

**ESSEX COURT CHAMBERS**  
BARRISTERS

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**WHAT IS THE LATEST JUDICIAL THINKING ON  
KNOWLEDGE, DISHONESTY, AND ACCESSORY  
LIABILITY AND HOW SHOULD YOU ADVISE CLIENTS?**

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ESSEX COURT CHAMBERS

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## ■ What is Accessory Liability? Multifaceted:

- a. Dishonest Assistance - ***Royal Brunei Airlines*** [1995] 2 AC 378 at 390 per Lord Nicholls JSC; and see for a recent analysis, ***Conditioning House Ltd*** [2025] EHC 3260 (Ch) at [215]
- b. Knowing Receipt - ***Akindele*** [2001] Ch 437 at 455.
- c. Restitution;
- d. Procurement wrongs;
- e. Common design;
- f. Negligence.

- ***Lifestyle Equities CV & Anor v Ahmed & Ors:***
- Supreme Court decision of May 2024 [2024] UKSC 17 considering:
  - The circumstances in which a director may be liable as an accessory where a company has committed a tort; and
  - What they are liable for.

1. The directors were not liable under the statute.
2. The status of the Ahmeds as directors did not mean they could not also be personally liable for what in law were the company's acts.
3. A knowledge test applies: parties will only be liable as accessories to tortious breaches where they have acted other than in good faith and in knowledge of all facts rendering the act of the other person tortious (see [85]).

4. Accessory liability for procuring both torts and breaches of contract rests on the same underlying principle: it is wrong to procure violation of a right (see [102]).
  
5. Common design is an '*overlapping basis of accessory liability*' and must therefore '*operate consistently*' with the procurement wrongs (see [134] and [137]).

- The tortious accessory liability test set down by the Supreme Court in *Lifestyle Equities* has been cited widely: see e.g. ***Getty Images (US) Inc & Ors v Stability AI Limited*** [2025] EWHC 2863 (Ch); ***Kieran Corrigan & Co Ltd v OneE Group Ltd*** [2025] EWHC 2759 (Ch); ***Njord Partners Sma-Seal LP*** [2024] EWHC 1682 (Comm).
- BUT see also: Andrew Baker J in Appendix 7 to ***Skatteforvaltningen v Solo Capital Partners & Ors*** [2025] EWHC 2364 (Comm) (obiter).

- ***Stevens v HPII*** [2025] UKSC 28. Leading Judgment Lord Briggs:
  1. A constructive trust over unauthorised profits is a *real* and *free-standing* trust, and not just a mechanism for the conferral of additional proprietary remedies upon a beneficiary (at [28]-[29]).
  2. Identify the correct counterfactual.
  3. No conflict with the rule in *Novoship* that dishonest assistants are not liable for profits which they have not personally received.
  4. Set off of breaches is exceptional.

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- **How do you Advise Your Client. AKA: The million \$ Question**
  - It depends on the extent of that person's involvement and the degree of their knowledge.
  - The law is moving towards a unified approach.
  - Is there one rule to sum it up? Yes...