Neutral Citation Number: [2025] EWHC 541 (Comm)

Case No: LM-2024-000234

IN THE HIGH COURT OF JUSTICE
KING'S BENCH DIVISION
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
LONDON CIRCUIT COMMERCIAL COURT

Royal Courts of Justice, Rolls Building
Fetter Lane, London, EC4A 1NL

Date: **14 March 2025**

Before:

DAVID QUEST KC

Sitting as a Deputy High Court Judge

- -

Between:

SAIF ALRUBIE	**Claimant**
- and -	
(1) CHELSEA FOOTBALL CLUB LIMITED	**Defendants**
(2) MARINA GRANOVSKAIA	

- -

Kendrah Potts (instructed by **Level Law Limited**) for the **Second Defendant/Applicant**

Jonathan Crystal (instructed by **Quastels LLP**) for the **Claimant/Respondent**

Hearing date: **28 February 2025**

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JUDGMENT

- -

This judgment was handed down remotely at 10am on Friday 14 March 2025 by circulation to the parties' representatives by e-mail and release to the National Archives

DAVID QUEST KC:

Introduction

1. This is an application by the Second Defendant to stay these proceedings, either (i) under section 9 of the Arbitration Act 1996, on the ground that they are in respect of a matter subject to arbitration under Rule K of the Rules of the Football Association, or (ii) on case management grounds under the court's inherent jurisdiction and/or section 49(3) of the Senior Courts Act 1981 and/or CPR 3.1(2)(f).

The claims

2. The Claimant (**Mr Alrubie**) is a football agent who acts as an intermediary or introducer between clubs. The First Defendant (**Chelsea**) is a football club playing in the English Premier League. The Second Defendant (**Ms Granovskaia**) was formerly a director and employee of Chelsea, with responsibility for player contracts. She resigned as a director on 22 June 2022 and ceased to be an employee on 2 September 2022. She has no current role in football.

3. On 28 July 2021, Mr Alrubie approached Ms Granovskaia offering to introduce to Chelsea a club interested in taking and paying for a transfer of Kurt Zouma, then a Chelsea player. Mr Alrubie says (but it is disputed by Chelsea and Ms Granovskaia) that by a series of email and instant message exchanges with Ms Granovskaia he negotiated an introduction agreement to the effect that he would be entitled to a commission if the fee paid for the transfer of Mr Zouma was at least €30,000,000.

4. Mr Alrubie relies particularly on an email exchange on 29 July 2021 annexed to his Particulars of Claim. Mr Alrubie had obtained an offer from West Ham United Football Club for the transfer of Mr Zouma at a fee of £17 million plus £4 million in bonuses. He forwarded this to Ms Granovskaia, saying:

> Please also let me know what % will you be paying me if this transfer is concluded. I think I can push West Ham up but it's not far from the figure in euro that you quoted me yesterday.

Ms Granovskaia replied:

> Thank you for the offer. It is gratefully received but definitely not accepted. The number provided to you yesterday is non-negotiable and is something we already have on the table from another PL club, just the player is not too keen to go there at the moment. We will not be paying you any commission unless the number is above 30m.

5. In the event, Mr Zouma transferred to West Ham on 28 August 2021. According to a letter from Chelsea to West Ham dated 19 April 2024, a transfer fee of £25,000,000 was initially agreed but the amount payable was later increased to £29,104,960 (then equivalent to about €34,000,000) in order to fund a termination payment by Chelsea to Mr Zouma.

6. Mr Alrubie was aware at the time that the transfer of Mr Zouma had taken place but not, he says, of the amount paid on the transfer. He nevertheless considered that he was entitled to a commission. On 22 May 2022, he emailed Ms Granovskaia asking for payment of £300,000 for the introduction. He said:

> Dear Marina,
>
> As the end of a very unique season for you and Chelsea comes to an end I am writing you to address the outstanding issues we have between us from the last 2 years. I will try to keep this email as short as possible and to the point.
>
> I was with Pini in Dubai recently and he told me that you had agreed to paying me (and my 2 partners on that deal Silky and Sahr) 300k GPB for bringing you the offer from Westham for Kurt Zouma. However Pini told me that you said you would pay me that money from other business in the future hinting towards Rudiger. As you clearly know from the time I offered you a chance to extend the contract of Antonio by an extra year on the same salary and you refused and started playing games you went to Sahr and started making up lies about me and HMRC regarding why you did not want to deal with me. That alone was defamatory and cost me a lot of business and trust due to your lies.
>
> The truth is from that moment I should not have dealt with you again but I am a gentleman and thought that you would be correct and due to my close personal relations to Sahr and his brother and family and big business I do with them away from football I was not going to make an issue of your slander towards me even though you tried your best to cut me out of business that I work very hard for and have never done anything wrong with you over the years but it seems you have an issue with me.
>
> Then the way you have been with me was finally confirmed when I was in Abu Dhabi for the club World Cup when I went

> to visit Antonio and he told me that you had approached him questioning why he was friendly with me and was happy to deal with me. Who do you think you are going to players in this way and talking rubbish about me. What have I done to you to make you so bitter and terrible towards me? So for that I will give you a chance to make things correct if you apologise for your behaviour towards me. If you don't then I promise you I will make you pay for the way you have been with me on a personal and business level. This is not a threat so take it how you want. This is a promise that I give to anybody who fucks/tries to fuck me over in anything in life. I'm pretty sure you would never approach Lukaku and tell him why he is with Pastorello your special friend.
>
> In summary, you owe me and my partners 300k which needs to get paid ASAP. If Chelsea don't pay it then that debt will be on you to pay. I am done trying to be nice to you. And feel free to go to your boss who's had his recent problems and tell him that you have a big problem with me as long as you tell him the truth about your behaviour. Because in life you can't be wrong and strong.

