Unexplained Wealth Orders: An update on the UWO ordered against Mansoor Mahmood Hussain

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In our article published on 1 May 2020, we commented on the recent caselaw surrounding Unexplained Wealth Orders (“UWOs”). We highlighted the case of National Crime Agency v Mansoor Mahmood Hussain & Others¹, in which Mr Hussain, a Leeds based businessman, was hit with a UWO and an interim freezing order after allegations that he was laundering money on behalf of local criminals.

It has recently been reported² that Mr Hussain has agreed an out-of-court settlement with the National Crime Agency (“NCA”) bringing to an end the first UWO obtained solely on the basis of the respondent’s alleged involvement in serious organised crimes. The precise terms of the settlement have not been made public, but the NCA has reported that Mr Hussain has agreed to hand over nearly £10 million worth of properties, assets and cash to the NCA. As far as the authors are aware, Mr Hussein has not been charged with any criminal offences but it has been reported that the settlement would not prevent the NCA from investigating Mr Hussain in the future.

Comment

The out-of-court settlement has been trumpeted by the NCA as a significant success, not least because the NCA was able to secure a result without the lengthy and expensive process of pursuing Mr Hussain through the Courts. In a statement, the director general of the National Economic Crime Centre, NCA, Graeme Biggar said: “This case is a milestone, demonstrating the power of unexplained wealth orders, with significant implications for how we pursue illicit finance in the UK”.³

It remains to be seen whether this will form the blueprint of the NCA’s approach to dealing with respondents to UWOs in the future – the statement from Mr Biggar certainly suggests that it will be an option going forward. In these straightened times when there is more pressure than ever on the public purse, the prospect of a quick recovery compared with a long-drawn out (and costly) legal battle may be an attractive option to the NCA (particularly if the respondent were to fight hard in resisting the UWO). Indeed, an early settlement may also be in the respondent’s interests if the respondent is faced with potentially widespread disclosure obligations under a UWO. Moreover, we expect an early resolution to an UWO would be viewed favourably by any third parties that become embroiled in UWOs given the potential reputational and legal risks arising out of a drawn out and thorough investigation.

¹ [2020] EWHC 432 (Admin)
³ Ibid

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