

SECOND  
EDITION

**CMS**  
law·tax·future

# Crypto Disputes Report 2025

Data-driven analysis and trends in England and Wales

**DATA  
DRIVEN  
DISPUTES**

# Foreword

In the foreword to our [Crypto Disputes Report 2024](#), we explained the importance of looking forensically at the crypto disputes landscape. In June 2023, the Law Commission had concluded in its final report into digital assets that “any law reform should be through further common law developments where possible”. This placed the higher courts at the front and centre of deciding how the law applies to cryptoassets and the novel issues they raise.

This second edition of our Crypto Disputes Report combines Solomon’s market-leading litigation analytics data with our in-depth knowledge of crypto disputes to identify key trends and decisions.

As a preview:

- This year has seen the highest ever number of crypto-related judgments, and we examine key judgments from the past year including *Crypto Open Patent Alliance v Wright* and *D’Aloia v Persons Unknown*.
- We note that whilst Craig Wright’s claims dominated the headlines over the last year, less than 8% of crypto-related cases in the High Court involve Dr Wright or companies associated with him.
- We consider why fraud claims make up a smaller proportion of newly-issued crypto-related claims than in previous years.

We hope you find our report interesting and informative.



**Kushal Gandhi**  
Partner & Solicitor Advocate  
T +44 20 7367 2664  
E [kushal.gandhi@cms-cmno.com](mailto:kushal.gandhi@cms-cmno.com)



**Vanessa Whitman**  
Partner & Solicitor Advocate  
T +44 20 7367 3198  
E [vanessa.whitman@cms-cmno.com](mailto:vanessa.whitman@cms-cmno.com)



**Rachel Harrison**  
Senior Associate & Solicitor Advocate  
T +44 20 7367 2497  
E [rachel.harrison@cms-cmno.com](mailto:rachel.harrison@cms-cmno.com)



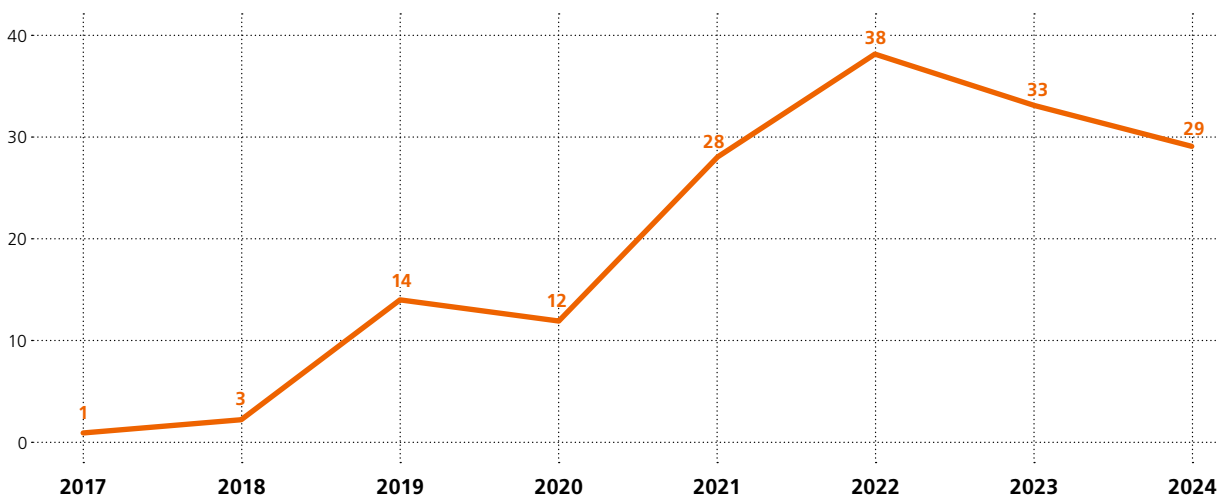
**Reeve Boyd**  
Associate  
T +44 20 7367 3329  
E [reeve.boyd@cms-cmno.com](mailto:reeve.boyd@cms-cmno.com)

