LEGAL AID AGENCY
High Cost Crime Appeal Decision – Single Adjudicator

Case: [redacted]

Appellant (firm/counsel): [redacted]

LAA Respondent: [redacted]

Date of decision: [redacted] **July 2026**

Case Manager's original decision:

Category 3 Fraud

Adjudicator's Decision:

Category 2 Fraud

Reasons:

R
v.
[redacted]
Single Adjudicator
[redacted] *July 2026*

This is an appeal against the decision made to categorise the case as a Category 3 Fraud under the VHCC Arrangements.

I am asked to consider this appeal and determine whether I agree with the Contract Managers determination as to category or whether I agree with the Appellant Solicitors, that this is a Category 2 Fraud case.

I state from the outset that I have carefully considered all of the material provided to me, along with the VHCC Specifications, Arrangements and Guidance, having particular regard to the provisions for Category of Case.

Annex D - VHCC Category Criteria

VHCC Fraud

Category 1: **all 4 criteria from Block A are met, and all 4 a's from Block B**

Category 2: **2 criteria from Block A are met and at least 2 a's or b's from Block B**

Category 3: **All other fraud VHCCs**

Category 4: **non-fraud VHCCs only**

<u>Block A</u>

1. The defendant's case is likely to give rise to:

- **a) national publicity; and**
- **b) widespread public concern;**

2. The defendant's case requires highly specialised knowledge;

3. The defendant's case involves a significant international dimension;

4. The defendant's case requires legal, accountancy and investigative skills to be brought together.

Block B

1. The value of the fraud as described in the indictment and/or the prosecution case statement/summary exceeds:

(a) £10m
(b) £2m

2. The volume of prosecution documentation, which consists of:

- **witness statements**
- **exhibits**
- **interview transcripts**
- **pre-interview disclosure/advance information**
- **Notices of Further Evidence ("NFEs") exceeds:**
  (a) 30,000 pages
  (b) 10,000 pages.
  Unused material will not be considered for the purposes of this criterion, nor will evidence which has yet to be served.

3. The total costs of representing the defendant(s) are likely to exceed:

(a) £500,000
(b) £250,000.

4. The length of the trial is estimated at:

(a) over 60 days

The specific issues in this appeal are whether this case should be determined as a Category 2 or Category 3 case and specifically whether the Criterion in Block A are met.

It is submitted by the Provider that Criterion 2; ***'The Defendant's case requires Highly Specialised Knowledge'*** and Criterion 3; ***'The Defendants' case involves a Significant International Dimension'*** are met.

Criterion 1 is not relied on and Criterion 4 is met for the purposes of Category 2, as is Block B. The only issue is therefore whether Criterion 2 or 3 or both are met.

The dispute therefore lies on whether the defendants case requires Highly Specialised Knowledge and/or if it involves a significant international dimension. To satisfy the criteria, only one of these need to be met, given that Criterion 4 is already met.

VHCC Guidance

The guidance given when considering the criteria is as follows;

Fraud cases – Block A

The defendant's case requires highly specialised knowledge

1.1 To satisfy this criterion, the Case Manager would expect that, as a prerequisite, practitioners must demonstrate a certain level of skill and expertise in dealing with large fraud cases, cases involving serious financial impropriety and complex financial transactions.

1.2 They would be expected to be familiar, or equipped to deal, with most matters frequently prosecuted by the Serious Fraud Office, Revenue and Customs Prosecution Office, Crown Prosecution Service, or any prosecution agency into which any of the above have been incorporated, or are likely to be incorporated.

1.3 The defence team would need to show that a case meeting this criterion involved an area of skill and expertise outside the usual scope of a criminal fraud practitioner's expertise, taking into account the expectations of skill and experience raised in paragraphs 4.17 and 4.18 above.

1.4 The defence team would need to show both that the defendant's case required this skill and expertise, and that they were able to provide it in house. It would be expected that any putative highly specialised knowledge would go to the legal heart of the defendant's case, and would be of a significant level of complexity. Where experts are instructed to address highly specialised issues, the Case Manager would expect to see evidence that the outside expertise complements expertise within the firm, rather than obviating the need for it.

Whilst I have considered all of the representations and material provided in respect of this criterion and I acknowledge that there is likely to be highly specialised knowledge involved in the preparation of this case, I note that in accordance with 4.17 of the VHCC Specifications;

> *The VHCC Supervisor is unable to use representations in support of one category criterion as specified in Paragraph **4.22**, to support a second category criterion when completing the VHCC Category Assessment Sheet.*

I have considered the submissions made by the Contract Manager on this overlap issue and note that the submissions made by the Provider when submitting that the case requires legal, accountancy and investigative skills to be brought together, has a degree of overlap with those made to support the criterion of highly specialised knowledge. I also note that there is an overlap between the submissions for this criterion and that of the significant international dimension. I therefore cannot use the same or similar representations in support of different criterion and I therefore do not find that this criterion is met.

<u>*The defendant's case involves a significant international dimension*</u>

1.5 To satisfy this criterion, the defence team would need to show that a particular aspect of their case preparation involved a non UK element of either fact or law, or both.

1.6 For the international dimension to be deemed "significant", the defence team would have to demonstrate it had a direct effect on their understanding of the case, and substantially affected case preparation.

