Neutral Citation Number: [2024] EWHC 927 (Ch)

Case No: BL-2020-001327

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
BUSINESS LIST (ChD)

Royal Courts of Justice
Rolls Building. London EC4A 1NL

Date: 29/04/2024

Before :

MASTER BOWLES (sitting in retirement)

- -

Between :

(1) Next Generation Holdings Limited **(2) Ambon Brokers Limited** **(formerly known as AFL Insurance Brokers Limited)**	**Claimants**
- and –	
(1) Alec Finch **(2) Robert Andrew Finch** **(3) Keely Dalfen**	**Defendants**
-and-	
Ward Hadaway LLP	**Third Party**

- -
- -

Gretel Scott (instructed by **Devonshires Solicitors LLP**) for the **Claimants**
Joseph Sullivan (instructed by **Ward Hadaway LLP**) for the **Third Party**

Hearing date: 19 December 2023

- -

Approved Judgment

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

....

MASTER BOWLES (SITTING IN RETIREMENT)

Master Bowles (sitting in retirement) :

1. The Claimants, Next Generation Holdings Limited (Next) and Ambon Brokers Limited (Ambon), have obtained judgments against the Defendants, Alec Finch and Robert Andrew Finch (Alec and Robert), in the principal sum of £6,124,430.02. Judgment was handed down, following a trial before HH Judge Alan Johns KC, sitting as a judge of the Chancery Division, on 27 September 2023. The judgment sum is apportioned between Next and Ambon but that apportionment is irrelevant to the applications currently before the court. In addition to the principal indebtedness, at a further hearing, on 17 November 2023, the court determined pre-judgment interest in the sum of £2,209,313.41, giving rise to a total judgment debt, prior to the application of post-judgment interest, of £8,333,743.43.

2. On 16 October 2023, Next and Ambon applied for an interim third party debt order, by way of part enforcement of their judgment. At that date, their judgment was limited to the principal amount of £6,124.430.02 and it was in respect of that sum (together with court fee and fixed costs) that, on 24 October 2023, Master Teverson granted an interim order.

3. The interim order was granted against Ward Hadaway LLP (Ward Hadaway) in respect of monies then standing to the credit of Alec in its client account. Of those monies, £47,000 had been paid into the client account on 12 September 2023. A further sum of £448,947.05 came into the account on 16 October 2023 and, therefore, on the same day that Next and Ambon applied for their interim order. The basis of the application was that those monies, then totalling £495,947.05, constituted a debt owed by Ward Hadaway to Alec. Ward Hadaway had been Alec and Robert's solicitors in the litigation leading to the judgment in favour of Next and Ambon. On 14 December 2023, after service of the interim third party debt order, a further £39,026.00 has been paid into the client account which now stands at £534 973.05.

4. In addition to the foregoing, on 26 September 2023, Bacon J granted a post-trial world-wide freezing order in favour of Next and Ambon pursuant to which Alec and Robert were precluded from removing from England and Wales any assets up to the value of £10,000,000 and from in any way disposing of or dealing with or diminishing the value of any of their assets whether in or outside England and Wales up to the same value. The order, however, did not preclude Alec or Robert from 'spending a reasonable sum on legal advice and representation', provided that Next and Ambon were first informed of the source of the money which was to be used for those matters.

5. Relevantly to the matters now before the court, the freezing order identified a particular asset, namely Alec's beneficial interest in a property at and known as Masseria Ionna, Via Vicinale Cesamine, 73020, Carpignano Salentino, Lecce (the Italian Property). In respect of the Italian Property, which was then in process of sale, the order excepted from its terms the completion of the sale of the Italian Property but provided that Alec's beneficial share of the net sale proceeds should be transferred, as they have been, to Ward Hadaway. It is these proceeds which are the source of the monies standing to Alec's credit in Ward Hadaway's client account and which are said to constitute the debt owed by Ward Hadaway to Alec which is the subject of the interim third party debt order.