# Contents

# High Court proceedings

## Claim Volumes

### *Issued crypto claims*

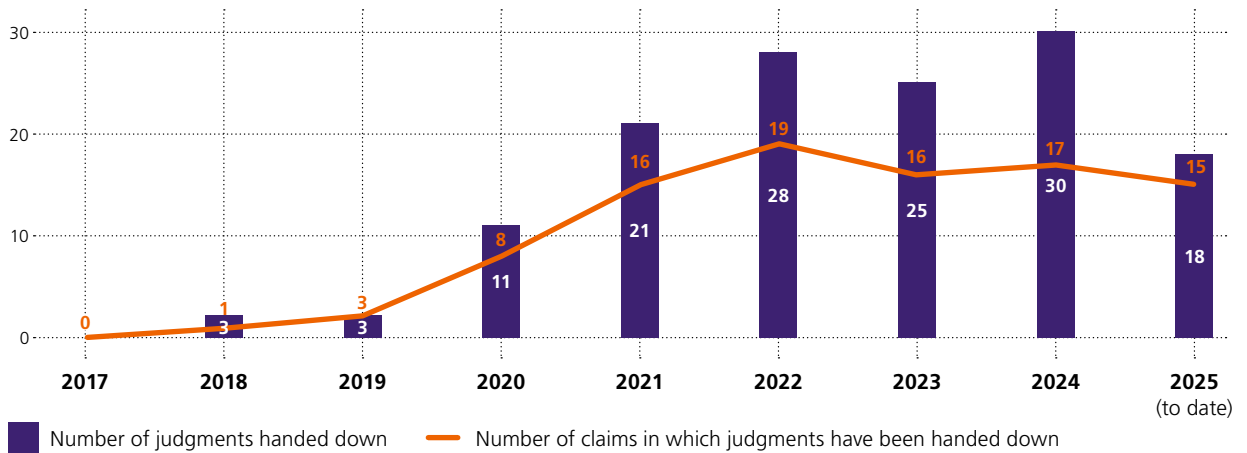


- We have identified **158 High Court claims issued between 2017 - 2024 that relate materially to cryptoassets.**
- Claim volumes have remained relatively consistent since 2022. Before 2022, there was an upward trend in the number of issued claims, with the small downturn in 2020 attributable to the Covid-19 pandemic.
- Whilst it has dominated headlines, the litigation generated by Dr Wright and his companies accounts for less than 8% of all issued claims (although that percentage does not reflect the qualitative impact of them). Dr Wright is now restricted from bringing new claims (see 'Notable Judgments' below).

### County Courts

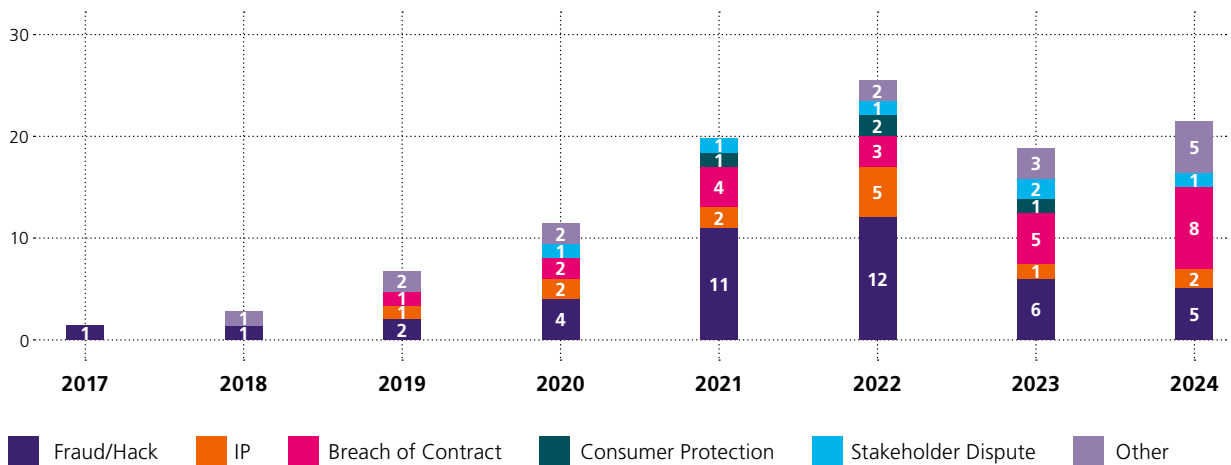
A detailed analysis of crypto disputes in the County Courts is beyond the scope of this report. In particular, there is limited data available on sector-specific actions. However, the County Courts provide an important forum for straightforward, lower-value crypto disputes.

