Neutral Citation Number: [2026] EWHC 2962 (BP)

Case No: BR-2025-000420

IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY DIVISION
INSOLVENCY AND COMPANIES LIST

Royal Courts of Justice, Rolls Building
Fetter Lane, London EC4A 1NL

Date: 20/11/2026

Before :

ICC JUDGE MULLEN

- -

In the matter of Nikki Bull (in bankruptcy)

And in the matter of the Insolvency Act 1986

Between :

Stephen John Hunt **(in his capacity as trustee in bankruptcy of Nikki Bull)**	**Applicant**
- and -	
Lee John Wilkins **(also known as Albie-John Wilkins)**	**Respondent**

- -
- -

Mr Darragh Connell (instructed by **Wedlake Bell LLP**) for the **Applicant**
The Respondent appeared in person

Hearing dates: 24th July 2026, 8th October 2026

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Approved Judgment

This judgment was handed down remotely at 10.30am on 20th November 2026 by circulation to the parties or their representatives by e-mail and by release to the National Archives.

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ICC JUDGE MULLEN

ICC Judge Mullen :

1. Mr Nikki Bull was adjudged bankrupt on 5th June 2024 on his own application, which he made on 1st June 2024. Mr Stephen Hunt ("the Trustee") was appointed as Mr Bull's trustee in bankruptcy on 6th September 2024. The application that I have to consider was issued on 7th October 2025 ("the Application") and concerns a cryptocurrency called Ripple, which is conventionally abbreviated to "XRP". That cryptocurrency was identified at an account address on the XRP blockchain referred to in the Application as "Wallet 1". The cryptocurrency held at that address is collectively defined in the draft order filed on behalf of the Trustee as "the Property". After Mr Bull's bankruptcy, the Property was transferred to six further cryptocurrency accounts on the blockchain, referred to in the Application as "Wallets 2 to 7".

2. The Respondent is Mr Albie-John Wilkins, named as Lee John Wilkins in the Application, who is, it is accepted, the controller of Wallet 2. The Application contended, as the Trustee's primary case, that the Property was legally and beneficially owned by Mr Bull as at the date of the bankruptcy. Mr Wilkins' position is that he was the owner of the cryptocurrency held at Wallet 1 at that date. He says that he also owns Wallet 2, but not Wallets 3 to 7.

3. The Application seeks:

    i) a declaration that the Property is vested in the Trustee by reason of sections 283 and 306 of the Insolvency Act 1986 ("the 1986 Act") and an order requiring Mr Wilkins to deliver up the Property and the means to access it, or payment to the Trustee of an equivalent sum;

    ii) in the alternative, if Mr Wilkins is the owner of Wallet 1 and the Property, a declaration that the transfers of cryptocurrency from Mr Bull's cryptocurrency exchange accounts into Wallet 1 were transactions at an undervalue within the meaning of section 339 of the 1986 Act, with consequential orders for the setting aside of the transaction or payment of a sum equivalent to the market value of the cryptocurrency; or

    iii) in the further alternative, an order setting aside the transfers as a preference, again with consequential orders for the setting aside of the transaction or payment of a sum equivalent to the market value of the cryptocurrency.

4. The basis of the Trustee's contention in the Application that the Property belonged to Mr Bull at the date of his bankruptcy is that his investigations have shown that all of the XRP in Wallet 1 was transferred there from Mr Bull's cryptocurrency exchange accounts with Crypto.com, Uphold and Binance as follows –

    i) between 1st January 2022 and 20th September 2022, Mr Bull made payments totalling £61,330.97 from his HSBC account into his account at Crypto.com;

    ii) during October and November 2022, Mr Bull transferred a further £75,500 from his HSBC account to his Crypto.com account;

    iii) between 16th December 2022 and 20th September 2023, Mr Bull made additional transfers totalling £63,375 to his Crypto.com account; and

iv) between October 2023 and May 2024, he deposited approximately £62,675 into an Uphold account, which was used to fund further cryptocurrency purchases.

5. A further Crypto.com account had been in the name of Mr Bull's partner, Ms Victoria Hames. Ms Hames responded to the Trustee's enquiries about this to say that she did not deal in cryptocurrency and that Mr Bull may have used an account in her name. That is in fact supported by some WhatsApp messages produced by Mr Wilkins shortly before the trial, in which Mr Bull appears to tell Mr Wilkins that he has set up an account for his partner. Ms Hames does not suggest any entitlement to the cryptocurrency that was transferred into Wallet 1.

6. Analysis of Mr Bull's bank accounts containing conventional fiat currency and of his cryptocurrency exchange accounts shows cryptocurrency repeatedly being converted back into fiat currency, redeposited, converted into XRP and deposited in Wallet 1.

7. There were some 200 transfers, from Mr Bull's Crypto.com, Uphold and Binance accounts into Wallet 1 from its creation on 19th December 2021 to the date of the bankruptcy. The transfers that are the subject of the Application are as follows:

   i) 434,407 XRP transferred from the Crypto.com user account to Wallet 1 in 91 transactions between 16th January 2022 and 11th September 2023;

   ii) 49,998.79 XRP transferred from the Uphold account to Wallet 1 in six transactions between 1st January 2024 and 8th February 2024; and

   iii) 357 XRP transferred from a Binance user account to Wallet 1 on 19th March 2022.

   As at the date of the bankruptcy order, Wallet 1 held 484,762.79 XRP,[1] which had a value in the region of £700,000 as at the date the Application was issued. That appears to be a substantial increase in value from that at the dates of the transfers. The aggregate value of the 434,407 XRP transferred between January 2022 and September 2023 was in the region of £173,700 at the end of that period, while the 49,998.79 XRP was worth around £22,500.

8. Mr Wilkins' position is that Wallet 1 and the cryptocurrency held in it belonged to him at the date of the bankruptcy order and does not fall within Mr Bull's bankruptcy estate. He maintains that Mr Bull had repaid various loans and reimbursed him for various expenses that he met on Mr Bull's behalf and services that he provided to him and that this was effected by transfers of cryptocurrency into Wallet 1.

9. The ownership of the wallets is not straightforward to establish. They are "non-custodial wallets" or "self-custody wallets" recorded on the XRP blockchain. The user has full control over the cryptocurrency so held. Access to the wallets depends on having the private key or seed phrase that allows access to it. The Trustee has been able to identify transfers into Wallet 1 from Mr Bull's cryptocurrency exchange accounts, and the publicly available blockchain has allowed his staff to see movements from it,

[1] The documents in support of the Application contain a transposition error, showing the figure as 487,462.79 XRP

but the ownership and control of Wallet 1 and the successor wallets cannot be ascertained.

10. Following the conclusion of the evidence, the Trustee is prepared to accept for the purposes of the transaction at an undervalue and preference claims that Wallet 1 belongs to Mr Wilkins and that Mr Bull transferred XRP to him there. His primary case is now that the transfers of cryptocurrency by Mr Bull were transactions at an undervalue and fall to be transferred back into the bankruptcy estate, in default of which an equivalent sum should be paid into it. Only in the event that the transaction at an undervalue claim and preference claim fail does the Trustee invite the court to consider the proprietary claim.

