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3 Fraud Reforms You Might Have Missed In The Crime Bill

By **Christopher Crosby**

Law360, London (February 26, 2025, 5:43 PM GMT) -- Buried in legislation designed to crack down on phone thieves and anti-social behavior in the government's new crime bill are a range of reforms intended to strengthen the hand of prosecutors as they fight economic crime.



Measures tacked on to the Crime and Policing Bill 2025, introduced by Home Secretary Yvette Cooper to Parliament on Tuesday, would boost investigations to claw back the assets of fraudsters. (Press Association via AP Images)

The long-awaited measures tacked on to the Crime and Policing Bill 2025, introduced to Parliament by Home Secretary Yvette Cooper on Tuesday, would further expand corporate criminal liability and boost investigations to claw back the assets of fraudsters. The legislation would also limit the financial stakes for enforcers in litigation.

Law360 looks here at three things you might have missed from the government's new bill.

Corporate Criminal Liability Widens

The government's headline reform for white-collar practitioners is a proposal to expand the range of crimes for which a corporate entity can be criminally liable if they are committed by senior managers.

The Economic Crime and Corporate Transparency Act 2023 **revamped the legal test** after years of complaints by prosecutors, allowing agencies such as the Serious Fraud Office to hold companies liable for economic crimes carried out by their senior managers.

The new provisions would go further. The crime and policing bill would reform the legal test, known as the identification doctrine, allowing it to encompass all types of crime. It would allow prosecutors to pin the actions and "state of mind" of a company to that of its senior managers in a greater number of cases, clarifying the parameters of the legal test and bringing it up to date with modern corporate structures.

Like the economic crime act, the bill would adopt the definition of "senior manager" from the Corporate Manslaughter and Corporate Homicide Act 2007, which looks at the roles and responsibilities of senior managers — not merely their job titles.

The government also hopes it will enable more prosecutions of senior employees involved in offending, partly a result of the poor track record of convictions for individuals after they have entered into corporate plea agreements.

The last Conservative government had also proposed to extend corporate liability for any offense, although that bill failed to pass before the election in 2024 and was shelved.

Zulfi Meerza of Rahman Ravelli said that, even though it is proposed to extend the law into all areas of crime, the plans had practical limits.

"It is hard to imagine a scenario where a company could be criminally liable if, for example, illegal drugs were found in the desk drawer of a 'senior manager' employee," Meerza said.

Cost Cap For Agencies Fighting Dirty Money

The government, which **hinted at the move** in 2024, has also introduced legislation to cap exposure among law enforcement agencies to legal costs in unsuccessful civil proceedings that target illicit wealth held by corrupt elites and fraudsters.

The reforms would introduce cost protection for enforcement agencies going after kleptocrats and other wealthy individuals in civil proceedings to claw back illicit wealth.

The agencies are currently liable to pay legal costs for the other side if the courts reject their application in most civil recovery proceedings, under the principle that the "loser pays" in English litigation.

The provisions, if enacted, would bar courts from making cost orders against agencies in civil recovery proceedings, except when they acted "unreasonably," "improperly" or "dishonestly."

The reform broadly mirrors a similar change introduced for unexplained wealth orders, which updated the "loser pays" principle in the Economic Crime (Transparency and Enforcement) Act 2022.

Advocates for expanding the principal to all types of civil recovery proceedings say it will encourage law enforcers to use civil recovery powers to freeze and potentially claw back criminal assets. The measure could cut the risk that agencies will strain their budgets if they lose.

Campaign groups have argued that this inequality between law enforcement and suspects with deep pockets puts the agencies in a weak position. This also encourages meritless challenges that consume their budgets, campaigners have said.

The government said the move is not likely to lead to an increase in the number of cases but is intended to boost "confidence" among law enforcement bodies in using their powers. The move is a reversal for the government, which said it would erode the longstanding principle that the loser pays in litigation.

Costs protection measures were **also excluded** from the Economic Crime and Corporate Transparency Act — which was **passed in 2023** — despite being introduced in amendments passed several times by the House of Lords.

MPs at the time echoed complaints that the proposal is a "significant departure" from the principle that the loser of litigation pays for its cost and that there is no evidence that the Serious Fraud Office and National Crime Agency were being held back by concerns about costs.

Confiscation Reforms Aim To Claw Back More Money

Sweeping changes that bolster prosecutors' powers to claw back the proceeds of criminal activity, as well as simplifying legal tests, are also on the menu in the planned legislation.

The measures are intended to spur the process of recovering criminal funds by setting strict timetables.

They are designed to protect the money before a conviction can be secured and allow the courts to impose enforcement orders against assets if a defendant does not pay up within a set time.

Prosecutors recovered £243 million (\$34 million) in confiscation, forfeiture and civil recovery proceedings over the 2023 to 2024 fiscal year. The government hopes that if the reforms are implemented the amount seized will increase by at least £76 million over the next decade.

At the heart of the reforms is a new objective for the regime to "deprive" defendants of criminal assets rather than punishing them for their crimes.

The bill introduces new mechanisms for early resolution of confiscation proceedings to narrow the issues at hand and to fast-track orders. It also clarifies the requirements for making a restraint order before conviction, which Meerza of Rahman Ravelli said could make it easier to freeze potential assets and retain their value during an investigation.

Other changes introduce more flexibility for the courts to calculate how much a defendant benefited from his or her crime to ensure that attempts to claw back the proceeds are enforceable. The bill also attempts to ensure that hidden assets are eventually repaid by clarifying court procedures.

Cases could also be heard in the magistrates' and crown courts, which would also take some appeals heard only at the High Court.

Under the recommendations, the culmination of a review **commissioned by the Home Office**, judges would be authorized to impose contingent orders on defendants. The move would allow authorities to greatly speed up the process of seizing assets, including property or money in a bank account, if a criminal does not pay.

Judges should also be given the power to adjust the amount of money that the subject of an order must pay back, depending on their circumstances. That would help to avoid situations in which there is no realistic prospect of recovering the full amount of the confiscation order, according to the review.

The bill sets out to reform Part 2 of the Proceeds of Crime Act 2002, which deals with confiscation orders in England and Wales, and Part 4 of the act, which covers the same issues in Northern Ireland.

The changes were set out after the Law Commission **recommended the plan** in 2022 because of the complex and ineffective operation of the law.

Dan Hudson of Seladore Legal said judges would also be given the ability to revise and increase compensation to victims if defendants come by more assets.

For victims, that "is a major revamping of the regime, and could be potentially significant for redress," Hudson said.

--Editing by Ed Harris.

Update: this story has been updated with comment from Dan Hudson of Seladore Legal.

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