### Volume of judgments



- We have identified 70 crypto claims in which the higher courts have handed down judgments. Some cases have given rise to more than one judgment, resulting in **a total number of 139 judgments**.
- Dr Wright has had a greater impact on the number of judgments than on the volume of claims, with 18% of all judgments handed down in claims that involve Dr Wright and his companies (and 13 judgments handed down in *Crypto Open Patent Alliance v Wright* alone).

### Issued crypto claims: underlying issues



There is sufficient publicly available information to determine the key underlying issue in 103 of the 158 crypto claims issued between 2017 – 2024.

- Across this time period, the most common underlying issue remains an **alleged fraud or hack**. This issue underpins over 40% of all the issued claims we have identified.
- We are starting to see more claims founded in other issues, particularly **breach of contract**. Breach of

contract claims made up almost 28% of the claims issued in 2023 and 38% of the claims issued in 2024.

- The third most common underlying issue across this time period is an alleged **breach of intellectual property**. However, 46% of these intellectual property claims involve Dr Wright and his companies. The prevalence of this underlying issue may decrease now that Dr Wright is restricted from bringing new claims.

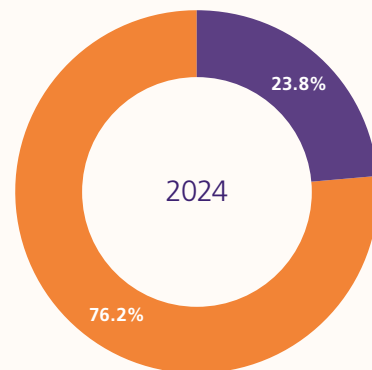
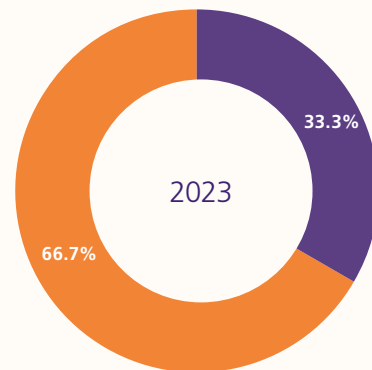
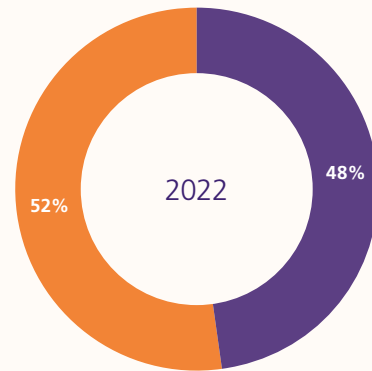
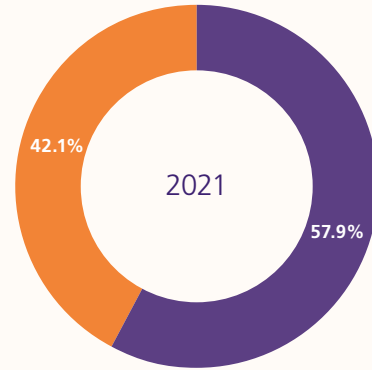
## Are fraud claims declining?

Fraud claims made up 57.9% of all issued claims in 2021, 48% of all issued claims in 2022, 33.3% of all issued claims in 2023, and 23.8% of all issued claims in 2024. Are fraud claims declining?

We suggest they are not.

- Action Fraud reports that crypto fraud is on the rise. **It would be strange if the number of fraud claims was truly declining.**
- One explanation for the apparent decline in the number of fraud claims is that **these claims are often dealt with under seal**. A victim of fraud will typically ask the court to deal with their claim under seal to avoid tipping off the fraudster that they are in pursuit of information and assets. These claims do not appear in our data.
- The relative decline in the percentage of claims involving fraud is likely to reflect that crypto is approaching mainstream adoption. **As adoption increases, a wider range of disputes arises**, and fraud claims become a smaller slice of the pie.
- With more awareness of crypto tracing and engagement with law enforcement, it is possible that victims of fraud are able to achieve **resolution through different channels** rather than having to always issue claims. This could be assisting in reducing the number of claims being issued.

