

IN THE MATTER OF THE EFL REGULATIONS 2025/26 (FINANCIAL REGULATIONS)
IN THE MATTER OF A CFRU DECISION REVIEW
AND IN THE MATTER OF BARROW AFC

Before:

Jonathan Bellamy (Chair)
Nick Igoe
Geoff Meshier

BETWEEN:

BARROW AFC

Appellant

and

THE FOOTBALL LEAGUE LIMITED

Respondent

DECISION

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I: INTRODUCTION

1. Barrow AFC (“Barrow”) appeals against the sanctions imposed by the EFL’s Club Financial Reporting Unit (“CFRU”) under EFL Regulation 52.6.3(b) and (c) arising from the date of its payment of the final instalment of a compensation fee agreed with Chester FC (“Chester”) in relation to the transfer of registration of a player. The sanctions were a £2,000 fine (“the Fine”) and a three transfer window fee restriction (“the Fee Restriction”).
2. The Fee Restriction covers the 2025/26 winter transfer window which closes on 2 February 2026. Barrow is currently prevented from paying or committing to any Transfer Fee, Compensation Fee or Loan Fee or any form of payment (other than a sell-on fee) in respect of the registration of any player. The CFRP has therefore expedited this Decision.

II: THE PARTIES

3. Barrow is a Member Club of the Respondent, the Football League Limited trading as The English Football League (“EFL”) and, in the current 2025/26 season, plays in League Two of the EFL competition (“League Two”).
4. The EFL delegates the authority to exercise its rights and powers in respect of the Financial Regulations applicable to Member Clubs to the Club Financial Reporting Unit (“CFRU”). The CFRU is an internal department of the EFL.

III: THE CFRP

5. The Club Financial Review Panel (“CFRP”) is an independent panel comprising two legally qualified and experienced members, two accountancy and audit qualified and experienced members and two football administration experienced members.
6. The panel hearing this matter comprised Jonathan Bellamy (Vice-Chair of the CFRP) as Chair, Nick Igoe as Football Member and Geoff Mesher as Audit Member, each appointed by Sport Resolutions on 7 January 2026 (“the Panel”).
7. The jurisdiction of the CFRP includes the referral by the CFRU of Compliance Matters, Call-in Reviews initiated by the CFRP and the referral by Clubs of CFRU Decision Reviews.

IV: THE CFRU DECISION REVIEW

8. The current matter is a referral by Barrow of a CFRU Decision Review. In this area, the CFRP sits as an independent review body exercising supervisory jurisdiction and operates as a forum and procedure for a challenge to the validity of the CFRU’s decision on the grounds of:

“6.7.1 ultra vires (including error of law); or

6.7.2 irrationality; or

6.7.3 procedural unfairness,

and where the decision directly and foreseeably prejudices the interests of a person or persons who were in contemplation of The League”;

EFL Regulations 2025/26 (“EFL Regulations”) Appendix 6 (Club Financial Review Panel).

9. The EFL Regulations state (Appendix 6, Rule 7.3) that the CFRP sits as an expert panel and not an arbitral panel. In addition, in respect of a CFRU Decision Review, the EFL

Regulations state that the decision of the CFRP is final and binding and not subject to appeal (Appendix 6, Rule 12.2).

10. The questions for the Panel, as an independent reviewing body in this matter, is whether on 2 December 2025 the CFRU was entitled under Regulation 52.6 of the EFL Regulations to impose the following sanctions and, if so, whether either was disproportionate:
 - 10.1. the automatic Fine set out in Regulation 52.6.3(b) on the ground that Barrow was in default on payment to Chester of the fourth and final instalment (“the Fourth Instalment”) of a Compensation Agreement dated 1 July 2024 (“the Compensation Agreement”) for a period of more than 20 days, and/or
 - 10.2. the automatic Fee Restriction set out in Regulation 52.6.3(c) on the ground that Barrow was in Persistent Default in payment to Chester of the Fourth Instalment for a period of more than 30 days.
11. The primary issue for the Panel’s determination is whether, under the terms of Regulations 52.6, Barrow was in default on payment of the Fourth Instalment and, if so, at what time and for what period of time.

V: THE PARTIES’ REPRESENTATION

12. Barrow was represented by [REDACTED]. The CFRU was represented by its administration.

VI: PROCEDURAL HISTORY

13. The procedure applicable to a CFRU Decision Review referred by a Club is set out in EFL Regulations Appendix 6, Rule 6.

