding out, is apparent includes the following:

    29.1. first, the Plevin Claims that were delivered to CTA with the knowledge and consent of the Company must have been delivered to CTA for a purpose. If CTA had no role to play, then the cases would have been delivered directly to the Company;

    29.2. secondly, save that it is alleged that Mr Anderson was to oversee processing and reconciliation decisions, there is no evidence from the Company that the Company itself put in place any arrangements for the purposes of processing and reconciling the thousands of Plevin Claims that must have expected and, indeed, were subsequently delivered. It is also noteworthy that there is no evidence from Mr Anderson dealing with this aspect or what, in fact, he did;

    29.3. thirdly, Mr Smith in his evidence states that 26,530 cases were supplied to the Company and that they were sent to numerous individuals, many of whom had CTA email addresses,

but some of whom had Company email addresses, such as James Chippendale. He also states that he was aware that Sudharsan Sivaraman was employed by the Company, albeit that Mr Sivaraman's email address was a CTA address (he also claimed that Mr Dryden was an employee of the Company). Finally, he adds that the Plevin Claims sent were reconciled in full by employees of CTA and the Company and were assessed against the contractual criteria and accepted or rejected by the Company. Various emails were exhibited to Mr Smith's witness statement, including:

29.3.1. emails that showed that Mr Chippendale also had a CTA email address;

29.3.2. emails that showed that all 11 batches of documents were sent by Curzon. Many of these emails were sent to Mr Sivaraman at his CTA email address and were copied to Mr Chippendale;

29.3.3. emails from Mr Sivaraman which attached final reports of Accepted and rejected cases for some of the batches, which were copied to James Chippendale and emails from other persons accepting or rejecting cases in other batches, which were copied to both to Mr Chippendale and Mr Sivaraman;

29.4. in his reply evidence, Mr Settle categorically denied that Mr Dryden was an employee of the Company. However, in relation to Mr Chippendale and Mr Sivaraman, he stated as follows:

"*Exhibit AB/5 demonstrates correspondence with Sudharsan Sivaraman, at the following email address:……..It is unclear on what basis Mr Smith mentions Mr Sivaraman here as an employee of Sandstone. It is also unclear why Mr Smith mentions Mr James Chippendale, as he is merely included in copy on certain emails between Curzon and CTA. Mr Smith references Mr Chippendale as using a Sandstone email address and therefore believes that he is a Sandstone employee. On that basis, with reference to my Paragraph 7 above, it is blatantly obvious that Mr Dryden is an employee of Ignite and not Sandstone*";

29.5. Mr Settle's evidence in the above respect is highly evasive. As shown by his response to the allegation that Mr Dryden was an employee, if Mr Sivaraman and Mr Chippendale were not employees of the Company, he could have simply said so. The only logical reason for his having not given a straight answer is that they were employees of the Company, but he did not want to disclose this as it would have shown that there was, in fact, a working relationship between the Company and CTA relating to the processing and acceptance/rejection of claims.;

29.6. fourthly, the Company received invoices from Curzon. Subsequent to the hearing, both parties agreed to these invoices being shown to me, although previously, objection to them had been taken by the Company as explained above. From the emails attached to Mr Smith's

first witness statement, it would appear that the invoices, although addressed to the Company, were initially sent to CTA, who then appear to have forwarded them to the Company. The invoices and the emails show that the Company was invoiced for, inter alia, the signing fee, the advance payments for all 11 batches and the alleged Due Balances for batches 1, 2 and 3, the last invoice for batch 3 being dated 3 May 2024;

29.7. Mr Settle gave the following evidence in respect of the invoices received by the Company:

> "*The approval process within Sandstone was that our accountant, Oliver Grylls, would provide our accounts team with invoices for payment. Oliver Grylls was the appointed accountant, and he was instructed at all material times to act in the best interest of Sandstone. Upon receipt of invoices, they would be reviewed and payment would be released. In respect of Curzon, with such a high volume of cases coming in such a short period of time, including the forward advancement of payments for cases not yet received, it was expected that a reconciliation would be required between all parties to ensure cases provided met the agreed criteria. Cases that did not meet the criteria could be credit noted and/or replaced with cases that did meet the criteria.*"

29.8. as regards this evidence, if the Company considered that a reconciliation process still needed to be carried out in respect of those invoices which were for Due Balances and which on the face of the invoice made this clear as well as identifying the batch in respect of which the Due Balance was sought, the obvious reaction would have been not to pay the invoice, but to inform Curzon that it was not entitled to send an invoice for Due Balances unless and until the parties had satisfied themselves that the relevant cases met the agreed criteria and a reconciliation had been carried out. This did not happen, however, and the three invoices for Due Balances were paid by the Company;