## Issued crypto claims: underlying issues



■ Fraud ■ Other

## Hurdles in bringing claims against fraudsters

The English courts recognise that victims of crypto fraud face significant hurdles in bringing claims against fraudsters, who are typically “persons unknown”.<sup>1</sup> For example:

- In 2022, a new mechanism (‘Gateway 25’) was introduced to help victims serve applications for information orders on parties outside the jurisdiction.<sup>2</sup>
- The courts have assisted victims by permitting the service of court documents via innovative means (e.g. via NFT airdrop).<sup>3</sup>

However, three judgments handed down in the last year draw attention to just some of the challenges that victims still face:

- Claimants may be refused permission to serve a claim against “persons unknown” unless they have **first pursued reasonable lines of enquiry** (e.g. information orders) to attempt to identify the fraudster. This issue emerged in *Chirkunov v Person(s) Unknown* [2024] EWHC 3177 (KB).
- Claimants may instruct **experts who make errors tracing their stolen cryptoassets**. In *Jones v Persons Unknown*, the claimant obtained judgment and the return of assets based on flawed expert evidence (the errors came to light some time later). However, in *D’Aloia v Persons Unknown*, flawed expert evidence led the claimant’s case to collapse at trial. We provide further details of these cases in the ‘Notable Judgments’ section below.

These are in addition to the challenges highlighted by judgments from previous years, such as the difficulties faced by claimants who seek to fix cryptoexchanges with liability as constructive trustees.<sup>4</sup>

---

<sup>1</sup> In English law, claims can be brought against defendants whose names are not known but who can be identified (e.g. the unknown holder a particular wallet).

<sup>2</sup> For more information, please see our [LawNow](#) on Gateway 25.

<sup>3</sup> For more information, please see our [LawNow](#) on *Osborne v Persons Unknown*.

<sup>4</sup> For more information, please see our [LawNow](#) on *Piroozzadeh v Persons Unknown*.

# Future Outlook

We expect case numbers to increase in the coming years, or at least that the cases coming through will be more significant in terms of their impact on the ecosystem:



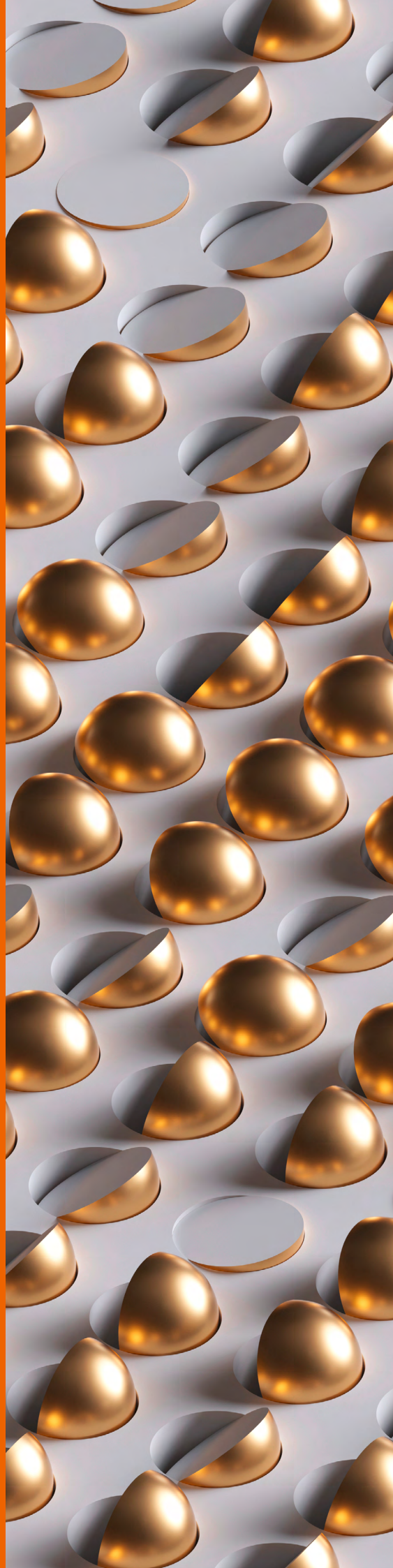
The FCA has indicated that the regulatory regime for cryptoassets will go live in 2026. Whilst regulatory clarity will be welcomed by many in the industry, the regime will also set out clear standards expected of industry players and may pave the way for claims when those standards are not met.