14. Barrow submitted its CFRU Decision Report in respect of the CFRU's decision letter dated 2 December 2025 ("the Decision Letter"), with annexed documentation first on 9 December 2025 and with amendments on 12 December 2025. On 19 December 2025 the CFRU submitted its written observations on the amended CFRU Decision Report, together with supporting documentation.
15. Pursuant to Appendix 6 paragraph 6.5.3, on 8 January 2026 the CFRP requested additional documentation from Barrow. This was provided on 12 January 2026.
16. In its CFRU Decision Review Report, Barrow did not state whether it was requesting an oral hearing before the CFRP. By email dated 13 January 2026, Barrow confirmed expressly that it did not request a hearing. In its written observations the CFRU stated that it did not request a hearing.
17. In view of the nature of the dispute and the documentation filed by the parties, the CFRP did not request a hearing. The matter has therefore been determined on the papers.

VII: THE EFL REGULATIONS

18. The EFL Regulations state, so far as is relevant, as follows:

EFL Regulations, Section 1 - General

"Definitions

'club' means any association football club that is not a Member Club"

'Club' means any Association Football Club which is, from time to time, a member of The League ..."

"Member Club' means any Club which is from time to time a member of The League in accordance with The League's Articles of Association and these Regulations."

EFL Regulations, Section 6 – Players

“Conditions of Transfer

- 49.1 *The terms and conditions of all transfers of registration including a copy of the agreement referred to in Regulation 48.2 must be forthwith submitted to The League... Transfers shall not be registered until The League is satisfied that any Transfer Fee or Compensation Fee due at the time of registration has been paid or its payment adequately secured.*
- 49.2 *This Regulation also applies to any proposed amendments to transfers which have already been completed and registered.”*

“Transfer/Compensation Fees Method of Payment

- 52.1 *All Transfer Fees, Compensation Fees and instalments thereof and any subsequent payments which become due under the terms of the original transfer shall be paid direct to The League for immediate onward transmission, where appropriate, to the Transferor Club. Prior to such onward transmission they shall not be paid into the Pool Account but held in a separate Transfer Fee Account.*

...

- 52.3 *All payments under this Regulation shall be paid to The League’s Transfer Fee Account by electronic transfer or by such other means as The League may prescribe.*
- 52.4 *In all such cases of Transfer Fees, Compensation Fee and any subsequent payments which become due under the terms of the original transfer the Transferor Club shall submit to the Club a VAT invoice within seven days of such payment becoming due.*

...

- 52.6 *Without prejudice to any other powers or restrictions set out in these Regulations or as may be ordered by a Disciplinary Commission and/or the CFRP, where any Club defaults on payment of any amounts:*

52.6.1 due to any other Club (or club) (including but not limited to any Transfer Fee, Compensation Fee, Loan Fee, other contributions due pursuant to the terms of any Temporary Loan Transfer, or any subsequent payments which may become due under the terms of any original transfer(s), ticket monies, or other payments pursuant to the terms of any other agreement;

...

for a period of:

(a) 10 days (whether one default of 10 days, or a number of individual defaults which when taken together amount to 10 days) in any 12-month period (1 July to 30 June) then that Club shall receive a written warning from the League;

(b) 20 days (whether one default of 20 days, or a number of individual defaults which when taken together amount to 20 days) in any 12-month period (1 July to 30 June) then that Club shall immediately pay to The League a fine as follows:

(i) Clubs in League 2, the greater of £2,000 or 5% of the outstanding sum due;

...

(c) 30 days (whether one default of 30 days, or a number of individual defaults which when taken together amount to 30 days) in any 12-month period (1 July to 30 June) ("**Persistent Default**") then that Club shall not be permitted to pay or commit to pay any Transfer Fee, Compensation Fee or Loan Fee or any other form of payment (other than a sell on fee) in respect of the registration of any Player during the period:

(i) commencing on the date on which the Persistent Default occurred; and

- (ii) *ending three full Transfer Windows after the Persistent Default occurred (“Fee Restriction”).*

52.6.4 Where a Fee Restriction is imposed under this Regulation 52.6 the Club may appeal to the CFRP via a CFRU Decision Review in accordance with Appendix 6 of these Regulations (within 14 days of the Fee Restriction being applied) such sanction in circumstances where it can prove:

- (a) *any debt counting toward the Persistent Default was not due and owing at that time; or*
- (b) *the sanction applied to it is disproportionate taking into account all the circumstances.”*

VIII: THE FACTUAL BACKGROUND

Chester FC

19. At all material times, Chester has been a non-league club, playing in the National League North.

The Compensation Agreement

20. By the Compensation Agreement the parties agreed the terms of the compensation payment payable by Barrow to Chester for the transfer of the registration of the player [REDACTED], date of birth [REDACTED] (“the Player”).

