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“Given their successes over the last 12 months, UWOs may finally be establishing themselves as a powerful tool in the UK’s fight to recover criminal assets and disrupt illicit financial flows.”

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Back In Action:

How the UK Is reviving unexplained wealth orders.

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Introduction

In September 2025, the UK's Serious Fraud Office ("SFO") secured GBP 1.1 million from the sale of a property belonging to the ex-wife of a convicted fraudster, Timothy Schools. From the SFO's perspective, the case represented a milestone: it was the agency's first use of the UK's unexplained wealth order ("UWO") mechanism. From a broader perspective it also added weight to the argument that after a tumultuous start, UWOs are finally establishing themselves as a critical weapon in the UK's arsenal to target the proceeds of crime.

The UWO mechanism was introduced in 2017 as a tool to combat the abuse of UK's markets to launder criminal proceeds. Their unveiling was accompanied by stern warnings to criminals: they would soon feel the "full force of government". In 2020, however, after only a handful of attempts to use it, the UWO mechanism received a stern blow in the form a High Court decision, *National Crime Agency v Baker & Ors*, which effectively left it sprawled on the canvas. The ruling not only shut down the National Crime Agency's efforts to target GBP 80 million in property allegedly linked to a former Kazakh minister, but also ultimately left the agency with a GBP 1.5 million cost order.

At that point, UWOs had barely been tested in the UK. Four of the five agencies that had been empowered to employ them had been hesitant to do so, and it was looking unlikely that they ever would. Criticism intensified and arguably the most damning assessment came from Parliament itself, with a House of Commons Foreign Affairs Committee Report labelling the UWO regime as "spectacularly unsuccessful."

The UK UWO appeared to be down for the count. In the last year or so, however, the mechanism has slowly started to prove itself. As demonstrated most recently in the Schools case, not only has the mechanism picked itself up off the canvas, but it has started to throw a few punches of its own.

This article looks at the short history of UWOs in the UK. It examines how, after a turbulent start, these measures are quietly demonstrating how they can play a dynamic and significant role in the continuing battle against illicit financial flows.

EXPECTATIONS AT THE WEIGH-IN

UWOs were introduced into the UK Proceeds of Crime Act (POCA) in 2017. They granted law enforcement agencies the power to seek an order from the court to compel specific individuals to explain the source of assets where certain conditions were met.

Namely, if the court was satisfied that there were reasonable grounds to suspect that a politically exposed person from outside the European Economic Area – or a person suspected of being involved in serious crime – had insufficient sources of income to justify how they obtained certain assets of a value above GBP 50,000, then they could issue a UWO requiring the person to provide information explaining the origin of those assets. If the person did not comply with this order, then this would give rise to a rebuttable presumption that the assets were not lawfully obtained in any subsequent claim by the enforcement agency under the POCA's civil recovery mechanism.

In other words, UWOs were essentially introduced to act as an investigatory tool to assist agencies to recover the proceeds of crime through civil means.

The introduction of the UK UWO was accompanied by a significant amount of fanfare. Those advocating for them argued that they would be useful in cases where someone had acquired significant assets without any obvious justification but there was insufficient evidence to successfully prosecute that person for a crime. Touted as "McMafia Orders" by the media, UWOs were expected to lead to the identification, and ultimately the recovery, of "[h]undreds of British properties suspected of belonging to corrupt politicians, tax evaders, and criminals" and the "[h]uge amounts of corrupt wealth" laundered through London's banks.

A legislative impact assessment by the Home Office on the introduction of the mechanism predicted that there would be an average of 20 UWOs each year and that the state would only incur between GBP 5,000 to 10,000 in costs for each.

POINTS IN THE EARLY ROUNDS

At first, it appeared UWOs would quickly prove worthy of the hype. Just one year after their introduction, in 2018, the National Crime Agency (NCA) obtained a high-profile UWO against Zamira Hajiyeva, the wife of an ex-state banker in Azerbaijan convicted in 2016 for fraud and embezzlement (*National Crime Agency v Hajiyeva*). The order (upheld on appeal in 2020) required Ms Hajiyeva to explain the source of a multimillion-pound property suspected of having been bought using her husband's proceeds of crime.

In July 2019, the NCA obtained another widely publicized UWO against Mansoor Mahmood Hussain – a suspected money launderer connected to organized criminal gangs who had inexplicably managed to build a substantial property portfolio (*National Crime Agency v Hussain & Ors*). Criminal proceedings in this case would have been challenging on the grounds that the alleged "seed funding" for Hussain's property dated back two decades, making them very difficult to trace. Consequently, the NCA had opted for, and obtained, an UWO compelling Hussain to demonstrate how he had acquired the properties.

By the end of 2019 – two years after their introduction – the NCA had acquired a total of nine UWOs relating to four cases. Momentum seemed to be building. Then came the *Baker* decision in 2020.

THE KNOCK DOWN

Interestingly, the *Baker* case started positively for the NCA. The agency was initially successful in obtaining a UWO targeting a number of properties suspected to have been purchased using laundered proceeds of crime belonging to Rakhat Aliyev, a deceased Kazakh politically exposed person. In response to the order, Baker (the effective controller of properties), as well as Aliyev's ex-wife and Aliyev's son (the purported beneficial owners of these properties) provided information which they claimed demonstrated that the properties had been bought using legitimate funds and requested that the order be discharged. The NCA, unsatisfied with the response, refused to withdraw the UWO, arguing that the terms of the UWO had not been fully complied with.