As crypto enters mainstream adoption, we would expect to see a greater volume and breadth of claims being litigated. Just as claimants typically see banks as defendants with “deep pockets”, they may increasingly look to cryptoexchanges or to traditional financial institutions who incorporate crypto offerings.



With crypto increasingly forming part of insolvent estates, we expect to see more visibility of crypto-specific issues in insolvency-related cases.



# Notable judgments

## Craig Wright is not Satoshi – *Crypto Open Patent Alliance v Wright* [2024] EWHC 1198 (Ch)

Dr Wright claimed to be Satoshi Nakamoto, the author of the Bitcoin White Paper and creator of the Bitcoin system. This assertion was the basis of various claims in the English courts, including:

- a claim by the Crypto Open Patent Alliance (COPA), a non-profit formed to encourage the adoption and advancement of crypto technologies, for declarations that (amongst other things) Dr Wright is not the author of the Bitcoin White Paper and did not create the Bitcoin system;
- claims by Dr Wright and associated companies alleging that they owned the goodwill in the term 'Bitcoin' and could prevent Coinbase and Kraken from using it in relation to digital assets with the tickers 'BTC' and 'BCH'; and
- claims by Dr Wright and associated companies that they owned database rights in three Bitcoin databases and copyright subsisting in both the Bitcoin White Paper and the file format for each block on the Bitcoin blockchain and that they could prevent COPA and various companies and individual developers from infringing these supposed rights.

The claims fell apart when, on the final day of a six-week trial of the first claim, Mr Justice Mellor declared that Dr Wright was not Satoshi. Mr Justice Mellor's written judgment followed on 20 May 2024

and gave both his reasons for granting the declarations that COPA had sought and a scathing assessment of Dr Wright's conduct:

*"... Dr Wright presents himself as an extremely clever person. However, in my judgment, he is not nearly as clever as he thinks he is. In both his written evidence and in days of oral evidence under cross-examination, I am entirely satisfied that Dr Wright lied to the Court extensively and repeatedly. Most of his lies relate to the documents he had forged which purported to support his claim. All his lies and forged documents were in support of his biggest lie: his claim to be Satoshi Nakamoto."*

Mr Justice Mellor granted wide-ranging anti-suit and anti-threat injunctions against Dr Wright. Dr Wright was refused permission to appeal.

In October 2024, Dr Wright breached the injunctions by threatening, and then issuing, a new passing-off claim. In December 2024, Mr Justice Mellor found him in contempt of court and sentenced him to 12 months' imprisonment, suspended for two years. The new claim was struck out as an abuse of process.

In March 2025, Dr Wright was made subject to a General Civil Restraint Order for three years, meaning that he must obtain the court's permission before bringing any future claims. Dr Wright's conduct has been referred to the Attorney General, who will consider placing him under even stricter restrictions.

## The key exchanges case – *D’Aloia v Persons Unknown* [2024] EWHC 2342 (Ch)

*D’Aloia* is important reading for any cryptoexchange.

Mr D’Aloia alleged he had been induced to transfer USDT to the first (“persons unknown”) defendants in an investment fraud. He alleged that the first defendants had passed the USDT through a series of wallets before it was withdrawn by the seventh (“persons unknown”) defendants using accounts at cryptoexchanges. The trial was on remaining issues between Mr D’Aloia and one of those cryptoexchanges, Bitkub.

Mr D’Aloia asserted that Bitkub had held the traceable proceeds of his USDT on constructive trust and was liable to him as constructive trustee and/or that Bitkub had been unjustly enriched at his expense. His claims failed, in large part because he was unable to prove that Bitkub had ever received his USDT.

