

# Face ID, WhatsApp and a Lost Family Home – Lessons from Reid-Roberts v Mei-Lin

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In 2026 we unlock our phones with facial recognition and authorise bank transfers with fingerprints.

Yet in a recent High Court case, the fate of a £750,000 home turned on something far more old-fashioned: whether a man had typed his name at the end of a message.

The decision in [Reid-Roberts v Mei-Lin \[2026\] EWHC 49 \(Ch\)](#) is a fascinating and sobering reminder of two things every family lawyer should understand: bankruptcy can derail even the strongest financial remedy claim, and the law's idea of a "signature" has not quite caught up with the digital world...

## The Backdrop: Drugs, Fraud, and a Reserved Judgment

The parties, Hsiao Mei-Lin (W) and Audun Gudmundsson (H), an Icelandic financier, married in 2009 and purchased their family home in London. By 2016, the marriage had collapsed amid allegations of domestic abuse and H's methamphetamine addiction. Financial remedy proceedings commenced in 2017.

The final hearing took place in February 2019. Ordinarily, a judgment would follow within weeks. However, the case was derailed by a massive fraud investigation into H's solicitors, Jirehouse Partners. The firm's principal, Stephen Jones, was eventually imprisoned for contempt, and the Solicitors Regulation Authority shut the firm down. This chaos led the Family Court judge, HHJ Meston QC, to reserve his judgment for over a year.

## The 'Deal' via WhatsApp

While the judgment was pending, the parties attempted a digital settlement. In December 2018, H sent a WhatsApp stating: *"I can sign over my share of southcote road to u without*

*any complications as I don't need any accommodation in London". W replied, "I will take house and full custody of kids... then is done". W followed up with an email saying, "This week we shall finish the paperwork".*

H immediately got cold feet, replying by email that the terms were "not agreed". For the next year, the parties remained in legal limbo.

### **The One-Month Disaster**

In December 2019, a "friend" of H served a statutory demand for an outstanding loan of £157,000. A bankruptcy petition followed, and H was made bankrupt on 26 February 2020.

Crucially, H did not inform W or the Family Court of the insolvency. One month later, in March 2020, HHJ Meston finally handed down his judgment, ordering the property be transferred to W. But it was too late. Under **s.306 of the Insolvency Act 1986**, H's interest had already automatically vested in his Trustees in Bankruptcy. W had effectively lost her home to H's creditors.

W brought an application to annul the bankruptcy before Chief ICCJ Briggs, who found that there was no collusion between H and his friend for the bankruptcy petition (there were also other creditors) and he thus dismissed W's application to annul.

The Trustees then brought an application for sale of the FMH in the County Court. The Deputy District Judge found that both Ms. Lin and the Trustees held a 50% beneficial interest in the property and ordered its sale, but deferred possession until August 2032 due to exceptional circumstances.

The Trustees (Reid-Roberts) Appealed: Were there "exceptional circumstances" under Section 335A(3) of the Insolvency Act 1986 (IA 1986) that justified deferring the sale of the property? And did the Deputy Judge err in deferring the sale of the property for over eight years?

### **Archaic Law in a Digital Age**

W fought back and cross-appealed arguing H had already transferred his beneficial interest to her via the 2018 WhatsApps despite the "signed writing" requirement of **s.53(1) of the Law of Property Act 1925** where a signature must authenticate the document and apply to the entire instrument.

W relied upon the case of **Hudson and Hathaway [2023] KB 345** which involved a case in the court of appeal where it was found that an email by one member of an unmarried couple to the other amounted to a disposition of property:

The key part of the email:

*“You know what, I want none of the proceeds of that either. Take it. Buy yourself somewhere you can afford to live. What I want is an end to it. So have everything that's available to have now and when the house is sold”  
and “Yes, that's right . . . Under this arrangement, I've no interest whatsoever in the house, so whilst I will continue to contribute, I won't do so forever”*

However, the court, in W's case did not agree that the WhatsApp was in the same category.

The High Court delivered a sobering reality check on modern technology. While an email signature can count as "signed writing," the court ruled that a WhatsApp header is "incidental". Because the platform, not the user, generates the header to identify the sender, it lacks the "authenticating intent" required by a 100-year-old statute.

But note the irony: we trust our faces and fingerprints to access bank accounts, oftentimes to transfer thousands of pounds to 3<sup>rd</sup> parties, but land law still demands "ink on paper" (or a manually typed sign-off). Had H simply written or even typed his initials at the end of the text, the property just might have been saved.

### **The "Exceptional" Compromise**

The Trustees sought an immediate sale of the FH, arguing that waiting for 8 years was unreasonable.

**s.335A Insolvency Act 1986** states:

*The court must balance the interests of the bankrupt's creditors against the needs of the bankrupt's family.*

After one year from the vesting of the bankrupt's interest in the trustee, the court must assume that the interests of creditors outweigh other considerations unless there are "exceptional circumstances."

Exceptional circumstances typically involve personal circumstances, such as medical or mental health conditions, that go beyond the ordinary consequences of debt and bankruptcy. However, the court found this case *was* exceptional, but only due to a "perfect storm" of factors:

1. **Systemic Delay:** The Family Court's one-year delay (caused by the Jirehouse fraud) conferred an unfair windfall on creditors.
2. **Health Crises:** W suffered from **PTSD**, and the parties' son had **ADHD** and anxiety; evidence suggested an immediate move would cause "severe long-term detrimental effect".

The lower court originally granted an 8-year deferment until the youngest child was 18. The High Court slashed this to **18 months**, ruling that a near-decade delay was "plainly wrong" and ignored the £420,000 in mounting bankruptcy costs.

## **Practitioner Survival Checklist: Avoiding the Nuclear Fallout**

What should you do if you your client faces a similar set of circumstances?

To protect clients from having their settlements "turn to smoke," solicitors must recognise that the Trustee in Bankruptcy is the real opponent, not the spouse.

- **Spot Red Flags Early:** Look for sudden insolvency threats, "new" debts discovered late in disclosure, or asset transfers in the last 5 years.
- **The "Race" Strategy:** If bankruptcy is brewing, prioritise speed. A Property Adjustment Order made after a petition is presented is void.
- **Pivot to Protected Assets:** If capital claims collapse, focus on pensions (which are usually exempt from the bankruptcy estate) or seek lump sum orders, which remain "provable debts" even after the bankrupt's discharge.
- **Safe Harbours:** Remember that court-approved settlements reached in good faith are generally protected from "undervalue" attacks because the compromise of a matrimonial claim counts as real consideration.

- **Forensic Investigation:** If insolvency looks manufactured, get forensic early. You can apply to annul the bankruptcy if you can establish the spouse was actually solvent at the time the order was made.

### Practical Points to Remember

- **Bankruptcy is Nuclear:** Once a petition is filed, capital claims often "turn to smoke". Pivot immediately to protected assets like pensions.
- **Mind the Formalities:** Informal digital "deals" are perilous. Ensure any property agreement evinces a clear, immediate intention to divest and is signed manually or with a typed name, never rely on a platform-generated header.
- **Speed is Safety:** If insolvency is a risk, apply for an expedited hearing. In the race between a property adjustment order and a bankruptcy petition, the petition usually wins.

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15 March 2026



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