6. It is not, I think, in any dispute but that, conceptually, monies standing to the credit of a solicitor's client in a solicitor's client account, in circumstances where the solicitor's obligation in respect of those monies is no more than to pay them out to the client in question, constitute a debt owed to the client by the solicitor and can, accordingly, be the subject of a third party debt order. The question raised in this case, however, and the subject of the proceedings before me and of this judgment is whether, on the facts and circumstances of this case, the bulk of the monies in court are subject to a lien in favour of Ward Hadaway, in respect of Ward Hadaway's unpaid legal fees, or, alternatively, as developed by Ward Hadaway in argument, are subject to a legal set off in favour of Ward Hadaway, in respect of those fees, and so do not constitute a debt owed by Ward Hadaway to Next and Ambon.

7. Next and Ambon submit that no lien arises in favour of Ward Hadaway, that set off is not available as an answer to their application that the third party debt order be made final and that, for those and other reasons, the third party debt order should be made final in the full amount held by Ward Hadaway in their client account. In the alternative and if they are wrong about lien, or set off, they submit that the amount subject to any lien, or in respect of which set off can be asserted, is very much smaller than the full amount of the legal fees claimed by Ward Hadaway.

8. In respect of its unpaid fees, Ward Hadaway produces unpaid invoices to the value of £450,665.36. By application notice, dated 27 November 2023, it has applied to take that amount, or such other amount as the court might allow, from the monies held in its client account. That application, however, is made in the freezing order proceedings and after some discussion and although raising, in essence, the same question, as to the existence, or otherwise, of a lien, or set off, in favour of Ward Hadaway, over, or in respect of, the monies in court, as arises in respect of the third party debt order, it was agreed that the application was best put over to the applications judge. The further question, as to whether this court's determination as to the existence, or otherwise, of a lien, or set off, in favour of Ward Hadaway, would bind the applications judge, by way of issue estoppel, is, or would be, in this context, a matter for the applications judge's separate determination.

9. In regard to its unpaid fees, Ward Hadaway, rightly, concedes that, as against Next and Ambon, any lien is confined to such of its fees as had fallen due prior to the service of the interim third party debt order and that, in respect of fees becoming due and payable after that date, the quasi-charge created over the balance of the monies held in Ward Hadaway's client account by the interim third party debt order would have priority over any subsequent lien arising in favour of Ward Hadaway, in respect of such fees.

10. By the same token, Ward Hadaway concedes that, as against Next and Ambon, any set off, in extinction of the debt otherwise owing to Alec, in the form of the monies standing in his favour in Ward Hadaway's client account, is only available in respect of fees falling due to Ward Hadaway in the period prior to service of the interim third party debt order. Any set off which might otherwise be available to Ward Hadaway against those monies, arising out of monies falling due to Ward Hadaway subsequent to the service of the interim third party debt order, will, as against Next and Ambon, be subject to that order.

11. Of Ward Hadaway's outstanding fees of £450,665.36, it is accepted that the sum of £64,248.00 was billed and became payable after service of the interim third party debt order, with the result that the maximum extent of any lien, to which Ward Hadaway is entitled, in priority to the interim third party debt order and the maximum set off which Ward Hadaway can assert, in extinction of the debt otherwise owing to Alec in respect of the monies in Ward Hadaway's client account is £386,417.36 (£450.665.36 less £64,248.00) and with the further result that it is not disputed by Ward Hadaway but that Next and Ambon are entitled to have their interim third party debt order made final in the sum of £109,529.69 (£495,947.05 less £386,417.36). I am not persuaded that the interim third party debt order ought to be made final in respect of the additional monies paid in, in December 2023 (other than by consent). The authorities cited in **BCS Corporate Acceptances Ltd v Taylor [2018] EWHC 2349 (QB)**, at **paragraph 52** make clear that money paid into a relevant third party account after service of the order in question is not caught by the order.

12. The starting point as to the relationship between a solicitor's lien for fees and a third party debt order is not in doubt. Where a lien exists over monies in a client account, then the monies in that account are charged in favour of the solicitor and, in consequence, do not constitute a debt due from the solicitor to his client, such as to entitle a judgment creditor to a third party debt order in respect of the monies subject to the lien. Put another way, the charge created by the lien has priority over the charge, or quasi-charge, created by the interim third party debt order. Although, in **BCS Corporate Acceptances**, at **paragraph 64**, Morris J referred to the existence and the priority to be given to a lien as being matters of discretion, that is, strictly, not so. If a lien is established, then, to the extent of the lien, no debt will be owed by the solicitor to his client and his lien will have priority over a subsequently obtained interim, or final, third party debt order and it will not be open to the court, in an exercise of discretion, to displace that priority, or override the legal effect of the lien.