The High Court’s judgment is important because:

- it concluded that USDT is property (the first trial judgment to do so)
- it established that USDT is persistent: it is not destroyed and replaced by new USDT on transfer
- it found that USDT is capable of being followed, even at common law, through a mixture
- it discussed tracing principles, acknowledging the importance of the ‘first in, first out’ principle, but also that money laundering techniques are complex and that equitable remedies must reflect the nature of the transaction
- it held that Bitkub had actual knowledge of the alleged fraud, which would have triggered its anti-money laundering protections, and that this had consequences for an action in knowing receipt and for certain defences

## More evidential issues – *Jones v Persons Unknown* [2025] EWHC 1823 (Comm)

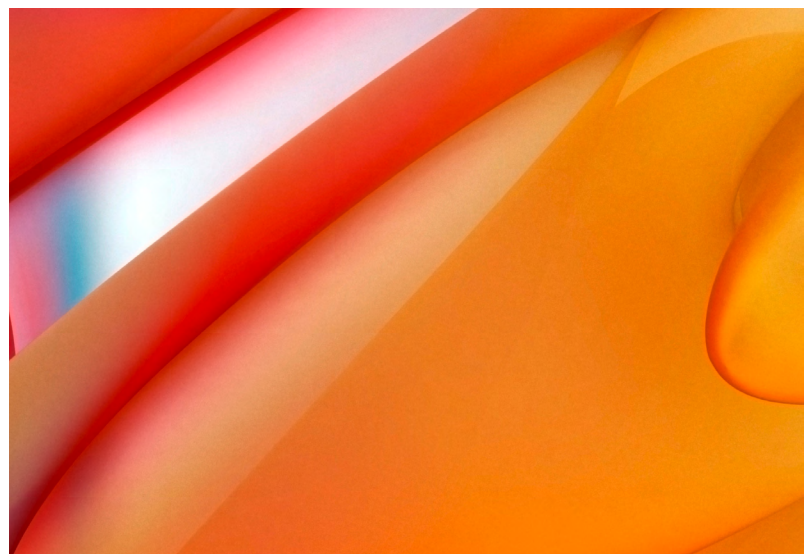
Mr Jones was the victim of a crypto investment scam. He instructed investigators who said his BTC could be traced to a wallet at Huobi (the ‘tHEL wallet’). Mr Jones obtained an order that Huobi should restore the BTC to him.


Huobi sent BTC to Mr Jones from a different wallet (the ‘RwrmV wallet’). It then reimbursed the RwrmV wallet with BTC from the tHEL wallet.

However, Mr Jones’ BTC could not, in fact, be traced to the tHEL wallet. The tHEL wallet actually contained BTC belonging to third parties including Kyrrex, and it was Kyrrex’s BTC that was used to reimburse the RwrmV wallet.

Kyrrex applied to set aside the judgment and for Mr Jones to deliver back the BTC to the tHEL wallet. It cited CPR r 40.9, which allows a non-party who is directly affected by a judgment or order to apply to have it set aside or varied.

The High Court found against Kyrrex. It determined that Kyrrex was not directly affected by the judgment, but rather by Huobi’s decision to use its BTC to reimburse the RwrmV wallet using Kyrrex’s BTC. It expressed considerable sympathy for Kyrrex.





## Lost your keys, lost your coins – *Howells v Newport City Council* [2025] EWHC 22 (Ch)

The *Howells* case made national news. It highlighted the importance of cryptocurrency owners keeping safe any record of their private keys.

Mr Howells alleged that his partner had, in error, deposited a hard drive containing the private keys to his Bitcoin in a landfill site in Wales. Mr Howells asserted that the value of his Bitcoin was £600m and that, without his private key, he could not access them. The landfill site was operated by Newport City Council.

Mr Howells contended that he was the owner of the hard drive and everything on it and sought declarations to the effect that Newport City Council either deliver up the hard drive or allow his team of experts to excavate the landfill to find it, and (in the alternative) that the council compensate him to the value of the Bitcoin he could no longer access.

However, section 14(6)(c) of the Control of Pollution Act 1974 presented Newport City Council (as a disposal authority) with a complete answer to Mr Howells' claim. It provides that "*...anything delivered to the authority by another person in the course of using the facilities shall belong to the authority and may be dealt with accordingly*". Ownership of the hard drive had passed to Newport City Council when Mr Howells' partner had disposed of it at the landfill.