29.9. further, if no reconciliation process had taken place as claimed by the Company and no claims had therefore been accepted, Mr Settle fails to explain how the Company acquired the information to support its claim made pursuant to clause 4.1 of the Agreement for clawbacks totalling £69,975 (which were incorporated into a spreadsheet sent to Curzon), and on what basis the Company claimed that it was entitled to claim such clawbacks, when no claim could arise under clause 4.1 unless it was in respect of an Accepted Claim;

29.10. fifthly, although Mr Settle claims that the final decision on whether to purchase claims had to be made by him on behalf of the Company and not by anyone at CTA (a statement which itself appears to be implausible bearing in mind the thousands of cases which were anticipated and were supplied):

29.10.1. this claim contradicts the conduct of the Company in paying for Due Balances after such claims had been reviewed by the Company accountant;

29.10.2. it also contradicts Mr Settle's email dated 29 August 2024 to Mr Smith where he states that the Company had paid for all claims that it had accepted and a number of cases that were accepted, but which in fact did not meet the criteria in schedule 2 to the Agreement and where accurate client data had not been provided. Nowhere in his evidence does Mr Settle state that he made the decision to accept any of these claims, including those for which balancing payments were made in April 2024 and early May 2024, or explain how, when and by whom the claims were accepted. The only evidence before the court is that the relevant decisions were made by CTA and employees of the Company as set out in the witness statement of Mr Smith;

29.10.3. there is no evidence that Mr Settle informed Curzon at any time that claims could not be considered as accepted unless he had accepted them;

29.10.4. nowhere in Mr Settle's evidence, and, despite Plevin Claims having been delivered over a period of over three months, does he states that he complained, either to CTA or Curzon, that cases were not being provided to him for him to make a final decision or that he asked any of the Company's employees why he had not yet been provided with any cases in order to make a final decision. Had the final decision rested with him, as claimed, such behaviour would have been extraordinary, considering that the Company was paying substantial sums of money to Curzon and appropriate claims needed to be identified for the purposes of the Plevin GLO;

29.10.5. Mr Settle also does not disclose whether any Plevin Claims supplied by Curzon formed part of the Plevin GLO, although it would appear that he attended a hearing of the Plevin GLO on 7 to 10 October 2024 as the lead advocate on behalf of the Company's clients;

29.11. sixthly, as is apparent from the witness statement of Mr Wakefield, and not contradicted by the witness statements of Mr Settle, the funding agreement, which financed the purchase of the Plevin Claim by the Company, was negotiated by Truehaven with CTA.

30. Finally, with regard to the Company's claim that CTA may have involved the Company, Curzon and Truehaven in a fraudulent scheme, the court is not in a position to comment one way or another on this. However, even if there had been some fraudulent scheme by CTA, Mr Lakshman did not explain how this would impact, if at all, on the issue of agency in circumstances where there has been some genuine performance of the Agreement by the parties.

The other grounds of dispute assuming that CTA did have authority

31. Before considering the other points raised by the Company, it is necessary first to establish the total sum claimed by Curzon in respect of Accepted Claims or claimed Accepted Claims and the total sums paid by the Company. As the invoices rendered included VAT, I shall use VAT inclusive figures (although in relation to Due Balances for batches 4 to 11, I note that no VAT invoices appear to have been rendered by Curzon, which might make a difference to the figures, although it is not clear to what extent).

32. According to the Schedule, the total amount of sums owed were £2,523,300 (£2,102,750 plus VAT). In his first witness statement, Mr Smith exhibited extracts from Curzon's bank account with Barclays Bank plc which showed that Curzon had received payments from the Company totalling £1,935,030. Exhibited to Mr Settle's second witness statement were redacted bank statements of the Company's Office bank account no. 1 with the Royal Bank of Scotland plc. In his witness statement, Mr Settle stated that these bank statements showed that the Company had paid Curzon sums totalling £1,992,570.