13. The corollary of the foregoing is that, granted the existence of a lien, or, as set out later in this judgment, a valid set off, such as to extinguish, in whole, or in part, the debt otherwise created by the monies standing to the credit of a client in a solicitor's client account, none of the discretionary factors that might otherwise come into play, in determining whether and to what extent the court should make final an interim third party debt order, have any application. In the context under discussion, there is simply no jurisdiction for the making of such an order.

14. It follows that, if I determine that Ward Hadaway is entitled to a lien, or set off, over, or in respect of some part of the monies standing in Alec's name in Ward Hadaway's client account, then the discretionary factors relied upon by Next and Ambon, as fully and helpfully set out in sections E2 and E4 of Ms Scott's skeleton argument, on behalf of Next and Ambon, will have no relevance, in respect of the sums encompassed by the lien, or set off. In respect of monies in that account not so encompassed, then, as set out in paragraph 11 of this judgment, it is not disputed but that Next and Ambon are entitled to their order, at least to the extent of the monies standing to Alec's credit at the date of service of the interim third party debt order. Correspondingly, if no lien, or set off is established at all, then Ward Hadaway raises no other answer to the application to make the interim order final.

15. In determining whether a lien exists over monies in a solicitor's client account, the key question, as explained by Sir Robin Jacob, sitting in the Court of Appeal, in

Withers LLP v Rybak and others [2012] 1 WLR 1748, at **paragraph 20**, citing **Halsbury's Laws of England, 5th ed, vol 66 (2009), para. 997**, is whether the monies are in the account 'for general purposes', or whether, as further explained, at **paragraph 22**, they are in the account for a particular purpose and, if so, whether that purpose is consistent with the existence of a lien. If the monies are held for a particular purpose, inconsistent with the existence of a lien, then no lien comes into being.

16. Accordingly, the issue between the parties, as to the existence, or otherwise, of a lien, in favour of Ward Hadaway, over the monies in Ward Hadaway's client account, in respect of Ward Hadaway's unpaid fees, turns, in essence, upon the purpose for which the monies, emanating from the Italian Property, came to be in Ward Hadaway's client account and are currently retained in that account. The question is whether that purpose is consistent with the existence of a common law lien over those monies, in favour of Ward Hadaway, to the extent and in respect of their outstanding fees, or whether, having regard to the terms of the freezing order and as submitted on behalf of Next and Ambon, the purpose of the payment of the proceeds of the Italian Property into Ward Hadaway's client account and their subsequent retention in that account was to protect Next and Ambon from the possible dissipation of those proceeds, such a purpose being incompatible with the existence of a lien over those proceeds, or part of them, in favour of Ward Hadaway, in respect of unpaid fees.

17. The history and circumstances whereby Alec's share in the proceeds of the Italian Property came to be paid into Ward Hadaway's client account and subsequently retained in that account is, helpfully, set out in the witness statement of Mr Paul Johnson, a partner of Ward Hadaway, dated 27 November 2023, as supplemented by the witness statement of Fay Birch, a solicitor at Next and Ambon's solicitors, Devonshires Solicitors LLP (Devonshires), dated 13 December 2023.

18. In summary, it is clear that, prior to the trial before HH Judge Johns KC, which took place in June 2023, Ward Hadaway entered into discussions with Alec as to the payment of its then outstanding fees, as to the fees that would be incurred in respect of the forthcoming trial and as to the use of the proceeds of the Italian Property, following its then intended sale, for payment of those fees.

19. In May 2023, there was a discussion between Mr Johnson and Alec as to whether a charge could be granted over the Italian Property, in favour of Ward Hadaway, in respect of Ward Hadaway's costs. Alec was unwilling to charge the property, on the basis that such a charge might deter potential buyers of the Italian Property. In emails, however, dated 22 and 23 May 2023, he indicated to Ward Hadaway that, notwithstanding the absence of a charge, he was looking to the proceeds of the Italian Property to provide funds for payment of Ward Hadaway's fees and, as he put it, that the 'worst case position' was that he would be able to pay Ward Hadaway from the proceeds of the Italian Property.