Mr Bull's bankruptcy and the Trustee's investigations

11. Following his bankruptcy, Mr Bull was interviewed by the Official Receiver on 27th June 2024. He gave an account of the circumstances leading to his bankruptcy, including his divorce and litigation with his former father-in-law, as follows:

> "The divorce proceedings and financial settlement concluded in March 2022. The financial settlement was she got to keep the flat in her sole name… she got £55,000 lump sum which I borrowed from friends to pay her.
>
> I had to pay off her car finance of £15,500 I also borrowed this money from friends and family, plus I settled her debts.
>
> I also had to pay my ex-wife £2,500 - £3,000 each month for my ex-wife's living needs from when we separated in January 2019 until 2022 to when the final divorce order came through (approx. 3 years), which was more than what I was earning at the time (I didn't have a full-time job from April 2017 until April 2019). During period January 2019 to May 2020, I lived in my friend's spare room as couldn't afford my own place and had to hire cars as my ex-wife had my vehicle. The arrangement with my friend was that I would pay him back for the rent, loans etc when I was able to do so as my outgoings were going on debts and ex-wife rent and bills.
>
> …
>
> In late Feb 2022 I got a solicitors letter claiming £210k that they said I owed my ex father in law.
>
> In 2012 my father in law had a successful business operating in Russia. In 2011/ 2012 he asked me if I could provide money for the business which I did. I went to work in Moscow for 6-9 months during 2012/2013 just as I had retired from football. I put around £150,000 into the business and to my father in law at this time, around 2012/2013.
>
> …

> The claim from my father-in-law went to trial on 29th January 2024. It was a 3 day trial. I lost the case. On his £210,000 debt he was able to apply his legal costs and interest going back to 2014 resulting in £400k debt.
>
> …
>
> I was expecting to win the case, get my costs reimbursed and use it to repay the credit card debt that I had – a close friend who has previously loaned me money for my divorce and was repaid in full also agreed to provide me with the money to pay off my personal loans and pay him back at a small amount each month – so all my unsecured debt would have been satisfied and I could look forward. I have never missed a payment on anything. The only reason I am going bankrupt is the loss of the court case which I never expected to lose".

The judgment debt founding the bankruptcy application was in fact £475,033. Mr Bull disclosed other debts. Altogether the disclosed liabilities totalled £555,179.

12. Mr Bull did not reveal the existence of cryptocurrency in this interview, at least according to the written record of it. He set out his bank accounts, which had very limited cash in them. He referred to a number of loans owed to financial institutions. He did not refer to Mr Wilkins as a creditor.

13. The Trustee raised further questions of Mr Bull, during which he accepted that he had opened a number of cryptocurrency accounts on various exchanges. He said that he no longer had access to the accounts. In an email dated 3rd December 2024, he set out loans that he had received from various persons between 2018 and 2023, including a Mr Ian Dawkins and a Mr Lee Wilkins. In respect of the latter he said that he had been loaned some £127,000.

14. In a subsequent email of 16th December 2024 he said that Mr Wilkins had used his cryptocurrency to settle debts on his behalf, including debts owed to Mr Wilkins himself. He said in an email dated 16th December 2024 that:

> "Mr Wilkins used my crypto I transferred and held to settle and assist in repaying everyone I owed money to including himself in 2021-24.
>
> Mr Wilkins may be able to advise on the other debts he settled for me or the cost for support provided to me (lease of cars, third parties, betting, paying for solicitors etc)
>
> I gave him access to self-custody crypto wallets that I had access too [*sic*] as security for money being loaned. He may be able to advise on other wallets but I cannot.
>
> As stated previously I no longer have any access to any self-custody crypto wallets. Everyone owed money was repaid in the main by Mr Wilkins or associates of his."

15. He provided further information by an email of 12th March 2025, focusing primarily on monies that he says were lent to him by Mr Dawkins. He describes the email as "a walk through of finances and repayments which is directly related to the use of crypto that you have referenced". He referred to an email from Mr Dawkins in which Mr Dawkins stated that he had lent Mr Bull £125,000 between 2019 and 2020 to enable him to settle matters with his ex-wife under the terms of a financial remedies order and to fund legal action. He also referred to the landscaping of the garden of a pub called The Hansom Cab Inn, which he suggested would have cost in excess of £50,000. His position in relation to Mr Wilkins however shifted and he characterised the payments as being referable to services rather than the making of loans. He said:

> "I have been friends with Mr Wilkins for several years. Mr Wilkins was aware of my divorce and the personal issues that I was facing. Mr Wilkins introduced me to third parties that he knew who could facilitate providing me cash or things such as lease cars - because of my personal debts and divorce I was unable to borrow or lease cars the normal way. I would transfer crypto for these loans, cars, etc.
>
> Mr Wilkins facilitated the repayment of Mr Dawkins on my behalf through I believe third parties – Mr Dawkins was repaid in full for all borrowings made to me.
>
> Between 2019 – 2022 Mr Wilkins facilitated car leases such as Ford Raptor, Range Rover Evoque and Mercedes C class which I believe from memory was around £10K per annum so £25-30K. My insurance will show these vehicles were insured by myself. I received a car allowance through my job so again breaking no rules.
>
> Mr Wilkins also facilitated payments to my solicitor on my behalf.
>
> …
>
> I would ask that you stop the letters to Mr Wilkins who never loaned me money he just provided and facilitated services in return for payment – all of which were completed long before my bankruptcy."

Mr Wilkins' involvement in Mr Bull's finances was thus characterised by Mr Bull as arranging or facilitating the provision of services. He expressly disavowed, at least in this email, the provision of loans to him by Mr Wilkins. Mr Bull further said:

> "I have no accounts, and I have no access to accounts, for crypto I have destroyed the passcodes that I had and as I have already said I did not hold any external wallets in my name or no longer have any control/access over any accounts nor wish to.

> Anything that went into crypto from me has gone. From information provided to me – once crypto is transferred away from you or your exchange account then you no longer own it."

16. On 8th April 2025 the Trustee's then solicitors wrote to Mr Bull and set out what they saw as inconsistencies in his account:

> "In relation to Mr Lee Wilkins (Mr Wilkins), your explanation is also inconsistent and contradictory. In your e-mail dated 3 December 2024 to Mr De Beer, you stated that the total amount borrowed from Mr Wilkins was £130,000 over the period 2018 to 2023 (although we note that our previous letter may have incorrectly added the amounts to £140,000). In your subsequent e-mail dated 16 December 2024, you stated that *'Mr Wilkins used my crypto I transferred and held to settle and assist in repaying everyone I owed money to <u>including himself</u> in 2021-24'* (emphasis added). In your letter dated 12 March 2024, you now state that 'Mr Wilkins <u>who never loaned me money</u> he just provided and facilitated services in return for payment – all of which were completed long before my bankruptcy' (emphasis added). So that you are fully aware, we were instructed by the Trustee to write to Mr Wilkins, who has stated to us on 27 January 2025 that:
>
> 'To clarify my position, I previously provided Mr. Bull with a personal loan on private terms. Any payments I received from him were solely for the repayment of that loan, which was settled in full'.
>
> Your contradictory explanations therefore in relation to your affairs and dealings with Mr Wilkins are most unimpressive. There is no reference or trace in your bank statements to any monies either paid in from Mr Wilkins or paid out by Mr Wilkins.
>
> Your explanations regarding using cryptocurrency to repay third parties is equally inconsistent and is not evidenced. The Trustee is aware that you transferred out Bitcoin, Hedera and XRP from Crypto.com account held in your name. The Bitcoin and Hedera the Trustee estimates was worth approximately £120,000 at the time. If this cryptocurrency was used to repay loans to third parties, you have failed to provide any evidence of this. In terms of the XRP, this was transferred to a wallet and then was transferred to another wallet. The second wallet was created in July 2024 and has only ever received funds sourced from the first wallet. The position of the Trustee therefore is that the XRP has not and cannot have been used to repay any loans."

This is a reference to the movement from Wallet 1 to Wallet 2, which was visible on the publicly accessible blockchain.

17. Mr Bull's solicitors wrote to the Trustee's solicitors on 8th May 2025 and said:

> "Our client wishes to clarify the position in relation to Mr. Wilkins and Mr Dawkins.
>
> As our client has explained previously, the relationship between our client and Mr. Wilkins involved Mr. Wilkins providing various services for our client, in return for which our client would transfer cryptocurrency to wallets under the administration of Mr Wilkins. There are no outstanding obligations between our client and Mr. Wilkins.
>
> Regarding the loans from Mr. Dawkins, whilst in an e-mail dated 3 December 2024 our client stated that the total amount borrowed was £87,000 over the period 2018 to 2023, in fact this was an error and the correct figure is approximately £125,000. We understand that this is corroborated by the email from Mr. Dawkins in July 2023 that our client previously provided to you."