33. In the documents sent to me after the hearing, it would appear that the Company is now saying that the payment calculation in Mr Settle's second witness statement is wrong and that the Company's bank statements, in fact, show that sums totalling £2,142,570 were paid to Curzon. The agreed payment table provided by the parties shows that save for four payments, the parties are agreed as to the payments made by the Company. The four disputed payments are:: (i) the sum of £199,637.88 which the Company alleges was paid on 2 April 2024, although Curzon claims that it only received the sum of £185,000 on this date; (ii) the sum of £46,631.76 paid on 19 April 2024, although Curzon contends that it only received the sum of £29,880; (iii) the sum of £116,780.38 paid on 10 May 2024, although Curzon contends that it only received the sum of £39.810; and (iv) the sum of £249,180 paid on 7 June 2024, although Curzon contends that it only received the sum of £150,000

34. I do not accept that the sum of £2,142,570 was paid by the Company to Curzon for the following reasons:

    34.1. first, it is clear from Curzon's bank statements that of the four sums referred to above, they only received the payments which they say they received;

    34.2. secondly, the payments of £29,880, £39,810 and £150,000, which Curzon say that it received, correspond to invoices that Curzon sent to the Company;

    34.3. finally, whilst the Company's bank statements show that most of the payments, which the parties agree were sent, were recorded as having been transferred directly to Curzon, the four disputed payments are shown in the Company's bank statements as having been

transferred to "Nominals Sandstone." No explanation has been given of this account, including the identity of the party holding the account; nor have any bank statements been provided in relation to this account. As the reference does not show that the four disputed payments were paid directly from Sandstone's Office no. 1 account to Curzon, it is likely that the payments to Curzon were therefore made from this account.

35. Therefore, the starting figure of what is claimed to be owed by the Company to Curzon is £588,257.61 (inclusive of VAT).

36. The Company, however, disputes the above debt and claims that it has a real prospect of showing that no sums are, in fact, owed to Curzon on the grounds summarised in paragraph 15.2 above.

37. The first ground is that the number of claims stated by Curzon to have been accepted by CTA does not reflect the actual number of claims accepted by CTA for three reasons.

38. The first reason is that the figure for rejected claims is wrong and does not accord with the data provided by CTA itself. In the Schedule, Curzon identified 4,160 cases as having been rejected. However, Mr Wakefield, who carried out an analysis of documentation emanating from CTA states in his evidence that he has identified more than 7,000 cases that were marked by CTA as having been rejected. Curzon does not appear to have provided any response to this issue, save to criticise Mr Wakefield for not having produced supporting evidence to justify his figures, including as a bare minimum a list of all cases accepted and rejected.

39. No documentation has, in fact, been provided in evidence by either party to support their calculations. However, there is no reason for me to disregard either Mr Wakefield's evidence or Mr Settle's evidence on this point. Accordingly, it seems to be that there is a bona dispute on substantial grounds between the parties that at least 7,000 cases were rejected by CTA. The Company therefore has shown a bona dispute on substantial grounds that the sum of £255,600 (7,000 minus 4160 x 75 x 1.2). should be deducted from the balance claimed of £588,257.61.

40. The second reason why it is claimed that the total Accepted Claims figure in the Schedule is incorrect is that the Schedule shows that 4431 cases were "*provisionally accepted"*. These cases fall within batches 5 to 10. According to the third note to the Schedule, they have been recorded as "*provisionally accepted*" on the grounds that they meet the contractual criteria, and final resolution of these cases was not provided as required by clause 2.7. As stated above, clause 2.7 provides that within 10 business days of the Data being delivered to it, the Company was to assess the Prospective Claims and agree with Curzon the number of such claims as were Accepted Claims. It was only upon this happening that the Purchase Price was to be agreed and any Due Balance determined.

41. Mr Lakshman on behalf of the Company submitted that there was no provision in the Agreement for claims to be either "*provisionally accepted*" or for Curzon to deem such claims to be accepted.

Ms Roberts argued that as clause 2.7 only gave 10 business days for claims to be accepted or rejected, if they were not rejected in that period, they should be deemed to have been accepted. She also argued that because Curzon's invoices had been paid, this must have been because the cases had been accepted.

42. In my judgment, the Company has a real prospect of succeeding on this issue. Clause 2.7 does not contain any deeming provision to cover the eventuality of the Company not determining, nor the parties agreeing, the status of a claim within 10 business days. Indeed, there is no provision at all in the Agreement to this effect. If the status of a claim is not determined within the prescribed period, the consequence is that there is a breach of the provisions of clause 2.7, not that the claim should be deemed to have been accepted.