7. Mr Alrubie's email was reported to the police, who arrested him on suspicion of blackmail. On 25 October 2022, he was charged with sending a malicious communication (but not with blackmail).

8. On 9 November 2022, Mr Alrubie's solicitors wrote to Chelsea repeating his claim to a commission of £300,000:

> Shortly prior to 29 July 2021, it was agreed between our client of the one part and Ms Marina Granovskaia, a then director of Chelsea Football Club, and, as such, responsible for all football player transfers, of the other part, for and on behalf of Chelsea Football Club, that our client would be paid a commission upon the completion of the transfer of the football player Kurt Zouma, from Chelsea Football Club to West Ham United Football Club, on condition that the transfer fee paid by the latter to the former exceeded €30 million…
>
> Subsequently, the amount of commission payable to our client was agreed, on behalf of Chelsea Football Club, in the sum of £300,000, notwithstanding the fact that commission payable pursuant to such an agreement would be considerably in excess of that amount. Notwithstanding our client's unarguable entitlement to commission of £300,000, the same has not been paid.

9. On 4 March 2024, Mr Alrubie's solicitors wrote to Ms Granovskaia notifying her of intended claims in deceit and for inducing breach of contract by Chelsea.

They said that Mr Alrubie was entitled to a commission of €1,695,000, calculated at a rate of 5% on an assumed transfer fee of €33,900,000. Ms Granovskaia's solicitors responded on 13 April 2024 denying liability.

10. In April 2024, Mr Alrubie was tried on the malicious communication charge before a judge and jury at Southwark Crown Court. He was acquitted. Ms Granovskaia gave evidence for the prosecution, in the course of which she agreed that the transfer fee paid by West Ham to Chelsea was £29.1 million.

11. On 6 September 2024, Mr Alrubie commenced the present proceedings. He claimed against Chelsea in debt and for damages for breach of contract by reference to a commission entitlement of £2,182,872 plus interest, alternatively for a quantum meruit. That figure was calculated at a rate of 7.5% on the transfer fee of £29,104,960. He claimed the same principal amount against Ms Granovskaia as damages for inducing breach of contract by Chelsea. The particulars of the claim against her include allegations that she deliberately concealed from Chelsea Mr Alrubie's involvement in the transaction and failed to instruct Chelsea that a commission was due to him.

12. On 11 October 2024, Mr Alrubie discontinued his claim against Chelsea.

13. Ms Granovskaia contests the claim against her. Her position, in brief summary, is that there was no contract between Mr Alrubie and Chelsea, there was no breach of any contract, and she did not induce any breach.

Application for a stay under section 9 of the Arbitration Act

14. Section 9 of the Arbitration Act 1996 provides:

> (1) A party to an arbitration agreement against whom legal proceedings are brought (whether by way of claim or counterclaim) in respect of a matter which under the agreement is to be referred to arbitration may (upon notice to the other parties to the proceedings) apply to the court in which the proceedings have been brought to stay the proceedings so far as they concern that matter.
>
> …
>
> (4) On an application under this section the court shall grant a stay unless satisfied that the arbitration agreement is null and void, inoperative, or incapable of being performed.

15. Ms Granovskaia bears the burden of proving the existence and applicability of the arbitration agreement for the purpose of section 9(1) and Mr Alrubie bears the burden of proving that any such agreement is null, void, inoperative, or incapable of being performed for the purpose of section 9(4).

Are Mr Alrubie and Ms Granovskaia parties to an arbitration agreement?

16. Ms Granovskaia relies on the arbitration agreement contained in Rule K of the Rules of the Association, issued and promulgated by the Football Association Limited (**the FA**, **the FA Rules**).

17. The FA is a private company limited by guarantee. It acts as the governing body for association football in England. It is a member association of the Fédération Internationale de Football Association (**FIFA**), which is the global governing body for association football.

18. Article 51 of the statutes of FIFA requires that member associations must:

> … insert a clause in their statutes or regulations, stipulating that it is prohibited to take disputes in the association or disputes affecting leagues, members of leagues, clubs, members of clubs, players, officials and other association officials to ordinary courts of law, unless the FIFA regulations or binding legal provisions specifically provide for or stipulate recourse to ordinary courts of law. Instead of recourse to ordinary courts of law, provision shall be made for arbitration. Such disputes shall be taken to an independent and duly constituted arbitration tribunal recognised under the rules of the association or confederation or to CAS. The associations shall also ensure that this stipulation is implemented in the association, if necessary by imposing a binding obligation on its members.