This appears to suggest that Mr Wilkins was being paid for the provision of services.

18. In respect of the cryptocurrency transactions, they said:

> "Regarding the XRP cryptocurrency and the assertion that it was transferred to a second wallet created in July 2024, our client confirms he has no knowledge of or connection to this second wallet. Our client was not in control of any cryptocurrency wallet that he transferred funds to, and therefore has no information about transactions between wallets."

They suggested that the Trustee contact Mr Dawkins directly.

19. The Trustee's solicitors replied on 16th May 2025:

> "You suggest that the Trustee simply contact Mr Dawkins directly. The Trustee's enquiries are ongoing in this regard. However, in the meantime, we reiterate that it is your client's responsibility to provide a coherent, evidenced account of his financial dealings concordant with his obligations pursuant to the Insolvency Act 1986. In the absence of direct payment evidence, all contemporaneous records (emails, text messages, WhatsApp exchanges, wallet transaction logs, chat platforms etc.) should be produced forthwith by your client to corroborate the alleged loans and their purported repayment. Whilst you assert that your client considers that he has 'he has consistently attempted to be helpful and cooperative', there are demonstrable and significant gaps in his explanations. Further, it is apparent that your client's latest account, conveyed in your letter dated 8 May 2025, is both inconsistent with his own previous explanations and, for example, the explanations of third parties such as Mr Wilkins."

20. Mr Bull's solicitors replied on 21st May 2025:

> "[A]s we explain in further detail below, our client has no control over or access to the Wallets (as defined in your 16 May letter), or indeed any cryptocurrency wallets or exchange accounts whatsoever. Accordingly, the concern regarding potential dissipation is fundamentally misplaced – our client cannot dissipate assets to which he has no access or control. There is, therefore, no genuine urgency that would justify these draconian demands and timeframes. Our client has previously explained this position to the Trustee, and that position was further set out in our letter of 8 May 2025.
>
> We do not understand what circumstances have changed which necessitate such sudden and urgent action to be taken by the Trustee.
>
> …
>
> Our client does not have control over Wallet 1 or Wallet 2 (as defined in your correspondence). When making cryptocurrency payments for various matters (such as to Mr. Wilkins as we explained in our letter of 8 May 2025), our client was directed to transfer funds to various wallet addresses. He does not have any information about these wallets beyond the address to which he was instructed to send cryptocurrency.
>
> The fact that our client transferred cryptocurrency to a wallet address, including Wallet 1, does not mean he has any knowledge about the wallet itself, including its keys, passwords, or who controls it. It is akin to making a bank transfer to an account number without having any access to or control over the recipient's account.
>
> Our client certainly has no knowledge of any transactions between Wallet 1 and Wallet 2, as he has no visibility of or access to either wallet. The assertion in your letter that the 'controller of Wallet 1 necessarily had knowledge of Wallet 2's creation" is therefore entirely irrelevant – as our client was not the controller of Wallet 1."

21. Without prejudice to any of that, Mr Bull gave an undertaking on 23rd May 2025 not to deal with any of the cryptocurrencies listed in a schedule to the undertaking or to encourage or facilitate others to do so.

Enquiries of Mr Wilkins

22. The Trustee's solicitors also sought information from Mr Wilkins and wrote to him on 14th January 2025 to say as follows:

> "It has come to the attention of the Trustee that you are in custody of Mr Bull's Cryptocurrency wallet in what is said to be security for monies you loaned to him either prior to or subsequent to his bankruptcy. Please be advised that Mr Bull's Cryptocurrency is property within the meaning of Sections 436 and 283(1) of the Insolvency Act 1986 and therefore forms part of his bankruptcy estate."

23. Mr Wilkins replied on 27th January 2025. He said:

> "Regarding cryptocurrency assets allegedly belonging to Mr Nikki Bull. To clarify my position, I previously provided Mr Bull with a personal loan on private terms. Any payments I received from him were solely for the repayment of that loan, which was settled in full. I have never held or had access to his cryptocurrency wallets or accounts, nor do I have custody or control of any assets belonging to him.
>
> I understand your role as Trustee in Bankruptcy and the relevant provisions of the Insolvency Act 1986. However, as the loan was fully repaid before Mr Bull's bankruptcy on 5 June 2024, and I have not retained or withheld any of his property. I do not believe these provisions apply in this instance."

24. Mr Wilkins was then asked to set out exact details of the loan together with evidence, including bank statements. Mr Wilkins replied to say that he did not wish to provide further details and asked for clarification of the legal basis for the request.

25. A more formal letter was then sent to Mr Wilkins on 3rd March 2025. The letter said:

> "Please can you provide to us the following information:
>
> 1. Confirmation of the amount advanced to Mr Bull and on what date(s) together with evidence in the form of bank statements (which can be redacted as appropriate);
>
> 2. Confirmation of repayments made by Mr Bull and on what date(s) together with evidence in the form of bank statements (again which may be redacted); and
>
> 3. Any written evidence confirming the terms of any loan agreement between yourself and Mr Bull."

There does not appear to have been a reply to those requests and they were repeated in a letter of 16th May 2025. In that letter, he was further asked to provide details of the services that he said he had provided to Mr Bull, in return for which cryptocurrency had been transferred, as follows:

> "4. Confirmation of the nature of the arrangements between you and Mr Bull under which you received cryptocurrency from him and provided cash or services;

> 5. Details of any wallets or cryptocurrency accounts into which you received funds from Mr Bull (including wallet addresses, dates, and types of cryptocurrency);
>
> 6. Confirmation of the nature and value of any cash or services you provided to Mr Bull in exchange for cryptocurrency, together with any records or communications supporting the same;
>
> 7. Any communications (including emails, text messages or otherwise) between yourself and Mr Bull concerning cryptocurrency transfers, loans, or any other financial dealings."

Mr Wilkins was referred to his obligations under section 366 of the Insolvency Act 1986.

26. Mr Wilkins was not greatly more forthcoming in his reply of 23rd May 2025. He simply said that, between 2019 and 2024:

> "I provided assistance to Mr Bull, who was experiencing ongoing financial difficulties throughout this period. My support included various forms of financial help and services all offered informally and on personal terms.
>
> All monies advanced by me to Mr Bull were repaid in full prior to the date of his bankruptcy order.
>
> As part of our arrangements, I did request repayments be made in cryptocurrency, and Mr Bull transferred funds to wallets under my instructions"

On the same date he was asked for full details of the payments made by him and details of the cryptocurrency wallets into which Mr Bull transferred funds, including dates and amounts of transfers. He was further asked for details of payments made on Mr Bull's behalf, including to Mr Dawkins. Copies of communications about these payments were also requested.

27. The reply was again unforthcoming. Mr Wilkins said:

> "I wish to reiterate that the assistance I provided to Mr Bull was on a personal and informal basis, all monies and credit lines facilitated by me were repaid in full prior to the bankruptcy order being made.
>
> To clarify, the cryptocurrency payments I received were repayments of those personal advances. Wallet addresses were advised to Mr Bull to send cryptocurrency and were used to settle legitimate debts, which have since been fully discharged.
>
> Nonetheless, I remain willing to assist where possible in relation to my own direct dealings with Mr Bull."

On the same day he was asked directly whether he had custody and control of Wallet 1, the address of which was given, and if not, who was in control of it. A full list of questions was set out, again seeking details of the loan arrangements, repayments and communications.

28. Mr Wilkins declined to answer the further questions. He said in an email of 28th May 2025:

> "I must respectfully decline to provide any further information. These wallets and transactions involve my private financial affairs, and I do not consider them relevant to your investigation, given that all matter between myself and Mr Bull were resolved prior to his bankruptcy."