The court rejected Mr Howells' argument that he had nevertheless retained an equitable interest in the hard drive under a constructive trust. First, the existence of the necessary equitable interest was precluded by section 14(6)(c). Secondly, there was no prospect of finding that Newport City Council's retention of the hard drive was unconscionable (as would be required for a constructive trust): the council was retaining the hard drive because it was buried in the landfill, not for gain or because it wanted it. Thirdly, this argument was time barred.

## Scope of class action reduced – *BSV Claims Limited v Bittylicious Limited* [2025] EWCA Civ 661

This Court of Appeal judgment spins out of a class action in which BSV Claims Limited seeks billions of pounds of damages over alleged anti-competitive practices by various cryptoexchanges. BSV Claims Limited brought the class action in the Competition Appeals Tribunal (under section 47B of the Competition Act 1998) on behalf of approximately 250,000 UK-based holders of BSV.

BSV was promoted by Dr Wright. The controversy about Dr Wright's (now discredited) claims to be Satoshi led the defendant cryptoexchanges to publicly object to Dr Wright's conduct, to denounce him as a fraud, to announce their intention to delist BSV, and to call on other exchanges to do the same. The exchanges then delisted BSV.

The Court of Appeal judgment concerns a sub-class of 75,000 class members who continued to hold BSV after it was delisted. Their claim for damages was put forward on the basis of a 'foregone growth effect', i.e. that the defendants' alleged anti-competitive practices prevented BSV from developing into a major cryptocurrency and that they were therefore deprived of massive growth in the value of BSV.

Binance had applied to the Competition Appeals Tribunal to strike out this part of the claim (and/or for reverse summary judgment). It had argued that these losses were irrecoverable on the basis of the 'market mitigation rule' – in other words, that these BSV holders should have mitigated their own losses by selling their BSV and purchasing other cryptocurrencies. It had also argued that an alternative loss of chance claim was wrong in law. The Competition Appeals Tribunal had rejected many of BSV Claims Limited's arguments countering the market mitigation rule, although it had found that some of these BSV holders might not have known about the de-listing and so declined to strike out this part of the claim. It had found that the alternative loss of chance claim was wrong in law.

BSV Claims Limited appealed to the Court of Appeal, seeking a judgment that the Competition Appeals Tribunal had been wrong to find that the market-mitigation rule applied at all to this claim and to strike out the loss of chance claim. The Court of Appeal dismissed the appeal. It found that once this subclass of BSV holders found out about the delisting events, they had a duty to mitigate their losses and their investment decisions were nothing to do with the defendants. It also found that the alternative loss of chance claim was wrong in law.

BSV Claims Limited has now applied to the Supreme Court for permission to appeal.

# Methodology

The data in relation to volume and types of cryptoasset claims were located using keyword searches on Solomonic and legal databases. Where possible, a manual review of available statements of case and judgments was also carried out.