19. To that end, Rule K of the FA Rules provides for arbitration as follows:

> K1.1 Subject to Rule K1.2, K1.3 and K1.4 below, any dispute or difference between any two or more Participants (which shall include, for the purposes of this section of the Rules, The Association) including but not limited to a dispute arising out of or in connection with (including any question regarding the existence or validity of):
>
> K1.1.1 the Rules and regulations of The Association which are in force from time to time;
>
> K1.1.2 the rules and regulations of an Affiliated Association or Competition which are in force from time to time;

> K1.1.3 the statutes and regulations of FIFA and UEFA which are in force from time to time; or
>
> K1.1.4 the Laws of the Game,
>
> shall be referred to and finally resolved by arbitration under these Rules.

I do not need to reproduce Rules K1.2, K1.3 and K1.4, which are not relevant to the present application.

20. "Participant" is defined in the FA Rules as:

> an Affiliated Association, Competition, Club, Club Official (which for the avoidance of doubt shall include a Director), [FA Registered Football Agent,] Intermediary, Player, Official, Manager, Match Official, Match Official observer, Match Official coach, Match Official mentor, Management Committee Member, member or employee of a Club and all persons who are from time to time participating in any activity sanctioned either directly or indirectly by The Association

The bracketed words were introduced in the 2024/2025 version of the rules.

21. On that definition, Mr Alrubie is now, and was at all relevant times, a Participant in his capacity as a registered Intermediary (defined in the FA's Working with Intermediaries Regulations as including a person who acts for or on behalf of a player or club in relation to a transfer) and, from 2024, as a registered Football Agent. Ms Granovskaia was also a Participant, in her capacity as a director of Chelsea until 22 June 2022 and as an employee of Chelsea until 2 September 2022, when she ceased to be a Participant.

22. In order to maintain his registration, Mr Alrubie was required annually to provide to the FA a form of declaration, entitled "Declarations, Acknowledgments and Consents for Natural Persons", which included, at paragraph 13, an express agreement by him to be bound by the FA Rules and by Rule K specifically.

23. As a director of Chelsea, Ms Granovskaia was also required to provide to the Premier League a "Premier League Form 4 Declaration" in which she expressly agreed that she was a Participant as defined in the FA Rules and as such would be bound by them.

24. Thus, both Mr Alrubie and Ms Granovskaia each separately expressly agreed with the FA to be bound by the FA Rules, and so by Rule K. However, they did

not enter into a bilateral express agreement with each other to that effect. That gives rise to a dispute between the parties as to whether the FA Rules have (to adopt the terminology used in argument) "horizontal" contractual effect as between the two of them as well as "vertical" effect as between each of them and the FA.

25. The leading case on the issue is *The Satanita* [1895] P 248, affirmed as *Clarke v Earl of Dunraven (The Satanita)* [1897] AC 59. The parties had each entered a yacht to compete in a regatta organised by the Mudhook Yacht Club. Each undertook to the secretary of the club that he would be bound by the rules of the Yacht Club Association. During the regatta, the defendant's yacht, the *Satanita*, ran into and sank the plaintiff's yacht, and the plaintiff claimed damages under an express provision of the club rules. The Court of Appeal held that the rules formed a contract between the plaintiff and the defendant. Lord Esher MR said, at [1895] P 255:

> …Was there any contract between the owners of those two yachts? Or it may be put thus: Did the owner of the yacht which is sued enter into any obligation to the owner of the other yacht, that if his yacht broke the rules, and thereby injured the other yacht, he would pay damages? It seems to me clear that he did; and the way that he has undertaken that obligation is this. A certain number of gentlemen formed themselves into a committee and proposed to give prizes for matches sailed between yachts at a certain place on a certain day, and they promulgated certain rules, and said: "If you want to sail in any of our matches for our prize, you cannot do so unless you submit yourselves to the conditions which we have thus laid down. And one of the conditions is, that if you do sail for one of such prizes you must enter into an obligation with the owners of the yachts who are competing, which they at the same time enter into similarly with you, that if by a breach of any of our rules you do damage or injury to the owner of a competing yacht, you shall be liable to make good the damage which you have so done." If that is so, then when they do sail, and not till then, that relation is immediately formed between the yacht owners.

26. The decision was appealed, but only on the issue of whether the defendant's contractual liability, as found by the Court of Appeal, was impliedly subject to the statutory limitation in section 54(1) of the Merchant Shipping Act Amendment Act 1982. Although the existence of the horizontal contract was no longer contested, Lord Herschell observed at [1897] AC 63:

> I cannot entertain any doubt that there was a contractual relation between the parties to this litigation. The effect of their entering for the race, and undertaking to be bound by these rules to the

> knowledge of each other, is sufficient, I think, where those rules indicate a liability on the part of the one to the other, to create a contractual obligation to discharge that liability.

27. In *General Accident Fire and Life Assurance Corp Ltd v Tanter (The Zephyr)* [1984] 1 Lloyd's Rep 58 at 72, Hobhouse J said that *The Satanita*

> …recognises the legal efficacy of multilateral contracts of accession whereby one document, the yacht club sailing rules, can be acceded to by a number of individuals in succession so as to put them all in contractual relations with each other.

Chitty on Contracts (35th ed), paragraph 4-144, treats *The Satanita* as a special case that cannot readily be analysed in terms of offer and acceptance.