21. The Compensation Agreement stated that payment of the total sum of [REDACTED] + VAT was to be made in four equal instalments of [REDACTED] + VAT due as follows:

21.1. first instalment on Barrow registering the Player

21.2. second instalment on 1 November 2024

21.3. third instalment on 1 March 2025

21.4. fourth instalment on 1 June 2025 (“the Fourth Instalment”).

22. The Compensation Agreement was expressly governed by the law of England and Wales (Cl.9.3).

The Transfer

23. On 23 July 2024 the EFL confirmed that the registration of the Player previously held by Chester was held by Barrow.

Payment of the instalments

24. Barrow paid Chester the first three instalments as they fell due. Barrow made these payments directly to Chester and not via the EFL Transfer Fee Account.

25. On 2 June 2025 Chester issued an invoice to Barrow for payment of the Fourth Instalment.

26. For cash flow reasons, on 5 June 2025 the Board of Barrow instructed [REDACTED] to seek an extension of time from Chester for payment of the Fourth Instalment.

27. On 6 June 2025, [REDACTED] made an oral agreement with [REDACTED], extending the date for payment of the Fourth Instalment to 1 December 2025. This agreement was supported in evidence before the CFRP by a signed letter dated 20 November 2025 from [REDACTED], and a signed letter dated 2 December 2025 from [REDACTED]. The CFRU does not challenge or call into question the fact or terms of this agreement.

28. Barrow paid Chester the Fourth Instalment on 18 November 2025. The letter dated 20 November 2025 from [REDACTED] stated further that Chester was “*satisfied that payment of the final instalment was received in line with the arranged terms.*”

The CFRU’s Decision Letter

29. By the Decision Letter the CFRU issued its determination that, in respect of the Fourth Instalment, Barrow was in default of payment for 30 days or more (“Persistent Default”) as defined by Regulation 52.6.3. It sanctioned Barrow by a fine of £2,000 under sub-

paragraph (b) on the ground that it was in default on payment for a period of 20 days and imposed the automatic three full transfer window Fee Restriction sanction stated in subparagraph (c).

30. The CFRU's letter stated that, in respect of payment of the Fourth Instalment, Barrow "*has recently accrued more than 30 late payment days for the period 1 July 2025 to 30 June 2026*".

31. In that letter, the CFRU recorded its understanding that Barrow had paid the Fourth Instalment on 18 November 2025.

IX: THE PARTIES' CONTENTIONS

Barrow

Persistent Default

32. Barrow submits that the due date for payment of the Final Instalment was extended to 1 December 2025 by an oral agreement made between [REDACTED] and [REDACTED] on 6 June 2025.

33. It submits that it paid the Final Instalment on 18 November 2025 and therefore within the agreed extension of time for payment.

34. Barrow submits therefore that, under the terms of Regulation 52.6.4(a), there was no debt due and owing at the time that the CFRU issued the Decision Letter on 2 December 2025 and imposed the Fine and the Fee Restriction.

Proportionality of sanction

35. Barrow submits, among other things, that, on the facts of this case, the Fee Restriction is disproportionate. It submits that: it acted in good faith at all times and in the belief that under the deferral agreement the Fourth Instalment was not due until 1 December 2025, it paid the Fourth Instalment before that extended due date, the amount of the Fourth

Instalment was small, it gained no competitive advantage in League Two as a result of any delay in payment, it has an exemplary record with the EFL and has not previously been in breach of any EFL Regulation.