20. In early July 2023, following the trial and while the parties were awaiting judgment, the question of the intended sale, which had, as I understand it, been made known to Next and Ambon, in the context of a pre-trial mediation, was raised with Ward Hadaway by Devonshires; Devonshires' concern being that the proceeds of sale might be dissipated in advance of judgment. Emails were exchanged between the parties, in which Ward Hadaway sought to explain to Devonshires that Alec's share of the

proceeds of sale would be used and had, in effect, already been allocated by Alec to the payment of debts due to Lloyds Bank and Handelsbanken, to the repayment of car finance and, to the extent of £375,000, to the payment of Alec's outstanding legal fees, owed to Ward Hadaway. The consequence, as it was explained in Ward Hadaway's email, of 7 July 2023, was that there would be no surplus funds, following those payments, to be paid, as required by Devonshires, into an escrow account to await the outcome of the litigation. Concerns were also raised that payment into Ward Hadaway's client account, to await the outcome of proceedings, might offend against the provisions of the Solicitors Accounts Rules.

21. Perhaps unsurprisingly, Devonshires were not satisfied with the position advanced by Ward Hadaway, in respect of the proceeds of the Italian Property, with the result that, on 24 July 2023, Devonshires applied for what was termed a notification injunction, such as to preclude Alec from entering into any dealings with his assets save on the basis that he gave 7 days' prior notice of the dealing in question, coupled with details of that dealing.

22. In the result, that application was never adjudicated, but, importantly, for present purposes, was dealt with, between the parties, by way of a series of undertakings and consent orders, the effect of which, up to and including 15 September 2023, was to preclude Alec from completing the sale of the Italian Property and, as from 15 September 2023, to provide that Alec's share in the net proceeds of sale of the Italian Property be transferred to Ward Hadaway's client account, on terms that Devonshires would be given 7 days' notice of any intention to pay monies out of that account.

23. Alec's share in the deposit on the sale of the Italian Property, being the £47,000 referred to in paragraph 3 of this judgment, was paid into Ward Hadaway's client account on 12 September 2023. The substantial balance of his share (the £448,907.05 referred to in paragraph 3 of this judgment) was paid into Ward Hadaway's client account on 16 October 2023.

24. In the period between the deposit payment and the payment of the balance, on 26 September 2023, Bacon J granted the freezing injunction, set out in paragraphs 4 and 5 of this judgment. It follows that at the time when the balance was paid into Ward Hadaway's client account, pursuant to the exception to the terms of the freezing order, set out in paragraph 5 of this judgment, Alec (and Ward Hadaway) were bound by the terms of the freezing order. At the date when the deposit was paid in, Alec and Ward Hadaway were not so bound.

25. There seems to me to be no doubt but that the effect of the freezing order, as it pertained to the monies paid into Ward Hadaway's account, after the grant of that order, was to preclude any lien coming into existence in respect of those monies.

26. The freezing order allowed, or enabled, Alec's share of the proceeds of sale of the Italian Property to be moved into the Ward Hadaway client account. Subject to that, the freezing order 'bit' upon those monies so as to preclude Alec from disposing, or dealing, with the monies in the account and, thereby, afford Next and Ambon protection from the dissipation of those monies and provide a fund to which they could look for payment of their judgment.

27. It follows that, once the freezing order was in place, the monies in the client account, subject to that order, were held for the particular purpose of preventing, or precluding, their dissipation and therefore, as explained in **Withers**, at **paragraph 31**, for a purpose inconsistent with Ward Hadaway having a prior interest, by way of lien, over those monies. The fact, that the freezing order did not create a proprietary interest over the monies subject to the order, was not, in **Withers,** and is not, in this case, material to the existence, or otherwise, of the alleged lien (see: **Withers**, at **paragraphs 32 and 33**). The question is not as to the reason for the inconsistency between the purpose for which the money is retained in the account and the alleged lien over that money but as to the fact of that inconsistency.