28. I was referred to three cases specifically considering the horizontal effect of Rule K: *Davies v Nottingham Forest FC Ltd* [2017] EWHC 2095 (Ch); *Bony v Kacou* [2017] EWHC 2146 (Ch); and *Mercato Sports (UK) Ltd v The Everton FC Co Ltd* [2018] EWHC 1567 (Ch).

29. *Davies* concerned an employment dispute between a football club and its former manager. Both were Participants, and it was accepted that each was party to a separate vertical contract with the FA to be bound by the FA Rules. HHJ Bird asked himself at [15]:

> [I]f the Club has an agreement with the FA that "any dispute or difference between any two or more Participants …. shall be referred to and finally resolved by arbitration under these Rules", and Mr Davies has the same agreement with the FA, are the Club and Mr Davies parties to an arbitration agreement?

After referring to *The Satanita* and *The Zephyr*, he answered the question at [16c]:

> In the present case, the Club and Mr Davies knew full well that each was bound to the FA to observe the rules as published from time to time in the Handbook. Anyone who participates in the game of football (certainly at the professional level) is fully aware of the importance and the standing of the rules...
>
> The rules create liabilities (or perhaps obligations) between those who are bound by them (defined as the "Participants"). The rule K obligation is to refer disputes to arbitration. In my judgment, it therefore follows, just as it did in *The Satanita*, that there existed at the relevant time an arbitration agreement between the Club and Mr Davies.

I can draw the same inference as to the parties' knowledge of the FA Rules in the present case.

30. In *Bony v Kacou* [2017] EWHC 2146 (Ch), the claimant was a football player who sued two football agents (not registered with or authorised by the FA), two companies controlled by them, and his former club. The claimant opposed an application by the agents and the companies to stay the proceedings in favour of a Rule K arbitration, arguing that there was no arbitration agreement between them.

31. HHJ Pelling QC rejected the applicants' central submission that the court would imply "in effect by operation of law" a contract between participants in an organised sport based on the rules that govern the sport [36]. The correct analysis, he said, was that the court can imply such a contract but whether it will do so in any particular case depends on all the relevant facts and circumstances. He added that a contract could only be implied if it was necessary to do so, noting that in *The Satanita* it was necessary to imply a contract between the competitors in order to give effect to what each had promised to the club to the knowledge of the other. In the case before him, however, it was not necessary to imply a contract on the terms of the FA Rules because the relationship between the claimant and the agents was governed by different, express agreements, which either did not contain an arbitration agreement at all or contained a specific dispute resolution mechanism, different from Rule K. He said, at [50], that given the existence of those express agreements, there was no basis on which it was necessary to imply the agreement contended for: "the conduct of the claimant and defendants from first to last was referable to those agreements". As for the company defendants, he held at [51] that there was no contract with the claimant because neither defendant had provided services of any sort to the claimant and their only role was allegedly to receive secret commissions.

32. In *Mercato*, the first claimant was an FA registered Intermediary. It had not expressly agreed to be bound by the FA rules, but the judge, HHJ Eyre QC, found that it should be treated as bound as a result of having applied for or adopted registration with the FA, which, he said, "can only have been on the footing that the relations between [Mercato] and the [FA] were to be governed by the rules which applies to the status of registered intermediary" [49]. As to whether there was a horizontal contract with the defendant, the judge, after a review of the authorities, including *The Satanita*, *Bony* and *Davies*, said:

> 41. Participation in a sport or in activities connected with that sport does not of itself mean that those participating have as between each other the rights and obligations provided for in the

> rules of that sport's governing body. Whether there is an implied contract between such participants to the effect that they have as against each other those rights and obligations is to be determined by a fact sensitive analysis undertaken by reference to the general principles of contractual formation…
>
> 42. In many cases the court will readily conclude that there were both vertical contracts with the relevant governing body and horizontal contracts with other participants. Thus those engaging in a sporting event organised under the auspices of a particular governing body are likely to be held to have agreed with those organising the event to be bound by the rules of that body and to have entered horizontal contracts to the same effect with the other participants. However, such a conclusion will be less readily reached the further removed the activity in question is from the actual playing of the sport concerned…

33. On the facts, the judge held that there were dealings between the parties sufficient to give rise to an implied horizontal contract, principally the fact that the claimant had issued an invoice bearing its FA registration number. The judge said, at [52], that that was a compelling indication that the claimant was dealing with the defendant in its capacity as a registered intermediary.

34. The principles I take from those cases are that the court will not imply merely from the participation by persons in a sport or related activity that they are bound contractually as between each other by the rules of a governing body, that the implication of such a horizontal contract depends on all the relevant facts and circumstances (including the circumstances of the making of vertical contracts and any subsequent dealings between the parties), and that the implication must be necessary—specifically, it must be necessary "to give business reality to a transaction and to create enforceable obligations between parties who are dealing with one another in circumstances in which one would expect that business reality and those enforceable objects to exist", per May LJ in *Ilyssia Compania Naviera SA v Bamaodah* [1985] 1 Lloyd's Rep 107 at 115.