The section 366 application

29. It was in the face of this reluctance to provide information that the Trustee applied for an order under section 366 of the 1986 Act on 16th June 2025. That application was opposed by Mr Wilkins. In the Trustee's evidence in support of the application, he raised the discrepancy between the "Lee Wilkins" to whom Mr Bull claimed to have owed money and Mr Wilkins' own email sign off as "Albie Wilkins" in response to the Trustee's enquiries. He noted that his emails emanated from an address beginning "bodyshots" and that this corresponded with the contact email for Body Shots Boxing Academy Limited, the person with significant control of which was shown as a Mr John Albert Wilkins.

30. Mr Wilkins' statement of 3rd July 2025 in opposition to the section 366 application said that any wallets, crypto asset accounts or funds referred to in the Trustee's application were entirely his. He also said:

> "2. For the avoidance of doubt, my legal and only name is Albie Wilkins. I am not, and have never been known as, Lee John Wilkins. I do not know why I have been referred to by that name in these proceedings.
>
> 3. I am also not connected in any way to Body Shots Boxing Gym or Body Shots Boxing Academy Limited. I do not have, and have never had, any role or association with those entities."

He stated that he was not a creditor in the bankruptcy as all monies that he was owed had been repaid and he did not have custody or control of any crypto assets of Mr Bull. He said that the sums he received from Mr Bull were repayments of loans which took place before the bankruptcy order.

31. He served four further statements following the order of ICC Judge Prentis of 4th July 2025 directing him to provide information. The Trustee's position is that these statements provide conflicting and incoherent accounts of his dealings with Mr Bull and provide no supporting evidence.

32. Following the making of the Application, Mr Wilkins filed two further witness statements, which provided a slightly more detailed account of the provision of monies

or services to Mr Bull. His sixth witness statement says that he provided loans and services to Mr Bull as follows:

i) vehicle lease instalments totalling £69,120;

ii) a personal loan of £100,000 paid to Mr Dawkins on behalf of Mr Bull;

iii) a personal loan of £30,000 paid to Mr Chris Sawyer;

iv) labour and renovation costs of £34,000; and

v) smaller personal loans totalling £100,000.

The evidence at trial

Mr Stephen Hunt

33. Mr Hunt made a witness statement dated 7th October 2025 in support of the Application. He summarises the nature of his case and the correspondence with Mr Bull's solicitors and Mr Wilkins, to which I have already referred, and explains the transfers to and from Mr Bull's various accounts and the transfers to Wallet 1 prior to his bankruptcy. Mr Hunt was not required for cross-examination and did not give oral evidence. As office-holder, he is of course a stranger to the affairs of Mr Bull and his statement is limited to a discussion of the correspondence and his inquiries into Mr Bull's affairs. I accept Mr Hunt's written evidence, which Mr Wilkins chose not to challenge.

Ms Hania Sajid

34. Ms Sajid is a solicitor at Wedlake Bell, the solicitors now acting for the Trustee. Her evidence is of a telephone conversation that she had with Mr Wilkins on 17th October 2025, in which the ownership of Wallet 5 was discussed. Mr Wilkins said that he would provide details of the person in control of Wallet 4, to which XRP had been transferred via Wallets 2 and 4. Mr Wilkins further said that he did not know why Mr Bull had referred to him as "Lee". Ms Sajid was not called for cross-examination and I accept her evidence.

Mr Javier De Beer

35. The first witness that I heard oral evidence from was Mr Javier De Beer, a member of the case team at the Trustee's firm. He has made two statements in relation to these proceedings. He also set out the course of the Trustee's investigation and engagement with Mr Wilkins, including events since the Application was issued. He explains the movements between the various cryptocurrency wallets following Mr Bull's bankruptcy and summarised these in a helpful diagram. He was briefly cross-examined but not challenged on the substance of his evidence and I accept it.

Mr Wilkins

36. Mr Wilkins was an unsatisfactory and often uncooperative witness. There are a number of striking examples of this. He was cross-examined by Mr Connell for the Trustee as to the names by which he was known. His statement, dated 3rd July 2025, is headed "Statement in Response by Albie Wilkins" and, as I have noted, denied that he had ever

been known as Lee Wilkins. He produced a copy of his passport, giving his name as "Albie-John Wilkins". Nonetheless, his statement of 17th July 2025 is headed "Witness Statement of Albie (Lee John) Wilkins" and Mr Bull also referred to him as "Lee Wilkins" in various documents. Mr Wilkins explained this discrepancy by saying that he had "panicked" and did not like to associate himself with the name Lee anymore.

37. A possible explanation is that, under the name Lee John Wilkins, Mr Wilkins had been disqualified as a director in respect of his conduct as a director of S & L Traders Limited. He was disqualified for a period of seven years for conduct which included the failure to maintain and preserve adequate accounting records. He told me that this was because he had to leave his office as he was threatened. He did not seek to deny that that was the name under which he had been disqualified.

38. Similarly, in the same witness statement he denied any connection with Body Shots Boxing Gym. There are however photographs in evidence showing Mr Wilkins in a boxing ring with the word "Bodyshots" in large letters written on the wall. Also in the bundle is a still from a YouTube video, showing Mr Wilkins clearly in the centre of the frame. The caption reads "Welcome to Body-Shots Boxing Academy – (Gym Tour with Trainer Lee Wilkins)". The video is said to have been uploaded 11 years ago. Again, Mr Wilkins said he was panicking. He was under stress, not least from the sad illness of his child and his own ill-health, and he had not really "thought it through".

39. Whatever his motivation for his denials, the fact is that it was entirely untrue to say that he had never been known as Lee Wilkins or that he was unconnected to Body Shots. These statements are demonstrably untrue. He did not accept that these misleading statements should lead to the conclusion that he is cavalier with the truth but I disagree. Mr Wilkins knows full well what names he has been known by and where he has been employed. He chose to tell untruths about this in a witness statement, verified by a statement of truth.

40. He was firm in his evidence that he controlled Wallet 1 and that it was his. When questioned as to why there were transfers out of that Wallet and back to Mr Bull's cryptocurrency exchange accounts, he maintained that those transactions were effected by a person acting at his direction, but he declined to say who that person was.

41. Incredibly, Mr Wilkins, despite his case that he was the owner of both Wallet 1 and Wallet 2, maintained that he did not know the identity of the person to whom he transferred XRP from Wallet 2. Wallet 2 was, in effect, emptied in May 2025 at a time when the XRP that it held had a value in the region of £1 million. Mr Wilkins simply declined to identify the reasons for this, saying that there was no explanation as to why this was. Nor did he give the identity of the person in control of Wallet 5 as he said he would do in his telephone call with Ms Sajid. It is impossible to accept that he was unable to provide these details, first because of the size of the transfers from Wallet 2 and, secondly, because XRP was identified as having been transferred from Wallet 5 to a Crypto.com account in the name of Mr Wilkins himself.

42. I will refer to Mr Wilkins' evidence further below. Given the patent untruths in Mr Wilkins' evidence and his refusal to be full and frank as to matters of which he must be aware, for present purposes I can simply say that I cannot take his evidence at face value. Where it is not inherently credible or supported by independent evidence, I reject it.

Legal principles

A bankrupt's property

43. Section 306 of the 1986 Act provides that a bankrupt's estate vests in the trustee on his becoming trustee and any property which forms part of this estate vests in him "without any conveyance, assignment or transfer". What falls within a bankrupt's estate is defined in section 283:

> "(1) Subject as follows, a bankrupt's estate for the purposes of any of this Group of Parts comprises—
>
> (a) all property belonging to or vested in the bankrupt at the commencement of the bankruptcy, and
>
> (b) any property which by virtue of any of the following provisions of this Part is comprised in that estate or is treated as falling within the preceding paragraph.
>
> …
>
> (3) Subsection (1) does not apply to—
>
> (a) property held by the bankrupt on trust for any other person, or
>
> (b) the right of nomination to a vacant ecclesiastical benefice.
>
> (4) References in any of this Group of Parts to property, in relation to a bankrupt, include references to any power exercisable by him over or in respect of property except in so far as the power is exercisable over or in respect of property not for the time being comprised in the bankrupt's estate and—
>
> (a) is so exercisable at a time after either the official receiver has had his release in respect of that estate under section 299(2) in Chapter III or a meeting summoned by the trustee of that estate under section 331 in Chapter IV has been held, or
>
> (b) cannot be so exercised for the benefit of the bankrupt;
>
> and a power exercisable over or in respect of property is deemed for the purposes of any of this Group of Parts to vest in the person entitled to exercise it at the time of the transaction or event by virtue of which it is exercisable by that person (whether or not it becomes so exercisable at that time)."