28. Nor, in this case, is there any scope for an argument (of the type unsuccessfully advanced in **Withers** and discussed at **paragraphs 34 to 39**) to the effect that the provision within the freezing order which allowed monies, otherwise frozen, to be released for the provision of legal advice and representation, so 'opened up' the scope and purpose of the freezing order as to render it compatible with the existence of a lien.

29. In this case, whatever the position in **Withers**, I am in no doubt but that the intention of the provision in question was to enable, or allow, Alec to have the use of monies for legal advice and representation going forward. I do not think, however, that the provision was intended, or was wide enough in its language, to entitle monies, otherwise frozen, to be used not for the payment of future legal expenses but for the retrospective payment of outstanding legal fees.

30. The position, in respect of the deposit monies, paid into Ward Hadaway's client account, prior to the grant of the freezing order, is different.

31. At the point when the deposit reached Ward Hadaway, there were no restrictions, or constraints, as to its use. The restrictions on completion, which existed up to 15 September, did not preclude the payment to Ward Hadaway of the deposit. The undertakings, in place from 15 September, did not restrict the use to which the deposit monies could be put, but merely required notification to Devonshires in advance of any use of the monies in the account.

32. While I do not consider the evidence establishes that the monies going into Ward Hadaway's account were earmarked for the payment of Ward Hadaway's fees in quite the way suggested in Mr Johnson's evidence, it is quite clear that the potential use of those monies, or some of them, for payment of those fees was very much in mind. Be that as it may, I am satisfied that at the point when the deposit monies reached Ward Hadaway's client account, there was no restriction upon their user, whether for legal fees or otherwise, and nothing to constrain their use to a particular purpose inconsistent with a solicitor's lien. In those circumstances, it seems to me that a lien came into being in respect of those monies.

33. The next question is as to how that lien was affected, if at all, by the subsequent grant of the freezing order.

34. In my view, the already existing lien was not displaced, or affected, by that order. As already stated, a freezing order does not create a proprietary interest over the funds subject to the order. Nor does it displace existing proprietary, or other rights, to which

the monies, or assets, subjected to the freezing order, are themselves, already, subject. While the order may, or will, prevent the person subject to the order complying with his obligations in respect of assets, or monies, affected by the freezing order, it does not override those obligations.

35. It follows, as I see it, that the grant of the freezing order, at a date subsequent to the deposit monies reaching Ward Hadaway's client account and becoming subject to a solicitor's lien, did not displace that lien. Put another way, the freezing order, as it attached to the deposit monies, was subject to the pre-existing lien in favour of Ward Hadaway.

36. In the result and subject to a short point, as to the adequacy of Ward Hadaway's evidence in respect of its entitlement to its fees, dealt with later in this judgment, I am satisfied that Ward Hadaway hold a lien over the amount of £47,000 paid into their client account, but that no further lien has arisen over the balance of the proceeds of the Italian Property in that account.

37. I turn next to the entirely separate question of set-off and to the question as to whether the monies paid into Ward Hadaway's client account were, at all times, subject to Ward Hadaway's right to set-off, against the monies in that account, ostensibly owing to Alec, monies due and owing to Ward Hadaway in respect of its unpaid legal fees, with the result that, to the extent of those fees, no debt existed as between Ward Hadaway and Alec, such as to entitle Next and Ambon to a third party debt order.

38. The starting point, here, is Ward Hadaway's retainer and the terms and conditions of that retainer. The terms of the retainer are to be found in the retainer letter sent to Alec and Robert on 17 August 2020, together with Ward Hadaway's terms of business annexed to, or included with, that letter.

39. The following provisions of the letter are relevant to the question of set-off: firstly, the provision, at page 2 of the letter, that all Ward Hadaway's invoices became payable immediately upon presentation of the relevant invoice; secondly, the provision, also at page 2 of the letter, that, where Ward Hadaway held funds in its client account, whether arising out of the instruction to which the letter related or any other matter, then Ward Hadaway was authorised to deduct the amount of its invoices from the funds in the client account, in accordance with the Solicitors Accounts Rules.