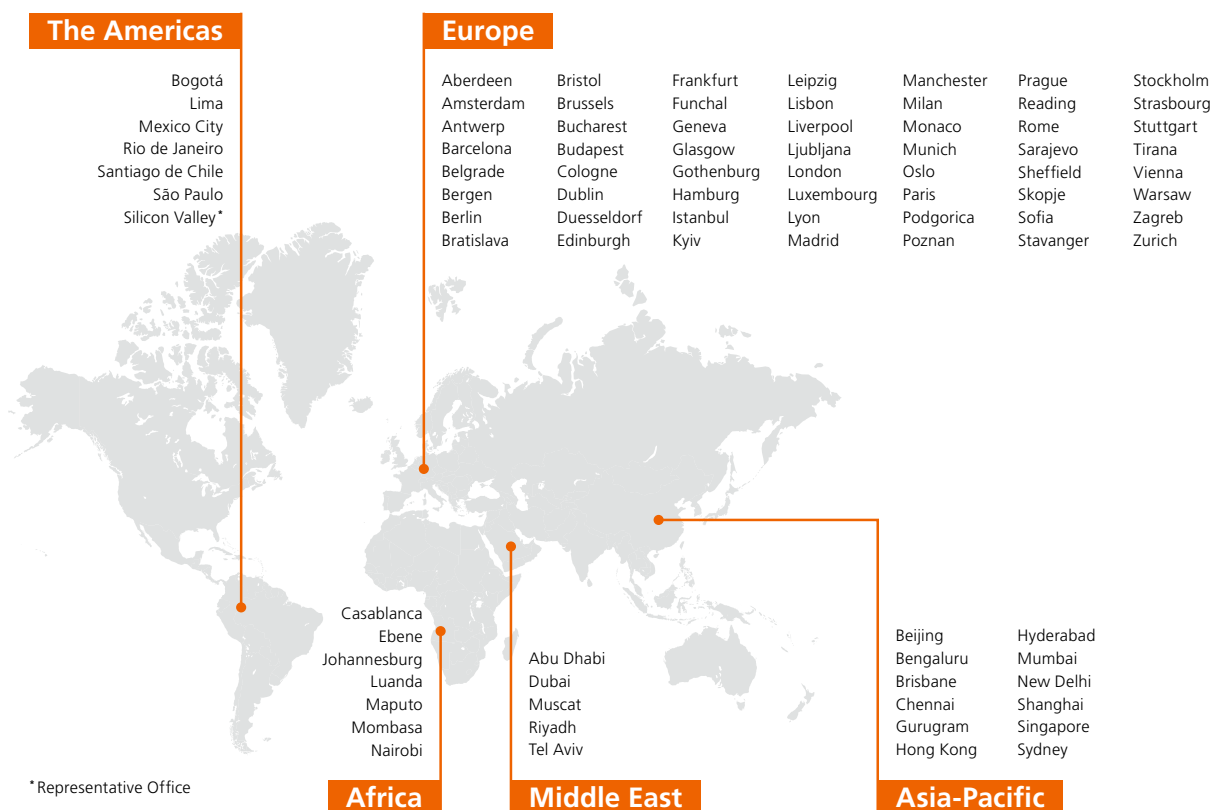


## Solomonic Litigation Intelligence

In preparing this report we are pleased to have partnered with Solomonic – a market leading litigation intelligence and analytics company dedicated to bringing structured data to the world of high-value legal disputes. Solomonic helps lawyers, litigation funders, insurers, and in-house counsel obtain competitive advantage when managing disputes. Drawing on proprietary machine learning and expert input from qualified practitioners, Solomonic analyses thousands of High Court claims, documents, and court hearings to deliver data to see trends, identify risk, and improve the quality of litigation decisions and predictions. Solomonic is the UK’s most comprehensive and reliable litigation database, providing previously unseen insights and actionable information published in near real time.

For further information, please visit: [Solomonic](https://www.solomonic.co.uk)

## CMS offices worldwide



# CMS Law-Now™

## Your free online legal information service.

A subscription service for legal articles on a variety of topics delivered by email.  
**cms-lawnow.com**

-----  
The information held in this publication is for general purposes and guidance only and does not purport to constitute legal or professional advice.

CMS LTF Limited (CMS LTF) is a company limited by guarantee incorporated in England & Wales (no. 15367752) whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF United Kingdom. CMS LTF coordinates the CMS organisation of independent law firms. CMS LTF provides no client services. Such services are solely provided by CMS LTF's member firms in their respective jurisdictions. CMS LTF and each of its member firms are separate and legally distinct entities, and no such entity has any authority to bind any other. CMS LTF and each member firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the member firms or their offices; details can be found under "legal information" in the footer of cms.law.

### CMS locations:

Aberdeen, Abu Dhabi, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Bergen, Berlin, Bogotá, Bratislava, Brisbane, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dubai, Dublin, Duesseldorf, Ebene, Edinburgh, Frankfurt, Funchal, Geneva, Glasgow, Gothenburg, Hamburg, Hong Kong, Istanbul, Johannesburg, Kyiv, Leipzig, Lima, Lisbon, Liverpool, Ljubljana, London, Luanda, Luxembourg, Lyon, Madrid, Manchester, Maputo, Mexico City, Milan, Mombasa, Monaco, Munich, Muscat, Nairobi, Oslo, Paris, Podgorica, Poznan, Prague, Reading, Rio de Janeiro, Riyadh, Rome, Santiago de Chile, São Paulo, Sarajevo, Shanghai, Sheffield, Silicon Valley, Singapore, Skopje, Sofia, Stavanger, Stockholm, Strasbourg, Stuttgart, Sydney, Tel Aviv, Tirana, Vienna, Warsaw, Zagreb and Zurich.

-----  
Further information can be found at **cms.law**