44. As will in due course be apparent, it is unnecessary to consider whether cryptocurrency is "property" that vests in the Trustee within this section, given the Trustee's decision to accept for the purposes of the transaction at an undervalue and preference claims, that Wallet 1 belonged to Mr Wilkins. For the avoidance of any doubt however I am

satisfied that the XRP held in Mr Bull's exchange accounts prior to transfer constituted property belonging to him. The XRP is similarly "property", the return of which can be ordered to be transferred pursuant to section 342 of the 1986 Act.

45. I was referred to section 1 of the Property (Digital Assets etc) Act 2025, which provides as follows:

> "1. A thing (including a thing that is digital or electronic in nature) is not prevented from being the object of personal property rights merely because it is neither—
>
> (a) a thing in possession, nor
>
> (b) a thing in action."

It is tolerably clear that cryptocurrency is digital or electronic in nature. This section however simply provides that property rights may exist in respect of something that is neither a thing in possession nor in action. It does not say in terms that cryptocurrency is an asset that is subject to property rights. Previous cases, binding on me, have however treated cryptocurrency as property. For example, in *AA v Persons Unknown* [2019] EWHC 3556 (Comm), Bryan J said as follows:

> "55. Turning then to the relevant principles in relation to the granting of a proprietary injunction, the first and perhaps fundamental question that arises in relation to this claim for a proprietary injunction is whether or not in fact the Bitcoins, which are being held in this account of the second defendant with the third or fourth defendants are property at all. Prima facie there is a difficulty in treating Bitcoins and other crypto currencies as a form of property: they are neither chose in possession nor are they chose in action. They are not choses in possession because they are virtual, they are not tangible, they cannot be possessed. They are not choses in action because they do not embody any right capable of being enforced by action. That produces a difficulty because English law traditionally views property as being of only two kinds, choses in possession and choses in action. In *Colonial Bank v Whinney* (1885) 30 Ch D 261 Fry LJ said: 'All personal things are either in possession or action. The law knows no tertium quid between the two.'
>
> 56. On that analysis Bitcoins and other crypto currencies could not be classified as a form of property, which would prevent them being the subject of a proprietary injunction or a freezing injunction. This exact issue has recently in November 2019 been the subject of detailed consideration by the UK Jurisdictional Task Force ('UKJT') which has published a legal statement on crypto assets and smart contracts, ('the Legal Statement'). The UKJT is chaired by Sir Geoffrey Vos, and Sir Antony Zacaroli is also a member. However, neither in their judicial capacity was responsible for the drafting of the Legal Statement, nor have either in their judicial capacities endorsed that legal statement.

> Indeed Sir Geoffrey Vos explained in the foreword to the Legal Statement: 'It is not my role as a judge nor that of the UKJT or its parent, the UK Lawtech Delivery Panel, to endorse the contents of the Legal Statement'. Those responsible for drafting the Legal Statement were Laurence Akka QC, David Quest QC, Matthew Lavy and Sam Goodman.
>
> 57. It follows that the Legal Statement is not in fact a statement of the law. Nevertheless, in my judgment, it is relevant to consider the analysis in that Legal statement as to the proprietary status of crypto currencies because it is a detailed and careful consideration and, as I shall come on to, I consider that that analysis as to the proprietary status of crypto currencies is compelling and for the reasons identified therein should be adopted by this court.
>
> 58. The difficulty identified in treating crypto currencies in property, as I say, starts from the premise that the English law of property recognises no forms of property other than choses in possession and choses in action. As I have already identified, crypto currencies do not sit neatly within either category. However, on a more detailed analysis I consider that it is fallacious to proceed on the basis that the English law of property recognises no forms of property other than choses in possession and choses in action. The reasons for this are set out between paras 71 to 84 in the Legal Statement.
>
> …
>
> 59. The conclusion that was expressed was that a crypto asset might not be a thing in action on a narrow definition of that term, but that does not mean that it cannot be treated as property. Essentially, and for the reasons identified in that legal statement, I consider that crypto assets such as Bitcoin are property. They meet the four criteria set out in Lord Wilberforce's classic definition of property in *National Provincial Bank v Ainsworth [1965] AC 1175* as being definable, identifiable by third parties, capable in their nature of assumption by third parties, and having some degree of permanence. That too, was the conclusion of the Singapore International Commercial Court in *B2C2 Ltd v Quoine PTC Ltd* [2019] SGHC (I) 03 [142]."

Again, in *HDR Global Trading Ltd v Shulev* [2022] EWHC (Comm) 1685 at 113 Henshaw J said in the context of XRP:

> "Nexo also makes a proprietary claim to the cryptoassets in the Account. Bitcoin are regarded as property (see *AA v Persons Unknown & Ors, Re Bitcoin* [2019] EWHC 3556 (Comm) §§ 56-57). The cryptoassets in the Account were transferred there directly or indirectly, without any evidence of any relevant mixing, from other Nexo corporate cryptocurrency accounts.

> Nexo therefore has title to the cryptoassets in the Account, alternatively (if necessary) can follow its title into those assets and recover them as owner (cf *Trustee of the Property of FC Jones & Sons v Jones* [1996] EWCA Civ 1324; *Armstrong DLW GmbH v Winnington Networks Ltd* [2012] EWHC 10). Nexo's claim is in my judgment well founded, based on the evidence I have already set out."

46. There is nothing in the 1986 Act to suggest that "property" should be construed more restrictively. The policy of the Act is to vest in a trustee the bankrupt's property of value so that it can be realised for the benefit of his creditors, subject to limited exceptions. It appears to me therefore that XRP in Mr Bull's exchange accounts, converted from the fiat currency he paid into those accounts, is to be regarded as property belonging to him.

Transactions at an undervalue

47. Transactions at an undervalue are governed by section 339 of the 1986 Act. It provides as follows:

> "(1) Subject as follows in this section and sections 341 and 342, where an individual is made bankrupt and he has at a relevant time (defined in section 341) entered into a transaction with any person at an undervalue, the trustee of the bankrupt's estate may apply to the court for an order under this section.
>
> (2) The court shall, on such an application, make such order as it thinks fit for restoring the position to what it would have been if that individual had not entered into that transaction.
>
> (3) For the purposes of this section and sections 341 and 342, an individual enters into a transaction with a person at an undervalue if—
>
> (a) he makes a gift to that person or he otherwise enters into a transaction with that person on terms that provide for him to receive no consideration,
>
> (b) he enters into a transaction with that person in consideration of marriage or the formation of a civil partnership, or
>
> (c) he enters into a transaction with that person for a consideration the value of which, in money or money's worth, is significantly less than the value, in money or money's worth, of the consideration provided by the individual."

48. It is sufficient for the purposes of section 339(3)(c) that the consideration received was "significantly less" than that provided. In *Reid v Ramlort Ltd* [2004] EWCA Civ 800, at paragraph 103, Jonathan Parker LJ said in this regard:

> "Thus, there is nothing in the express provisions of paragraph (c) of section 339(3) which requires the court to ascribe a precise figure either to the outgoing value or to the incoming value. On the face of the paragraph, it will apply whenever the court is satisfied that, whatever the precise values may be, the incoming value is on any view 'significantly less' than the outgoing value."