35. In the present case, Mr Alrubie and Ms Granovskaia were each required to enter into an express agreement with the FA to be bound by the FA Rules, including Rule K, as a condition of their participation in activities governed by the FA—respectively, acting as a registered Intermediary and acting as a director of a club. By separately acceding to the FA Rules in that way, and just as in *The Satanita*, each should be taken as having assumed a contractual obligation to each other Participant making a similar accession agreement with FA, and therefore to each other. Rule K could not achieve its intended purpose of providing for the arbitration of disputes or differences between Participants

unless it had contractual effect as between Participants. Any person expressly agreeing to be bound as a Participant by Rule K must be taken to understand and intend that.

36. In *Mercato*, the court also had regard to the dealings between the parties in deciding whether to imply a horizontal contract. However, that was a case where the vertical contract between the claimant and the FA arose from conduct and circumstances [49]. Where the vertical contract is itself implied, I can see that the court may well require something more in the way of specific dealings between parties before finding it necessary to imply a horizontal contract between them. In the present case, however, the fact that Mr Alrubie and Ms Granovskaia have each clearly, expressly and specifically adopted the FA Rules is sufficient in my view to make the Rules binding horizontally.

37. But if I am wrong, and that is not sufficient, and it is relevant also to examine the dealings between Mr Alrubie and Ms Granovskaia before implying a horizontal contract, then I regard it as significant that, when Mr Alrubie approached Ms Granovskaia to introduce or facilitate a transfer of Mr Zouma, (i) he was acting in his capacity as a Participant, i.e. as a registered Intermediary, and was conducting Intermediary Activity as defined in and regulated by the FA Working With Intermediaries Regulations (which Mr Alrubie accepts in his skeleton), and (ii) she was acting in her capacity as a Participant, as a director of Chelsea. It is implicit that such dealings between Participants would be conducted subject to the FA Rules.

38. Subject to the question discussed in the next section, I am therefore satisfied that the arbitration agreement in Rule K is contractually binding as between Mr Alrubie and Ms Granovskaia.

What is the effect of Ms Granovskaia ceasing to be a Participant?

39. The focus of Mr Alrubie's argument is on the consequence of Ms Granovskaia ceasing to be a Participant in September 2022 when she left Chelsea. He argues that she thereby ceased to be entitled to require any dispute or difference to be referred to arbitration, irrespective of when that dispute or difference arose. In his skeleton, the argument is put in this way:

> Rule K is worded in the present and future tenses, not in the past tense. It binds current participants in current disputes… Any dispute and any proceedings not involving two Participants cannot be Rule K. The 'business reality' of FA Rule K and the FA Rules is that they exist to regulate and bind current Participants and not past Participants. If Rule K is available to

> past Participants then there would be no limits to the jurisdiction of the FA… There is no dispute or difference between two Participants. The present proceedings concern one Participant and one non Participant… Rule K cannot apply, no matter when the dispute arose.

40. I do not accept that that is the right interpretation of Rule K. In my view, the phrase "any dispute or difference between any two or more Participants" refers, on its proper interpretation, to persons who are current Participants when the dispute or difference between them arises. The contractual right of such a person to have a dispute or difference referred to arbitration accrues at that time. Nothing in the Rules provides or implies that such an accrued right could subsequently be lost by the person ceasing to be a Participant. I would regard that as a surprising and unreasonable consequence, particularly because a person might cease to be a Participant involuntarily, (un)fortuitously, or perhaps even deliberately if one or other party was seeking to avoid having to arbitrate an existing dispute.

41. Moreover, Mr Alrubie's interpretation is inconsistent with the general principle that an arbitration agreement, being separable from the main agreement, survives the termination of the parties' other contractual rights and obligations. The fact that Ms Granovskaia ceases to be a Participant, and ceases to be involved in football-related activities, should not in principle affect her right to arbitrate pre-existing disputes.

42. It is also inconsistent with the HHJ Pelling QC's interpretation in *Bony* of Rule K7 of the FA Football Agents Regulations ("any dispute between an Authorised Agent, Player and/or Club in relation to any matter within the scope of these Regulations, including any Agency Activity shall be dealt with as between the parties under Rule K (Arbitration) of the Rules of the Association"). The judge said that Rule K7 was "cast in the present tense", as Rule K is, and "thus whether someone is an Authorised Agent must be tested at the date when the dispute or difference in question arises" [20].

43. Mr Alrubie points to the fact that in *Davies* it was argued that the claimant was not bound by Rule K because he was not a Participant at the date of the hearing. But that was only an argument; the judge did not decide the point. The judge noted that the argument had been prompted by a question from him during the hearing, had not been fully developed, and appeared to be contrary to a previous concession by the claimant. There was also an evidential dispute about the claimant's status as a Participant.

44. I am also not persuaded by Mr Alrubie's argument that, if Rule K could be engaged by former Participants, then there would be "no limits to the

jurisdiction of the FA". On any view, Rule K is limited to a dispute between persons who are Participants when the dispute arises. Moreover, when Rule K is engaged, jurisdiction is exercised by the appointed arbitrators, not by the FA.

When did the dispute or difference arise?

45. I turn to the question of whether the present dispute or difference between the parties did arise while Ms Granovskaia was still a Participant, i.e. before September 2022. The dispute in question is the dispute about whether she induced a breach of contract by Chelsea, because that is the basis of the claim against her, and not the contractual dispute between Mr Alrubie and Chelsea.