The UK High Court examined the case and not only disagreed with the NCA's arguments and discharged the order, but also ruled that the requirements for granting the initial UWO had not been met. Moreover, the court also scolded the NCA for having made "unreliable" assumptions regarding the source of relevant funds and for having conducted an "inadequate investigation into some obvious lines of inquiry." An application for appeal was subsequently refused and the NCA was left with the previously mentioned costs order of GBP 1.5 million.

The decision was undoubtedly a massive setback for UK UWOs, with the *Times* newspaper describing the result as "embarrassing for the Home Office." The GBP 10,000 cost per case prediction they had initially put forth now appeared to have been woefully underestimated. The *Baker* legal bill alone absorbed over one third of the NCA's International Cooperation Unit's annual budget of GBP 4.3 million. Questions were raised about the efficacy of UWOs in the face of complex ownership structures and there was feeling of "frustration" in some agencies that UWOs had "been hyped by ministers and the media when they are a limited tool rather than a silver bullet."

A KNEE ON THE CANVAS

Despite this setback, the NCA remained resolute in their commitment to using UWOs and still publicly backed the mechanism as an important tool in tackling illicit finance.

Their faith to UWOs was rewarded several months later when Hussain (the target of the previously mentioned 2019 order) opted to settle the proceedings against him out-of-court, handing the NCA its first substantial recovery as a result of an UWO: 45 properties in London, Cheshire and Leeds, four parcels of land, GBP 600,000 in cash and other assets with a total value of GBP 9.8m**.** In the echo of *Baker*'s blow, the Hussain settlement provided a first clear demonstration that UWOs could actually deliver tangible recoveries.

Like the NCA, Parliament opted to put their faith behind UWOs and worked to fortify them. In early 2022, lawmakers introduced amendments to the mechanism they claimed would "strengthen and reinforce the UWO regime" to ensure the powers could be used more effectively in situations where property was held through complex ownership structures (as had been the case in *Baker*). The reforms also sought to "mitigate the significant operational risks to an enforcement authority" and prevent a second million-pound-plus legal bill by putting a limit on cost orders.

REVIVAL

Were the amendments effective? While the bout is still certainly ongoing, several successes in the last 18 months suggest that UWOs might be making a comeback in the UK.

As a starting point, in May 2024, the NCA tangibly backed up their post-*Baker* commitment to continue using UWOs by obtaining their first Northern Irish order against an individual suspected of having built a GBP 275,000 property using the proceeds of cigarette smuggling.

Moreover, as mentioned above, the Serious Fraud Office recently obtained an UWO targeting a GBP 1.1 million property held by the ex-wife of Timothy Schools, a convicted orchestrator of a multi-million-pound fraud (*Director of the Serious Fraud Office v Schools*). This was a critical milestone in that it marked the first time an agency outside the NCA had used the tool, potentially paving the way for the three other agencies empowered by the POCA to finally use it as well.

Most importantly, the amount of assets recovered has ticked up substantially. In August 2024, the NCA reached a settlement with the recipient of the inaugural UWO in 2018 – Zamira Hajiyeva – under which she agreed to forfeit 70 percent of two properties that have been subsequently put on the market for a combined value of GBP 19.5 million, representing a potential GBP 13.6 million windfall for the NCA. In addition to this, the SFO just recovered a further GBP 1.1 million from the sale of the property owned by Claire Schools. Taking these into account, and adding the previous amount involved in the Hussain settlement, the total recoveries in proceedings involving UWOs will soon be close to GBP 25 million.

While the 2017 Impact Assessment for UWOs underestimated the costs incurred by agencies in seeking these orders (a key post-*Baker* criticism) it is also now clear that the assessment also underestimated the value of assets that UWOs would help recover. The document projected that in their first 10 years, UWOs would contribute to the recovery of GBP 6.1 million. This target has already been quadrupled.

Of course, recoveries alone should not be the only yardstick to determine the success of UWOs. Nonetheless this figure certainly strengthens the argument that UWOs can significantly assist efforts to target the proceeds of crime.

This is further reinforced by the fact that with each case, UWOs are demonstrating an element of dynamism that hadn't initially been envisaged at their introduction. For instance, while UWOs were initially foreseen as a supportive measure to subsequent civil recovery actions, the Hussain and Hajiyeva cases have demonstrated that they can also be used to achieve out-of-court settlements where the respondents clearly struggle to explain targeted assets.

Additionally, the Schools case demonstrated that UWOs can be used not only in cases where someone is suspected of criminality, but also in cases where a conviction has been achieved but the proceeds of the offence are especially difficult to identify.

CONCLUSION

As more cases are finalized and UWOs are increasingly applied to new circumstances, it is very likely that further use cases will also come to light.

Of course, UWOs are still in their adolescence and are largely untested. Assuming their momentum continues, and they are increasingly utilized, their provisions will continuously be placed under the judicial microscope to ensure that they are applied responsibly, proportionately, and in harmony with established legal rights (as they should be).

In this context, it is impossible to guarantee that a future adverse decision will not once again stop this momentum in its tracks. Nonetheless, given their successes over the last 12 months, UWOs may finally be establishing themselves as a powerful tool in the UK's fight to recover criminal assets and disrupt illicit financial flows.

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