

Insights

FREEZING ORDERS TO ENFORCE ADJUDICATION DECISIONS

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SUMMARY

Insolvency is one of the risks to consider when looking to enforce an adjudicator's decision, but sometimes there is also a concern that a party might take steps to dissipate its assets to avoid payment. The way to address such a risk is to obtain what is known as a freezing order, which is an injunction stopping a party from transferring, selling or dealing with its assets, until a judgment is satisfied.

This is not a common procedure in adjudication, but a decision from December 2025, *High Tech Construction Ltd v WLP Trading and Marketing Ltd* [2025] 3209 (TCC) provides a useful example of how that would work in practice and the legal tests to be applied.

The adjudication

WLP Trading and Marketing Ltd (WLP) owned a site in North London and the dispute concerned an alleged sub-contract that High Tech Construction Ltd (HTC) said was entered into in January 2025 for groundworks and the design and construction of structural works for a 4 storey building comprising 22 flats. The contract sum was £2.4m.

Works began in February 2023 and, after a period of demobilisation, were completed in July 2024. At that stage, HTC was only paid £250,000. WLP initially apologised for the delay and promised payment but then asserted that works had not been carried out and that defects had to be addressed first.

In September 2025, HTC commenced an adjudication where WLP challenged jurisdiction arguing the sub-contract was not genuine and binding and that it had been fabricated, altered or misrepresented in way that amounted to fraud. The adjudicator was not persuaded and held that HTC was entitled to the balance of the contract sum and that there was no basis to make deductions in respect of defects.

The freezing order

On 7 November 2025, a freezing order was granted in order to preserve WLP's assets pending enforcement of the decision. In response, WLP argued that the order should not have been made on a without notice basis, that HTC failed to provide full and frank disclosure and that in any event there was no risk of dissipation.

The court therefore had to decide whether the order should continue until judgment or whether it should be discharged or varied to have a more limited extent. HTC argued that WLP failed to comply with the order and did not provide the information as required.

There was no dispute that the relevant requirements were: (1) a good arguable case on the merits (2) a real risk that the judgment would be unfulfilled due to WLP disposing of its assets and (3) that it is just and convenient to grant the order.

There was no real dispute that HTC had a good arguable case in terms of enforcing the decision, so the judge had to consider whether there was a risk of WLP dissipating its assets. The judge was influenced by what he accepted were persistent defaults with implausible excuses and thin defences being raised after periods of silence. This conduct supported continuing the order as did WLP's conduct in the adjudication.

Another crucial factor was WLP's owner setting up another company after the dispute arose which was associated with the same site and for which there was no real explanation. Similarly, there was no explanation of a new charge placed on the property on 29 October 2025. These factors, and the judge's finding that WLP did not comply with the information requirements of the freezing order, led the judge to hold that there was a real risk of dissipation.

The next key issue was whether it would be just and convenient to continue the order. The judge was not convinced that the order would cause material and disproportionate disruption to WLP's business operations or that a reputational risk went against continuing the order.

The judge then considered WLP's allegation that HTC failed to give full and frank disclosure and other criticisms of HTC's conduct of the claim. While he accepted that there was one aspect that may be subject to criticism, he held that looking at the evidence overall it was appropriate to continue the order. The order was therefore renewed, with a clarification to confirm the marketing and rental of flats could continue.

Take away points

Obtaining a favourable decision is a good result, but it does not guarantee quick payment and in some cases a claimant may have genuine concerns as to whether the respondent would try to take steps in order to move assets and avoid payment. Such cases may result in insolvency and while that may provide potential remedies where assets are transferred, it is better to prevent such a transfer in the first place where possible.

This case therefore serves as a good example and a reminder of the relevant legal tests and how they operate in practice when applying for a freezing order. In adjudication enforcement cases, there should be no issue as to the merits of the claim, but the challenge will be to provide sufficient evidence to show a real risk of dissipation and that it is just and convenient to make such an order. These tests were satisfied in the circumstances of this case, but each case will have to be considered on its own facts.

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