1.7 With regard to a legal dimension, the need to understand the workings of non-UK jurisdictions, substantial liaison with lawyers abroad or foreign authorities, or the need to understand and assess parallel or linked proceedings in foreign jurisdictions, would be persuasive factors.

1.8 For a factual dimension, the defence team would need to show that key elements of the offence were perpetrated abroad, and that in analysing these the defence team would require understanding of the workings of systems or institutions different from those in the UK.

1.9 Incidental details would be insufficient to meet this criterion, such as:

- *The defendant is a foreign national*
- *There are foreign witnesses*
- *Goods or money have been received from, or deposited, outside the UK*
- *Introduction of Letters of Request*

The Contract Manager quite rightly asserts that the criteria must be considered in respect of an individual defendant and applied to the specifics of each individual defendants case. [redacted] is charged with Money Laundering and not Counts 1 and 2 on the indictment, namely Conspiracy to Cheat. The Contract Manager therefore asserts that this means that the case against the defendant does not involve proving or contesting the underlying duty fraud and the legally relevant issues relate to the money laundering elements only. For reasons I will detail below, I do not agree with this assertion and find that in a case of this nature there must be an intrinsic link between the money laundering allegation and the linked conspiracy to cheat allegations.

The Contract Manager further asserts that the existence of the international dimension within the prosecution case does not satisfy the criteria and does not have a direct effect on the defence teams understanding of the case and does not substantially affect the preparation of [redacted]'s defence case. She states that '*the central issues for the defendant remain the alleged handling of criminal property, the provenance of funds and the interpretation of financial evidence, all of which are matters ordinarily encountered in serious fraud and money laundering litigation.'*

The Provider submits that there is a significant international dimension to the prosecution allegations and case and that these are more than incidental, have a direct effect on the understanding of the case and substantially affects the defence preparation. They further submit that the defence of [redacted] substantially depends upon the understanding as to whether the transactions relied on by the Crown were genuine, whether they were capable of legitimate operation and whether the Crown's evidence and interpretation of them is accurate.

The Provider further asserts that they must understand the international element and be able to analyse it and that they cannot properly consider Count 3 without engaging extensively with the international factual matrix underpinning the alleged laundering conspiracy.

The Prosecution Case Summary details the Crown's case and the Crown's assertions regarding [redacted]. The Crown detail what is alleged in respect of [redacted] and his links to the scenarios he is alleged to have been involved in.

It is alleged that he is involved in scenarios D, F, G and H.

As an example, Scenario D details a significant international element and details the alleged involvement by [redacted] in that. Whilst he may only be facing a Count alleging Money Laundering, I find that it would not be possible to prepare his case without considering the evidence on Counts 1 and 2 and effectively in order to prove the case against him on Count 3, the Crown must prove the Case on Counts 1 and 2 and therefore there must be an intrinsic link between the charges.

Whilst there may be other indictments that contain Counts where defendants are completely separated out from each other, I cannot see in a case of this nature how the case against [redacted] can be isolated from the other Counts on the indictment due to the prosecution's case and the evidence they rely on.

Although the Crown's case is that duty-suspended alcohol was purportedly exported to overseas destinations but was, in reality, diverted within the United Kingdom and sold onto the UK black market, the defence must be able to consider the international element and establish whether it is genuine.

In order to satisfy this criteria, the defence need to establish that the international element is significant, involving a substantial international element that must have a substantial effect on case progression. The defence would need to show that a particular aspect of their case preparation involved a non UK element of either fact or law or both. In order for it to be significant it would have to have a direct effect on their understanding of the case and substantially affect case preparation.

The Contract Manager submits that as the Prosecution are suggesting that although the defendants purported to export overseas, in reality the goods were diverted within the UK and therefore there is not a significant international dimension.

The elements of the criteria that the defence rely on are the factual aspects of it. As such the issues are whether there is a significant international dimension to the case, and whether this substantially affects case preparation.

I find that there is a significant international dimension to the case, as this case involves allegations which have an international element and although it may be the Crown's case that the international element was a rouse for the UK Black Market Trading, that international element is significant and is incorporated into many of the scenarios in the Prosecution Case Summary. I do not see how the defence would be able to prepare [redacted]'s defence without a need to fully understand and follow the international elements that he is said to be linked to (eg scenario D). The Count specific to [redacted] is intrinsically linked to the other Counts on the indictment and without the evidence in respect of those Counts, [redacted] would not be facing the charge on Count 3. It therefore follows that the defence of [redacted] must be able to consider the international element and the evidence in relation to that and how it affects [redacted]'s case. I therefore find that the international element substantially affects case preparation.

In order to properly prepare the case and present [redacted]'s defence, an understanding of the international element is required and I therefore find that this aspect of the criteria is met.

Finally, I have considered the overlap of submissions in respect of criterion relied on in accordance with 4.17 VHCC Specifications. I find that in respect of this criteria there is not an overlap and for the reasons I have set out above, the international dimension is met for separate reasons to those already considered by the Contract Manager and as already stated, I have not found that the highly specialised skill criteria is made out for these reasons of overlap.

I therefore find that Criteria 3 is met and accordingly that this is a Category 2 case.

Single Adjudicator: [redacted]

Date: [redacted] **July 2026**