46. The nature of a dispute for the purpose of an arbitration agreement was considered in *Sodzawiczny v Ruhan* [2018] EWHC 1908 (Comm). Popplewell J said at [40-41]:

> Although other wording is sometimes used (including "claims"), the paradigm arbitration agreement contemplated by the Act is one which bites on disputes. For these purposes, a dispute can be constituted in the most general terms. If a party claims a sum of money, it is enough to constitute a dispute if the other party simply fails to pay. The existence of a dispute does not depend upon the disputing party advancing any reasons for disputing the claim. If it does advance reasons, a dispute exists irrespective of whether the grounds are bona fide or reach any merits threshold: see *Halki Shipping Corporation v Sopex Oils Ltd* [1998] 1 Lloyd's Rep 465. It is commonplace in maritime arbitrations, for example, for the dispute to be identifiable only at a very high level of generality at the time of appointment of arbitrators.

47. Ms Granovskaia's primary position is that the dispute arose in or around August 2021 on the completion of the transfer, that being the time at which, on his case, Mr Alrubie became entitled to a commission but did not receive it. I do not accept that argument. Whatever the position may then have been as between Mr Alrubie and Chelsea, it cannot be said that he was at that time in dispute with Ms Granovskaia. There is no evidence that he had made any allegation of wrongdoing by her personally or that he had made any demand for payment from her. His evidence is that he was not then aware of the amount of the transfer fee.

48. However, I accept Ms Granovskaia's alternative argument based on the email dated 22 May 2022 quoted above. That email clearly evidences an existing dispute about Mr Alrubie's right to commission. The first sentence of the final paragraph—"you owe me and my partners 300k which needs to get paid ASAP"—makes that clear. And, importantly, the sentences "if you don't

[apologise for your behaviour] then I promise you I will make you pay for the way you have been with me on a personal and business level" and "if Chelsea don't pay it then that debt will be on you to pay" show that his dispute was not only with Chelsea but also with Ms Granovskaia personally (who is "you"). He was asserting that she may have a liability in respect of the commission separate from her employer, and was demanding payment from her. Indeed, Mr Alrubie accepted that when he gave evidence at his criminal trial. Asked by his counsel about the meaning of the email, he said:

> … Well, in reality, obviously, her action induced a breach of contract so, whether it was Chelsea who owe me the commission or whether her actions of obviously lying about the final transfer fee and cutting me out of the deal would also make her personally liable. So, you know, what I meant with that is exactly what it says there. And since then, I've also-
>
> Q. So, you said – sorry to interrupt you, when you say, 'I'll make you pay', you are talking about literally monetary terms?
>
> A. Of course, legally.

49. Mr Alrubie says that in May 2022 he was still unaware of the detail and precise value of the transaction between Chelsea and West Ham. That does not preclude there being a dispute. As Popplewell J said in the passage above from *Sodzawiczny*, a dispute need only be identifiable at a high level of generality.

50. I conclude that, by 22 May 2022 at the latest, a dispute or difference had arisen between Mr Alrubie and Ms Granovskaia about her liability for his failure to receive a commission. At that time she was a Participant and so had an immediate right under Rule K to have that dispute referred to arbitration. I reject Mr Alrubie's argument that there was no dispute or difference until Ms Granovskaia responded to his letter before action in April 2024.

51. Mr Alrubie points to the fact that Ms Granovskaia did not commence arbitral proceedings in May 2022 but instead made a criminal report. I see no significance in that. Given that Mr Alrubie was the person asserting a claim, it is neither surprising nor unreasonable that Ms Granovskaia waited to respond to any proceedings commenced by him rather than initiating proceedings herself.

Are the proceedings in respect of a matter which under Rule K is to be referred to arbitration?

52. Lord Hodge said in *Republic of Mozambique v Privinvest Shipping SAL* [2023] UKSC 32 at [46]:

> Section 9 involves a two-stage process. First the court must identify the matter or matters in respect of which the legal proceedings are brought. Secondly, the court must ascertain whether the matter or matters fall within the scope of the arbitration agreement on its true construction.

53. The matter in respect of which the present proceedings are brought is the dispute between Mr Alrubie and Ms Granovskaia as to whether she induced Chelsea to breach the alleged introduction agreement by refusing to pay commission.

54. Rule K covers "any dispute or difference between two or more Participants" "including but not limited to" a list of specific types of disputes. In *Davies*, HHJ Bird said at [24], and I agree, that the rule is "drafted in the widest possible terms" and "intended to cover the broadest range of disputes". There may perhaps be some implied limit to the scope; it would be surprising if, for example, it extended to a property boundary dispute between Participants who happened by chance to be neighbours. Nevertheless, given that the present dispute arises from things done by the parties in their capacity as Participants, I can see no reason why it is not within the broad scope of Rule K. A similar dispute about an entitlement to introduction commission was accepted as within Rule K in *Mercato*.

Is the arbitration agreement null, void, inoperative or incapable of performance?

55. I have already addressed and rejected the argument that the arbitration agreement ceased to be effective when Ms Granovskaia ceased to be a Participant.

56. There was a suggestion in oral argument that by not referring a dispute to arbitration in May 2022 Ms Granovskaia waived any right under Rule K to do so or otherwise was precluded from exercising it. As I have already said, I do not think that anything can be inferred from her decision not to initiate proceedings at that time.