43. As regards Curzon's argument that the claims were, in fact, accepted, because invoices were paid, the invoices sent in respect of batches 5 to 10 were invoices for advance payments on account of the Purchase Price to be determined after the claims in those batches had either been accepted or rejected. Therefore, by making payment of the advance payments on account of batches 5 to 10, it cannot be said that the Company thereby accepted all the cases comprised within those batches as the review process was to still to be carried out. The only other invoice sent by Curzon relating to 4431 "*provisionally accepted*" cases was an invoice dated 1 July 2024 for the sum of £398,790. However, the Company made no payment in respect of this invoice. In my judgment, the Company has therefore shown that it has a bona fide dispute on substantial grounds that the sum of £398,790 should be deducted from the balance claimed of £588,257.61.

44. The final issue relates to batch 11, which was not accepted by CTA. Instead, the cases falling within batch 11 were deemed by Curzon to have been accepted by the Company on the basis that clause 2.7 required that they should have been rejected or accepted within 10 business days. The only payment that the Company made in respect of batch 11 was in respect of Curzon's invoice for a payment to be made on account of the Purchase Price. Therefore, for the same reasons as those set out in paragraphs 42 and 43 above, in my judgment, there is a real prospect of the Company establishing that the cases in batch 11 have not been accepted by the Company as claimed. The Company has therefore shown that it has a bona fide dispute on substantial grounds that the sum of £225,000 (2,500 x 75 x 1.2) should be deducted from the balance claimed of £588,257.61.

45. The effect of my judgment on the first ground is that the total amount in respect of which there is a genuine and substantial dispute is the sum of £879,390; this exceeds the debt claimed in the Petition. In light of this, I do not consider it necessary to reach a decision on the other grounds argued by the Company, although this is not to say that such grounds were without merit.

Postscript

46. At the conclusion of the hearing on 19 November 2024 I asked the Company to file with the court a witness statement showing whether or not it was solvent. A witness statement from Andrew Settle dated 22 November 2024 was filed on 26 November 2024. In his witness statement, Mr Settle stated that the Company was solvent on both a cashflow basis and a balance sheet basis and provided evidence of its cash at the bank and its right to receive a VAT refund in the sum of £687,633.97. Mr Settle also referred to the Company's ongoing work, the fact that it had funding for that work and stated that he had spoken to the Company's accounts team, which had confirmed that the Company was fully up-to-date with all Companies House and SRA requirements for its accounts and that an internal audit was scheduled for December 2024. Although the witness statement was not satisfactory, in that it did not exhibit any up-to-date accounts disclosing creditors or the Company's net current asset/liability and net asset/liability position, in view of my decision on the merits of the case, I was minded to grant injunctive relief in accordance with the normal principle that even if a company is insolvent, the court will not wind-up it up if the debt is bona fide disputed on substantial grounds (*Mann v Goldstein* [1968] 1 WLR 1091).

47. I have since then received a note from counsel for Curzon which states as follows:

    47.1. on 15 November 2024, that is before Mr Settle did his witness statement, a statutory demand was presented against the Company by Medical-Legal Appointments Limited based on a debt in the sum of £239,984;

    47.2. on 24 December 2024 a winding-up petition was presented by Medical-Legal Appointments Limited against the Company, which states that the Company had acquired a further liability in the sum of £128,282 by way of a guarantee dated 11 July 2023;

    47.3. the Company has recognised that there is a need for it to go into a formal insolvency process in that on 31 January 2025 it presented an application for administration order, which was supported by a witness statement of Mr Settle. In his witness statement, Mr Settle refers to knowing of liabilities owed to the Company in the sums of about £350,000 to Medical-Legal Appointments Limited, £4.9 million to Seven Stars Limited and a further £200,000 to HMRC. Further, the balance sheet attached to Mr Settle's witness statement shows a net liability position in the sum of £497,029 as at December 2024;

    47.4. it would appear that on 7 February 2025 ICC Judge Barber made an order for an interim manager pending the determination of the administration application. This was subsequently confirmed to me by counsel who had acted for the Company on 19 November 2025.

48. The concern expressed by the Respondent is that Mr Settle knew about the insolvent position of the Company as at 22 November 2024 when he made his third witness statement and deliberately withheld from the court details of the true extent of the Company's liabilities. In light of this, the

Respondent has asked me to re-consider my decision and has referred me to the case of *Lacontha Foundation v GBI Investments Ltd* [2010] EWHC 37 (Ch).

49. Whilst the matters which have been drawn to my attention have no bearing on my decision that the debt is bona fide disputed on substantial grounds, they are relevant to whether or not I should grant the injunctive relief sought by the Company. In light of this, in my judgment, there should be a further hearing on this issue. I propose therefore to give directions for such a hearing when I hand down my judgment.