49. The transaction must be entered into at the relevant time, which section 341 provides, in the case of a transaction at an undervalue, is the period of five years ending with the making of the bankruptcy application. Where the relevant transaction is two years or more before the making of the bankruptcy application however, the bankrupt must have been insolvent at the time, or have become insolvent as a result of the transaction.

50. If a transaction at an undervalue for the purposes of this section is made out, the Court may, pursuant to sections 339 and 342 of the 1986 Act, make such order as it thinks fit to restore the position to what it would have been if the transaction had not occurred. This can include requiring property or its proceeds to be returned to the estate, or require a payment to be made to the trustee, among other orders. As I have said, I am satisfied that cryptocurrency is property for the purposes of the 1986 Act.

Preference

51. Preferences are dealt with at section 340 of the 1986 Act as follows:

> "(1) Subject as follows in this and the next two sections, where an individual is made bankrupt and he has at a relevant time (defined in section 341) given a preference to any person, the trustee of the bankrupt's estate may apply to the court for an order under this section.
>
> (2) The court shall, on such an application, make such order as it thinks fit for restoring the position to what it would have been if that individual had not given that preference.
>
> (3) For the purposes of this and the next two sections, an individual gives a preference to a person if—
>
> (a) that person is one of the individual's creditors or a surety or guarantor for any of his debts or other liabilities, and
>
> (b) the individual does anything or suffers anything to be done which (in either case) has the effect of putting that person into a position which, in the event of the individual's bankruptcy, will be better than the position he would have been in if that thing had not been done.
>
> (4) The court shall not make an order under this section in respect of a preference given to any person unless the individual who gave the preference was influenced in deciding to give it by a desire to produce in relation to that person the effect mentioned in subsection (3)(b) above.

> (5) An individual who has given a preference to a person who, at the time the preference was given, was an associate of his (otherwise than by reason only of being his employee) is presumed, unless the contrary is shown, to have been influenced in deciding to give it by such a desire as is mentioned in subsection (4).
>
> (6) The fact that something has been done in pursuance of the order of a court does not, without more, prevent the doing or suffering of that thing from constituting the giving of a preference."

52. The desire to prefer referred to in section 340(4) is subjective. *In Re O'Shaughnessy (decd); Abdulali v Finnegan* [2018] EWHC 1806 (Ch), Birss J (as he then was) confirmed that, in order to establish a preference, it must be shown that the debtor was influenced by a desire to prefer. The test is not simply to look at the preferential effects of the transaction in question. In the case of mixed motives, it was sufficient for a preference if one of the influential motives was to prefer. It did not have to be the decisive motive or one that tipped the balance.

53. Section 341 again sets out the temporal scope of this provision. Section 341(1)(c) provides that the "relevant time", where the preference is not given to an associate of the individual, is the period of six months prior to the making of the bankruptcy application. It is accepted that Mr Wilkins is not an "associate" of Mr Bull for the purposes of the 1986 Act.

54. The remedies are again set out in section 340 itself and in section 342. The court may make such order as it thinks fit to restore the position to what it would have been if the preference had not been given. This can include requiring property or its proceeds to be returned to the estate, or require a payment to be made to the trustee, among other orders.

Transaction at an undervalue

55. The Trustee accepts Mr Wilkins' account of the ownership of Wallet 1 for the purposes of this part of the claim and I do not need to make any findings of fact on it. I would however observe that this is a point on which Mr Bull and Mr Wilkins have both been, at least to some extent, consistent. Mr Bull has maintained that he ceased to have access to his own cryptocurrency wallets and "gave up" control of some of them to Mr Wilkins, though it is not clear if he meant Wallet 1. He transferred cryptocurrency to a wallet owned by or "under the administration of" Mr Wilkins because of his obligations to Mr Wilkins. He denied owning any cryptocurrency wallets. Mr Wilkins contends that Wallet 1 is his and that Mr Bull's transfers to it were in settlement of his obligations to him. What those obligations were and how they arose has not been consistent.

56. What Mr Wilkins invites the court to accept is that transfers of cryptocurrency were made to him to compensate him for payments made on Mr Bull's behalf, services rendered to him or loans. I make the general point that Mr Wilkins' case has not been consistent. He has given the following accounts of his financial relationship with Mr Bull –

i) In his statement dated 3rd July 2025, Mr Wilkins simply stated that he had provided assistance to Mr Bull and the loans that he made were fully repaid prior to the bankruptcy order being made.

ii) In his statement dated 17th July 2025, Mr Wilkins stated that Mr Bull had asked to borrow money, lease cars and receive services from him and Mr Bull repaid him in full. He said that their "dealings" concluded in or around March 2024.

iii) Mr Wilkins' statement of 21st July 2025 said that his financial dealings with Mr Bull "satisfactorily concluded" in around April 2024 and that he had been repaid by being sent XRP with an approximate value of £200,000.

iv) In his statement of 21st August 2025 he said that he had made payments or provided services to a value of £333,120.

If it were right that loans and services were provided to Mr Bull to a value of £333,120, a repayment of XRP worth £200,000 would leave some £133,000 outstanding. It is difficult to see how such a substantial underpayment could be regarded as a satisfactory conclusion of Mr Wilkins' financial dealings with Mr Bull. Mr Wilkins was unable to offer a reason for these competing figures.

57. As I have said, I am unable to accept his evidence unless it is inherently credible or supported by documentation. Mr Wilkins' account is almost entirely unsupported by documentation. He offers no reason why he has been unable to produce documents to support his case and such documents are likely to have existed and to have been in his control. It is all the more troubling in circumstances where he was ordered to produce a detailed account of his financial dealings with Mr Bull, supported by such documentation, by ICC Judge Prentis as long ago as 4th July 2025. As Mr Connell submitted, Mr Wilkins can have been in no doubt as to the information that he was to provide. He has produced a selection of WhatsApp messages, which appear to be incomplete, but has offered no attempt to reconcile them to the sums he says he expended on Mr Bull or received from him.

58. I shall turn to the individual elements of the financial accommodations and services that Mr Wilkins says that he provided to Mr Bull below.

Vehicle Lease instalments

59. Mr Wilkins says that he paid vehicle lease instalments totalling £69,120 between 2020 and 2022 on Mr Bull's behalf. The leasing of a vehicle would inevitably generate records. None have been produced to show that vehicles were leased at all and nor have any records been produced to show any payments being made by Mr Wilkins which might be referrable to the rental charges (or showing any payments by Mr Wilkins at all). One would also expect to see transfers from Mr Wilkins' bank account showing monies referable to this. It seems unlikely to me that a car leasing company would accept cash payments, but even if that were wrong, one would expect Mr Wilkins to be able to point to withdrawals of cash to meet this liability or to receipts for payments. Nor are there any communications between Mr Bull and Mr Wilkins, to which my attention has been drawn, referring to such payments, even though the selection of WhatsApp messages produced by Mr Wilkins before trial suggests that they were in regular and friendly contact.

60. I am unable to accept that there were such payments. If there had been, some shred of documentary evidence would exist and be readily obtainable.

The payments to Mr Dawkins

61. Mr Wilkins alleges that certain payments to him by Mr Bull were in respect of loans made by Mr Dawkins to Mr Bull, which Mr Wilkins paid directly to Mr Dawkins in the total sum of around £100,000. This was supported by correspondence from Mr Bull's solicitors in a letter of 8th May 2025 in which they said:

> "the arrangement for repayment was that our client transferred cryptocurrency to wallets under the administration of Mr Wilkins, who then…directly settled debts with Mr Dawkins on our client's behalf."

62. That is not how Mr Dawkins recalls repayment being made. In an interview with the Trustee's staff on 26th August 2025 he said that he was paid in cash directly by Mr Bull. He was asked how the money was repaid and he said, "It was cash, yeah". He was then asked who dropped off the cash and replied, "Nikki and a guy in a car. I dunno who the guy was. He was like a driver, never seen him before, seen him twice."