57. Mr Alrubie also argues that, since Ms Granovskaia's position is that no introduction agreement was ever concluded, there can be no agreement to arbitrate either. I do not agree. The arbitration agreement relied on by Ms

Granovskaia is not contained in the (putative) introduction agreement but in the FA Rules, to which both parties had signed up. I see no inconsistency in an assertion by her that there was no introduction agreement but that any dispute about that, and/or about whether she induced its breach, must be referred to arbitration under Rule K.

58. Finally, it is alleged in paragraph 27 of the Particulars of Claim that it was common practice for Chelsea to make payments for transactions that were not particularised on the FA transaction forms. Mr Alrubie says that it is in the public interest that that allegation should be heard in open court rather than in arbitration. However, he does not argue (and I can see no sustainable argument) that that matter is not arbitrable or is outside the scope of the arbitration agreement; it cannot therefore be a ground for refusing a stay.

Conclusion on section 9

59. For the reasons set out above, I am satisfied that Ms Granovskaia has shown that she and Mr Alrubie are parties to the Rule K arbitration agreement and that the present claim for inducing breach of contract is a matter within the scope of the agreement, and that Mr Alrubie has not shown that the agreement is null, void, inoperative or incapable of being performed. I am therefore bound under section 9(4) of the Arbitration Act to grant a stay of the proceedings.

Stay on case management grounds

60. The second ground for the application does not arise but I address it for completeness.

61. On 30 January 2025, Chelsea's solicitors wrote to Mr Alrubie saying that, if the court did not grant a stay under section 9, then Chelsea would "in short order" commence an arbitration claiming a declaration that it had no liability to him, but that it would meet any liability it might be found to have. They said that they expected a final hearing in the arbitration to take place in July 2025. Ms Granovskaia seeks a stay of the present proceedings on case management grounds pending the resolution of that proposed arbitration.

62. In *Athena Capital Fund v Holy See* [2022] EWCA Civ 1051, Males LJ said at [48]:

> The court has power to stay proceedings "where it thinks fit to do so". This is part of its inherent jurisdiction, recognised by section 49(3) of the Senior Courts Act 1981. The statute imposes no other express requirement which must be satisfied. This is a

> wide discretion. The test is simply what is required by the interests of justice in a particular case.

63. Ms Granovskaia advances six reasons in support of her application for a stay. In summary:

    i) The arbitration by Chelsea may be dispositive of the present proceedings.

    ii) A stay would prevent Mr Alrubie from circumventing his agreement to arbitrate the claim for breach of contract.

    iii) Parallel proceedings would be a waste of time, money and resources, particularly when a claim against Ms Granovskaia for inducing a breach of contract by Chelsea is necessarily more complex and more difficult to establish than the claim against Chelsea itself.

    iv) Parallel proceedings would involve an overlap in the evidence, and relevant documents would be solely in the possession of Chelsea.

    v) There is a risk of inconsistent decisions if the claims proceed in different forums.

    vi) A stay would not prejudice Mr Alrubie.

64. I do not agree that the claim by Chelsea will necessarily be dispositive of the present proceedings. It might be: if the claim fails and Chelsea pays Mr Alrubie his alleged commission in full, then he will have been compensated for the loss that he claims in tort against Ms Granovskaia, making the current proceedings redundant. However, although I did not hear detailed submissions on issue estoppel, it is not obvious why a finding in Chelsea's favour would be binding (or admissible) in the present proceedings when Ms Granovskaia will not be a party to the arbitration. Mr Alrubie would not necessarily be precluded from pursuing the present proceedings even if Chelsea's claim succeeds. Ms Granovskaia argues that she would seek to have herself joined to the arbitration, but, since the premise for this alternative application is that she has no contractual right to arbitrate, it is not clear how that could be done.

65. I do not think that Mr Alrubie can be required to submit to arbitration with Chelsea before pursuing Ms Granovsakia just because his claim against Chelsea is conceptually simpler, or because he might recover all of his losses from Chelsea, even if Chelsea is prepared to bring the dispute very promptly to arbitration.

66. I accept that there is a risk of duplication of evidence and inconsistent findings between the arbitration and the present proceedings but that is to an extent

inevitable if Mr Alrubie wishes to sue Ms Granovskaia in any event and would not be avoided by a temporary stay. I can see that costs might be wasted if he makes a full recovery from Chelsea, but given what I have been told about the rapid timescale of the arbitration, the present proceedings are not likely to advance much beyond pleadings by the final hearing of the arbitration and so those costs will be limited. It would be open to the court to order him to pay those costs in any event if it later takes the view that he unreasonably caused them to be incurred.

67. I bear in mind that the proposed stay is for a fairly short period and that Mr Alrubie has not so far pursued his claim against Ms Granovskaia with great urgency. On the other hand, Chelsea has not yet commenced an arbitration at all and there is some uncertainty about how promptly it would be pursued and heard. It would be possible to impose a stay on terms that it could be lifted if appropriate but there remains a risk that the progress of the present proceedings could be held back for ultimately no practical advantage.