40. In regard to Ward Hadaway's terms of business, the following provisions are potentially material: firstly, echoing the retainer letter, provisions whereby all Ward Hadaway invoices fell payable immediately upon presentation, subject to written contrary agreement, and whereby Ward Hadaway was authorised, in respect of monies held on Alec's behalf, including proceeds of sale or other receipts, to apply those monies against unpaid fees; secondly, relevant only to two invoices served upon and rejected by Alec's insurers, as explained in outline below, a provision, to the effect that all Ward Hadaway invoices were primarily payable by its client, whether or not that client had an agreement, or arrangement, with a third party covering liability in respect of those invoices in whole or in part.

41. This last provision is relevant, in the event that set-off is an available answer to the application for a third party debt order, because Alec and Robert had insurance cover

in respect of 70% of their costs and because Ward Hadaway's practice in respect of invoicing for those costs was to invoice the insurers, directly, for 70% of costs incurred and Alec and Robert for the balance. That practice did not, as made plain by the provision under discussion, in any way obviate the primary liability of Alec and Robert for the costs invoiced to the insurers, if those costs went unpaid.

42. In this case, as set out in paragraph 40 above, two invoices were rejected by insurers in the sum of £96,295.25 and are included as part of the unpaid fees in respect of which set-off is claimed. In this regard, it is submitted and I accept that service of the relevant invoices upon the insurers constituted good service upon Alec (and Robert) as their agent and, therefore, that, in respect of those invoices, as well as the other outstanding invoices, they became payable by Alec and Robert upon their presentation to the insurers.

43. For completeness, I should add that, while a question is raised by Next and Ambon as to the adequacy of Ward Hadaway's invoicing, as discussed later in this judgment, no issue is taken as to presentation to the clients of those invoices, at the dates shown on the invoices. I should add further that, although Ward Hadaway's retainer was a joint retainer by both Alec and Robert, I have seen nothing to suggest that the liabilities arising under the invoices were divisible, or that Alec, or Robert, could deny liability under any particular invoice, or invoices, on the footing that the work charged related solely to the other. Put shortly, it seems clear to me that, as submitted by Ward Hadaway, liability was joint and several.

44. As already stated, the invoices presented to Alec (including those served upon Alec's insurers, as set out above), prior to the grant and service of the interim third party debt order, total £386,417.36; the last of those invoices being dated 28 September 2023. Liability in respect of those invoices arose, pursuant to Ward Hadaway's retainer letter and terms of business, upon presentation of those invoices and Ward Hadaway's contractual right to deduct its invoiced fees from the monies standing to Alec's credit in Ward Hadaway's client account and to apply those monies against its unpaid fees arose at the same time. The reference to the Solicitors Accounts Rules, in the retainer letter, I take to be a reference to what is now rule 4.3 of the SRA Accounts Rules, whereby a solicitor must give a bill of costs, or other written notification of costs, to its client prior to the transfer of any money from its client account in respect of those costs. In so far as this may be relevant to the question of set-off, the relevant bills have been delivered.

45. It seems to me that the retainer letter and terms of business establish a clear contractual right of set-off, in favour of Ward Hadaway; a clear right to deduct its fees from such monies as were held in favour of Alec in its client account, or to apply those monies towards its unpaid fees, as from the date of presentation of each relevant invoice; with the result that, as from the service of, or presentation, of the last such relevant invoice (28 September 2023), Ward Hadaway had an accrued right of set-off to the extent of £386,417.36.

46. It further seems to me that, irrespective of the specific provisions of the retainer letter and the terms of business, Ward Hadaway has the benefit of a common law set-off, in respect of its unpaid fees and in the like amount as last set out. I agree with Morris J, in **BCS Corporate Acceptances**, at **paragraph 64**, that a solicitor has a right of set-

off 'over money in a client account in respect of services rendered and for which it has delivered a bill'.

47. Where such a set-off exists, then, to the extent of that set-off, monies otherwise owing by the solicitor to his client and held in client account do not, by reason of that set-off, constitute a debt owing by the solicitor to his client (see: **BCS Acceptances** at **paragraphs 53** and **88**) and cannot, therefore, fall within the ambit of an interim, or final, third party debt order.