63. In an email sent later that day he said:

> "Hopefully today was helpful and I do hope everything for Nikki and for your good selves resolves soon for everyone's sake.
>
> Following your question, regarding the email from Nikki Bull to me, in early November 2022, it did take me by surprise as I could not remember any bank payments coming into any of my accounts at this time, but bearing in mind it was nearly 3 years ago and I wanted to check, but I have just looked into my bank statements from these dates to be 100% sure and I like I said in our meeting, I can confirm nothing was repaid by bank transfer at this time.
>
> The email was to show me proof of payments going out from Nikki Bulls account to a third party on my behalf, who presumably dealt in crypto, and I would be getting this amount back to me either by bank transfer or cash.
>
> I can also confirm I have never in my life had any dealings in crypto in any shape or form and I have no intention of ever doing so."

64. Mr Dawkins did not give evidence, but Mr Wilkins' explanation was not to dispute Mr Dawkins' account of how he was paid. Rather, he said in his oral evidence that the explanation for this was that he had given cash to Mr Bull to pay to Mr Dawkins. This is inconsistent with his earlier claim that he paid Mr Dawkins directly and is entirely unevidenced. Again there is no evidence of cash withdrawal or particulars of when and how this happened.

65. I reject the contention that Mr Wilkins paid any sums to Mr Bull that were referable to repaying Mr Dawkins.

Repayment of Mr Sawyer

66. Mr Wilkins contends that he caused a payment to be made to Mr Sawyer in 2022 to 2023 in the sum of £30,000. Mr Sawyer is a retired solicitor, who is said to have acted on Mr Bull's appeal in relation to the litigation with his former father-in-law. As a solicitor, one might expect Mr Sawyer to keep records of his transactions. However that might be, there is nothing from either Mr Sawyer or Mr Wilkins (in the form of corroborating records) to show the making of the payments to him. Even if the payments were made in cash, there are again no bank statements to show withdrawals. There are no requests for payment, no invoices, no receipts.

67. Again, I reject Mr Wilkins' evidence in this regard. I find that there was no such payment. If there had been, there would have been at least some record of it that Mr Wilkins would have in his control or easily be able to obtain.

The garden at The Hansom Cab Inn

68. Mr Wilkins in his witness statement of 17th July 2025 said that the renovations to the garden at The Hansom Cab Inn in 2022 were charged at £34,000. He told me that the work covered the drive and about 40 or 50 square meters of garden. There was fencing and the laying of patio. The difficulty is that, again, there is nothing to evidence this at all. If extensive works were carried out in the fairly recent past on the basis that payment would be received for them one might expect to see emails or texts about the scope of the works or their progress, invoices or receipts from builder's merchants, requests for payment, evidence of payments for labour and Mr Wilkins' own records for tax purposes showing his income from carrying out these works. One might even expect witness statements from those involved in the works. There is none of this.

69. Among the WhatsApp images that Mr Wilkins has produced, there are some pictures of some fence panels and some paving, but it is not possible to work out what these are or where or the basis on which they were carried out. The total absence of evidence to support the fact of these works leads me to conclude that substantial works were not in fact carried out. I do not rule out the possibility that some modest works might have been done, but I reject the contention that works were carried out on a scale to justify a significant payment being made to Mr Wilkins.

70. Even if I could be satisfied that the works depicted in WhatsApp messages were referable to The Hansom Cab, I would not be satisfied that any such modest works were carried out on the basis of an entitlement to payment. As Mr Connell submitted, Mr Wilkins described his arrangements as a "gentleman's agreement" and there is nothing to indicate any intention to create legal relations between them at all. As noted by Lord Clarke in *RTS Flexible Systems Ltd v Molkerei Alois Muller GmbH and Co KG* [2010] UKSC 14, at paragraph 45:

> "The general principles are not in doubt. Whether there is a binding contract between the parties and, if so, upon what terms depends upon what they have agreed. It depends not upon their subjective state of mind, but upon a consideration of what was

> communicated between them by words or conduct, and whether that leads objectively to a conclusion that they intended to create legal relations and had agreed upon all the terms which they regarded or the law requires as essential for the formation of legally binding relations."

I am not satisfied that there was any such intention here. There is no evidence to justify the conclusion that there was any contract.

Loans

71. Again, there is a total absence of evidence of loans being made to Mr Bull. No records have been produced. No requests for a loan or offers of a loan are in evidence, and there are no requests for repayment. I find it impossible to accept that loans totalling around £100,000 would have been made without any record of these being available at all.

72. Again, I reject Mr Wilkins' evidence as to this. I am not satisfied that there were any loans made by him.

Mr Bull's insolvency

73. The first payment from Mr Bull to Wallet 1 was on 19th December 2021. Mr Bull was adjudged bankrupt on an application made on 1st June 2024. Transactions at an undervalue prior to 1st June 2022 are only caught by section 339 if they occurred at a time when Mr Bull was insolvent, or became so as a result of the transaction. Here I am satisfied on the balance of probabilities that Mr Bull was insolvent. I say that for the following reasons –

i) Mr Bull told the Official Receiver that he was paying £2,500 to £3,000 to his former wife each month between January 2019 and 2022, which was in excess of his earnings. In fact, he said that, on average, over the previous seven years his outgoings had exceeded his income.

ii) Between 2019 and 2024 he was "gambling very heavily" in an attempt to recover the monies he "had lost through travelling, finances, losing property, divorce."

iii) By early 2022, Mr Bull faced his former father-in-law's claim for £210,000, arising from their business dealings from several years beforehand, which resulted in a judgment on 30th January 2024 for £474,902.41 including costs. Mr Bull attributed his inability to pay his debts to the liability to his former father-in-law.

iv) Mr Bull was living in a friend's spare room between January 2019 and May 2020 as he could not afford accommodation of his own. He said that he had an arrangement with his friend that he would "pay him back for the rent, loans etc when I was able to do so as my outgoings were going on debts and ex-wife rent and bills".

v) The Hansom Cab Inn was sold in October 2022. Mr Bull told the Official Receiver that he had been unable to refinance it so his former wife required it to

be sold. He said that she wouldn't allow the property to be marketed until "the garden had been done" and she "knew I had no money so had to borrow further from family and friends".

vi) Even taking into account the sale proceeds that Mr Bull received from the sale of The Hansom Cab Inn in the sum of £194,160, Mr Bull was unable to discharge his liability to his former father-in-law. The unchallenged evidence of the Trustee is that these proceeds were used to pay credit card liabilities, make payments to his partner, and some £75,000 was transferred to a cryptocurrency account.

74. The overall picture is that Mr Bull was in financial distress from 2019 and unable to pay his debts as they fell due from at least the beginning of 2022. Mr Wilkins did not suggest to the contrary. In the result, all the transfers to Wallet 1 took place at a "relevant time" for the purposes of section 339 of the 1986 Act.

Conclusion on transaction at an undervalue

75. The transfers were effected by a number of individual transfers over time and in aggregate were of substantial value in pounds sterling. Whether each is viewed as a separate transaction or as part of a continuing arrangement between Mr Bull and Mr Wilkins makes no material difference to the Trustee's claim. None of them were for value on the evidence that I have. Mr Wilkins' account of the reasons for the transfers is vague, contradictory and unevidenced and it cannot be said that any individual transfer was made for consideration.

76. I am satisfied that, had Mr Wilkins made the financial accommodations to Mr Bull that he claims, there would be records of it that could have been obtained by him. There are no such records and I am satisfied that the transfers to Wallet 1 were for no consideration. All of those transfers took place at a time when Mr Bull was insolvent. Given Mr Bull and Mr Wilkins' inconsistent accounts of the reasons for the transfers and Mr Wilkins' marked reluctance to explain what happened to the XRP, it may be that Mr Bull and Mr Wilkins had their own reasons for the transfers as Mr Bull's financial situation became increasingly precarious, but I am satisfied that the transfers were not made in return for any value provided by Mr Wilkins. If I am wrong about that, the value of any consideration that he did provide, such as the modest works that might be shown in the WhatsApp messages was significantly lower than the value transferred into Wallet 1.