68. Mr Alrubie argues that, in considering whether a stay would be in the interests of justice, the court should take into account the fact that he had to deal with public accusations of criminal misconduct, which received significant media coverage. Now Ms Granovskaia's conduct is in issue, fairness requires that the process should also be in public. There is of course a general public interest in open justice, but the circumstances of the criminal proceedings against Mr Alrubie have no direct connection to the claim and I do not regard them as a relevant factor on an application for a stay on case management grounds.

69. Balancing the other factors, however, I would have decided that the reasons given by Ms Granovskaia for a stay were not sufficient at this stage to justify restricting Mr Alrubie from pursuing these proceedings in the normal way and on the normal timetable.

Costs

70. Following the circulation of this judgment in draft, the parties provided written submissions on costs and asked me to deal with the issues without a further hearing.

71. Ms Granovskaia's position is that she should have her costs of the proceedings, including this application, that those costs should be the subject of detailed assessment on the indemnity basis, and that she should have an interim payment on account of those costs. Mr Alrubie's position is that she should have only a

proportion of her costs of the application (50%), subject to detailed assessment on the standard basis, with no payment on account.

72. Ms Granovskaia is clearly the successful party, both on the application and in the proceedings, which are now stayed. However, Mr Alrubie argues that I should not apply the general rule that the unsuccessful party pays the costs of the successful party for three reasons: (i) Ms Granovskaia failed to engage in mediation when invited to do so; (ii) her arguments for a stay on case management grounds have been rejected; and (iii) in the light of her evidence in the criminal proceedings about the transfer fee (see paragraph 10 above) she should not recover any costs relating to that issue.

73. I am not persuaded that any of those points justifies depriving Ms Granowskaia of any costs. Addressing them in turn:

    i) I have in mind that under CPR 1.1(2)(f) the overriding objective of dealing with a case justly and at proportionate cost includes, so far as is practicable, "promoting or using alternative dispute resolution". However, Ms Granovskaia has a contractual right under the FA Rules not to be subjected to proceedings in court. I do not think that it was unreasonable for her to decline to engage in a mediation about the substance of the claim pending the court's confirmation and enforcement of that right by the grant of a stay.

    ii) The fact that Ms Granovskaia has not succeeded on every point that she argued is not in itself a reason to deprive her of any costs. The stance taken by Mr Alrubie meant that the application could not have been avoided. The argument on case management did not add significantly to the time or cost of the preparation and hearing, nor are the costs of it easily divisible.

    iii) I am not concerned on this application with the substance of the dispute about the transfer fee and I have not made any findings about it.

74. Mr Alrubie also argues that no pre-action costs should be recoverable, but I see no reason to exclude costs reasonably incurred in considering and responding to the threat of proceedings.

75. As to the basis of the assessment, Ms Granovskaia relies on *A v B* [2007] EWHC 54 (Comm), where Colman J said at [11]:

> In my judgment, provided that it can be established by a successful application for a stay or an anti-suit injunction as a remedy for breach of an arbitration or jurisdiction clause that the breach has caused the innocent party reasonably to incur legal

> costs, those costs should normally be recoverable on an indemnity basis.

And at [15]:

> The conduct of a party who deliberately ignores an arbitration or a jurisdiction clause so as to derive from its own breach of contract an unjustifiable procedural advantage is in substance acting in a manner which not only constitutes a breach of contract but which misuses the judicial facilities offered by the English courts or a foreign court. In the ordinary way it can therefore normally be characterised as so serious a departure from the norm as to require judicial discouragement by more stringent means than an order for costs on the standard basis. However, although an order for indemnity costs will usually be appropriate in such cases, there may be exceptional cases where such an order should not be made.

76. *A v B* has been followed in several cases, including *Schillings International LLP v Scott* [2019] EWHC 2657 (Ch), where the judge, Jeremy Cousins QC, said that, although in the second quoted paragraph Colman J must have been referring to a situation where a party was acting abusively by ignoring the arbitration clause, that did not detract from the general principle set out in the first paragraph that a party who pursues proceedings in breach of an arbitration agreement should generally be liable for costs on the indemnity basis, even if acting in good faith. I agree.

77. In response, Mr Alrubie relies on the same three points set out in paragraph 73 above. However, for the same reasons given in paragraph 74, none justifies a departure from the general principle in *A v B.*

78. Under CPR 44.2(8), since a detailed assessment of costs has been ordered, the court must order Mr Alrubie to pay a reasonable sum on account of those costs, unless there is good reason not to do so. Mr Alrubie argues that payment should be deferred until after the conclusion of any arbitration and that the costs incurred in the proceedings may result in a saving in the arbitration. Neither of those points is a good reason not to order a payment now on account of the costs that will become due on assessment.

79. According to her filed statement of costs, Ms Granovskaia has incurred costs in the proceedings, including the application, of £206,178.42 including VAT. Mr Alrubie makes various criticisms of those costs in his written submission, including about the time spent in preparation and about the hourly rates applied. He also relies on the fact that his own costs of the application were much lower that hers. Having considered those points, and looking at the figures in the

round, I consider £150,000 including VAT to be a reasonable sum to be paid on account.

Disposition

80. I grant a stay of the proceedings under section 9 of the Arbitration Act 1996.

81. I order Mr Alrubie (i) to pay Ms Granovskaia's costs of the proceedings, including the application, to be assessed on an indemnity basis if not agreed, and (ii) to pay £150,000 on account of those costs within 14 days.