48. In this regard and contrary to the position which, as discussed earlier in this judgment, arises in respect of lien, I do not think that the existence of the freezing order, as from 26 September 2023, affects, or precludes, Ward Hadaway's entitlement to rely on set-off to the extent of the amount set out in paragraph 45 of this judgment.

49. A freezing order, as already stated, does not displace existing proprietary, or other rights, including, therefore, contractual, or common law, rights of set-off. Accordingly, where, as here, such rights existed, as at the date of the freezing order, those rights were not displaced by the freezing order, either in respect of monies then in the client account, or in respect of monies subsequently coming into that account. The position would be different were it the case that a freezing order operated as charge, or quasi-charge, over the assets frozen by the order. That, however, is not the case.

50. There remain two matters, raised by Next and Ambon, in respect of the potential set-off. Firstly, it is said, picking up the judgment of Morris J, in **BCS Acceptances**, at **paragraph 90**, that the evidence as to the monies due to Ward Hadaway is not 'good evidence' and is not, therefore, sufficient to found Ward Hadaway's set-off. Secondly, it is said, in respect of one element of Ward Hadaway's invoices, namely the charges in respect of expert evidence, that, because, allegedly, the experts were independently instructed by Alec, their fees, although invoiced by Ward hadaway, as a disbursement, were not included within Ward Hadaway's rights of set-off.

51. There is nothing in either point. Dealing with the second point first, it is not suggested that the expert fees, which appear as disbursements in Ward Hadaway's invoices, have not been incurred, nor that Ward Hadaway has not, as part of its provision of professional services to Alec, settled the relevant fees. In those circumstances, it seems to me that those disbursements properly falls within Ward Hadaway's right of set-off.

52. In regard to Ward Hadaway's invoices, Mr Johnson's evidence is that those invoices, other than the two rejected by insurers, following, as I understand it, findings of fraud made against Alec, in HH Judge Johns KC's judgment in these proceedings, have never been the subject of challenge, or query, either by Alec, or by the insurers.

53. The invoices, themselves, were, as discussed in argument, in the usual common form of solicitors' invoices, referring to the transaction in question, to the period over which professional services in respect of that transaction were given, but, subject to explicit provision as to disbursements, providing no further narrative, or detail, as to the particular professional services provided in each particular period.

54. Notwithstanding this lack of detail, I am satisfied that Ward Hadaway has provided sufficient 'good evidence', in respect of their invoices. This is not a case, like **BCS Acceptances**, where no invoices or fee notes were produced and no evidence had been provided that the fees in question had fallen due by the date of service of the interim order. Here, the invoices are before the court, the dates of presentation, or service, are known, the terms as to liability are in evidence and there is no evidence at all that any challenge has been made to the invoices, or to the quality of service, underwriting the invoices.

55. As already indicated, the absence of narrative is common form in solicitors' invoices. That, however, as explained in **Ralph Hume Garry v Gwillim [2003] 1 WLR 510**, in the different context of determining compliance with section 69 of the Solicitors Act 1974, is not fatal to a client's liability in respect of an invoice, if and provided that the services provided under the invoice are sufficiently known to the client from other sources.

56. In this case, given that the context of the invoices was the work being carried out by Ward Hadaway, in preparing and presenting Alec's case in a very substantial High Court action, it is not realistic to think that Alec was not fully aware of the work and circumstances to which the invoices related, or, therefore, that the invoices were challengeable by him, on grounds of insufficiency of information.

57. In the result and bringing the strands of this judgment together, I am satisfied that Ward Hadaway has a lien for its fees to the extent of the deposit monies emanating from the Italian Property and, further, that Ward Hadaway has a set-off over the proceeds of the Italian Property paid into its client account, including over the deposit monies, to the extent of £386,417.36, with the consequence that, to the extent of that amount, the monies standing in Ward Hadaway's client account are not a debt due from Ward Hadaway to Alec and do not, therefore, fall within the ambit of a third party debt order.

58. The further consequence of the foregoing, having regard to the limitation upon the ambit of the interim third party debt order identified in paragraph 11 of this judgment, is that the amount, in respect of which the interim third party debt order should be made final, is the amount of £109,529.69 referred to in that paragraph.