Remedy

77. In relation to remedy, Jonathan Parker LJ said in *Reid v Ramlort Ltd* [2004] EWCA Civ 800 at paragraph 125:

> "…Each case will turn on its particular facts, and the task of the court in every case is to fashion the most appropriate remedy with a view to restoring, so far as it is practicable and just to do so, the position as it 'would have been if [the debtor] had not entered into the transaction'. In some cases that remedy may take the form of reversing the transaction; in others it may not. In

> some cases it may take the form of an order for monetary compensation; in others it may not."

He continued:

> "126 Moreover, in deciding how to exercise the statutory discretion as to remedy the court must inevitably have regard to subsequent events, and to the facts as they are at the date of the order. The court cannot turn the clock back or rewrite history. In the instant case, therefore, in deciding what is the appropriate remedy the court must have regard to the fact that since the making of the Declaration of Trust Mr Thoars has unfortunately died, with the consequence that the Policy is now represented by the sum assured, plus accrued interest. But it does not follow that by reason of Mr Thoars' death and the consequent conversion of the Policy into money the court cannot restore the parties to the position they would have been in *as at the date of the order* had the Declaration of Trust not been made. Had the Declaration of Trust not been made, Mr Thoars' insolvent estate (in effect, his creditors) would now have the benefit of the sum on deposit, and Ramlort would not have paid out a total of £3,000 (I will return below to the question of interest on that sum). There are, therefore, no obstacles to a straightforward reversal of the transaction. I accordingly reject Mr Moss's submission that, given Mr Thoars' death, it is now too late to set aside the Declaration of Trust. The question to be addressed, therefore, is whether (as Mr Reid claims) the Declaration of Trust should be set aside; or whether (as Ramlort contends) the most appropriate remedy is to allow Ramlort to retain the benefit of the Policy but to order it to pay compensation.
>
> 127. Like the judge, I take the view that the most appropriate remedy in the particular and unusual circumstances of the instant case is to set aside the Declaration of Trust on terms that Ramlort recovers the payments which it made: in other words, to reverse the transaction. That, as it seems to me, is the remedy which most effectively meets the justice of the case. Had Mr Thoars been alive today, I would have had no hesitation in concluding that that was the right course for the court to take; and the fact of his death does not in my judgment alter that position."

78. In this case, I am satisfied that the value of the consideration for the transactions was nil. Even assuming in Mr Wilkins' favour that he might have done some modest work to The Hansom Cab Inn, I am unable to take his account of these works at face value or ascribe any value to them. I proceed on the basis that the transactions were for no value.

79. The purpose of sections 339 and 342 is not to punish the recipient of a transaction at an undervalue, nor to confer a windfall on a bankruptcy estate. The court's task is to try and restore the position to what it would have been if the transactions had not occurred.

80. Mr Wilkins has, on his account, parted with the XRP and the evidence suggests it has moved through a series of wallets. In those circumstances, an order that Mr Wilkins transfer the XRP to the Trustee is not realistically available and I am satisfied that a monetary remedy is the appropriate means of restoration. I will therefore order that Mr Wilkins pay to the Trustee a sum equivalent to the value of the XRP.

81. That gives rise to the question of the date at which the value of the XRP should be assessed. Three obvious possibilities arise: the dates of the original transfers, the date of the bankruptcy order, or a later date, such as the date of the Application or the judgment. The Trustee contends for the last. In my judgment, however, the date of the bankruptcy order is the appropriate date. I say this for the following reasons.

82. If the transactions had not taken place, then, at the date of the bankruptcy, 484,762.79 XRP would have vested in the trustee in bankruptcy for the benefit of creditors. I have no evidence of what the Trustee would have done with the XRP had he ready access to it, perhaps because the section 339 claim was originally presented as the Trustee's secondary case, but it seems to me inherently unlikely that the Official Receiver or the Trustee would have retained a substantial holding of potentially volatile cryptocurrency in that form for long. Rather, it is more likely than not that it would have been converted into fiat currency in relatively short order and a stable sum of sterling would have been held in an interest-bearing account. Quite when this would have happened is a matter of speculation. To take a later date, such as the date of judgment, runs the risk of a windfall for the bankruptcy estate that it would not have enjoyed had the transactions not been entered into (assuming the value of XRP had risen in the meantime) and, equally, create a danger that the estate would be shortchanged (assuming that the value of XRP had since fallen). Neither outcome would restore the position to what it would have been had the transactions not been entered into.

83. In my judgment, the proper approach is to assess the liability by reference to the value of the 484,762.79 XRP as at 5th June 2024, being the date of the bankruptcy order. That best reflects the position that would probably have existed had the transfers not taken place and most closely achieves the statutory objective of restoring the position to what it would have been had the transactions not taken place.

84. I will hear counsel as to the value of XRP as at 5th June 2024 and the appropriate rate of interest.

Preference

85. As a result of my findings above, it is not strictly necessary for me to consider whether Mr Bull discharged genuine liabilities to Mr Wilkins with the intention of placing him in a better position than he would otherwise have been in on Mr Bull's bankruptcy. If I am wrong in my conclusion as to transaction at an undervalue, however, I would have concluded as follows.

86. The claim can only extend to the 49,998.79 XRP transferred from the Bankrupt's Uphold account into Wallet 1 between 1st January 2024 and 8th February 2024, that is to say within six months of the bankruptcy application. I am satisfied that Mr Bull was insolvent at the time for the reasons I have already given, which apply, a fortiori, in the six months prior to the making of the bankruptcy application. Mr Wilkins was undoubtedly placed in a better position than he would otherwise have been in had those

payments not been made. On his own case he was paid in full while other creditors, most notably Mr Bull's former father-in-law, went unpaid.

87. The subjective desire to prefer may be inferred here. By January 2024, Mr Bull's former father-in-law's claim had been on foot for nearly two years. Judgment was entered on 30th January 2024. Mr Bull would have been aware of the trial date for some time before this and he cannot realistically have been unaware that there was at least a risk of losing and facing a judgment that would make bankruptcy inevitable. He nonetheless transferred a significant amount of XRP to a longstanding friend who, on this analysis, had provided him with financial accommodations but was not pressing for payment, while leaving the judgment creditor unpaid. His later correspondence stated that he did not owe his former father-in-law any money and failed to reveal the existence of his cryptocurrency accounts to the Official Receiver, which is suggestive of a desire to conceal what had happened. Those circumstances, in my judgment, demonstrate a desire to repay Mr Wilkins rather than other creditors and place him in a better position on Mr Bull's bankruptcy. That was at least a material influence on the decision to make the payment.

88. Had I not been satisfied as to transactions at an undervalue, I would have concluded that the payments in the early part of 2024 constituted preferences. The object of the exercise in relation to preferences is to restore the position to what it would have been had the preference not been given and I would have ordered repayment of the value of that XRP in pounds sterling as at the date of the bankruptcy order, together with interest, for the reasons I have already given.

Proprietary claim

89. The Trustee did not expressly abandon the proprietary claim but invited the court to consider it only if the claims under sections 339 and 340 of the 1986 Act failed. Given that the Trustee has succeeded on his primary claim it does not seem to me appropriate to consider a claim that would proceed on a contradictory factual basis and it is unnecessary to do so. I make no findings on the alternative factual case.

Conclusion

90. In the result, I will order pursuant to sections 339 and 342 of the 1986 Act that Mr Wilkins pay the sterling equivalent value of the XRP as at 5th June 2024, together with interest thereon. I will hear counsel and Mr Wilkins as to what that sum should be at a short consequentials hearing, which I will list to take place remotely by MS Teams. I will direct that evidence of the value of XRP at the date of the bankruptcy order be filed and served not less than seven days before the hearing.