CFRU

Persistent Default

36. The CFRU submits that Regulation 52.6.3, including sub-paragraph (c) often referred to as the 30-day rule, is an important deterrent to prevent Member Clubs from improperly manipulating their cashflow, from over-stretching themselves financially and to prevent a “domino effect” of late payments by one Member Club hampering the ability of another Member Club to meet its own financial obligations. The CFRU’s submissions included a useful background, which it is not necessary to repeat in this Decision, to the incorporation of Regulation 52.6.3 and specifically the 30-day rule in the EFL Regulations and also the procedure for a Club to appeal to the CFRP the imposition of a Fee Restriction by way of the CFRU Decision Review procedure.
37. It submitted that under Regulation 52.6.3(b) and (c) the CFRU had no discretion in the imposition of the Fine in cases of default in payment of 20 days and the Fee Restriction sanction in cases of Persistent Default.
38. The CFRU submitted that, while not challenging the evidence from ██████████ and ██████████ of the oral agreement on 6 June 2025 to extend the time of payment of the Fourth Instalment to 1 December 2025, that agreement was of no legal effect because there was no offer and acceptance, consideration and/or intention to create legal relations.
39. It submitted that for the CFRU to be able to undertake its delegated authority to administer and impose sanctions under the late payment rules in Regulation 52.6, including specifically the 30-day rule in relation to cases of Persistent Default, contemporaneous written evidence of agreements to extend time for payment was required. That evidential requirement would negate the prospect of a Club “suggesting” after the event that oral agreements were made when they were not. It was submitted that the evidence provided

by Barrow in this case did not discharge the onus on it to prove the deferral agreement and therefore that it was not in default on payment of the Fourth Instalment.

40. The CFRU made a point of saying that, in the present case, it did not challenge the fact or date of the oral agreement to extend time for payment of the Fourth Instalment.
41. The CFRU accepts that, when notified by the CFRU on 18 November 2025 that it had not paid the Fourth Instalment on 1 June 2025, Barrow paid the Final Instalment on that day.
42. The CFRU submitted that, because Barrow paid the Fourth Instalment on 18 November 2025, the Club was in default in payment for 170 days: being 29 days in the period 1 July 2024 to 30 June 2025 and 141 days in the period 1 July 2025 to 30 June 2026.

Proportionality of sanction

43. The CFRU submitted, by reference to the previous decision of the CFRP in *Hull City Tigers Ltd v The Football League Ltd*, that the following factors were relevant to the question of proportionality of sanction: the gravity of default by the Member Club, whether the default was knowing/intentional or inadvertent, the consequences that the default had or may have had to the club receiving payment, whether the Member Club accepted or unreasonably disputed the breach, the steps taken to remedy the default in payment, any particular consequences on the Member Club of the three transfer window Fee Restriction, any prior breach by the Member Club of Regulation 52.6.
44. On these points, the CFRU accepted that the amount of the Fourth Instalment payment was small, the alleged default in payment of the Fourth Instalment after 1 June 2025 was not intentional, there were no identifiable consequences to Chester of delayed payment, Barrow paid the sum on the day it was first notified of the alleged default in payment, Barrow obtained no competitive advantage from the alleged default and that Barrow had not been in prior breach of the EFL Regulations.
45. For these reasons, the CFRU expressly accepted that the Fee Restriction was disproportionate.

X: ANALYSIS

46. This analysis does not address each and every submission by the parties. It addresses those submissions the Panel considers relevant to reach its decision.

Regulation 52.6.3(b) 20 day Default – Fine

47. Under Regulation 52.6.4, set out at paragraph 18 above, this CFRU Decision Review is limited to an appeal against the sanction of a Fee Restriction; see “*such sanction*”. It does not include an appeal against the Fine.

48. The CFRP therefore has no jurisdiction to review the Fine imposed in the CFRU Decision Letter.

Regulation 52.6.3(c) Persistent Default – Fee Restriction

Persistent Default

49. A transfer of registration between a Member Club and a non-league club is within the scope of Regulation 49 (Conditions of Transfer). Accordingly, Barrow was in breach of Regulation 49.2 by failing to submit to the EFL in a timely manner, evidence of the amendment to the terms of payment of the Fourth Instalment of the Compensation Fee agreed orally on 6 June 2025.

50. Payment by a Member Club to a non-league club of a Compensation Fee, and the instalments thereof, is within the scope of Regulation 52.1. The definition of Transferor Club includes a transferor club.

51. The Panel understands that, as a matter of practice, such payments by a Member Club to a non-league club are made via the EFL Transfer Fee Account only during the first two seasons after a member Club becomes a non-league club by relegation from the EFL. This practice did not apply to Chester and therefore Barrow paid all instalments due under the Compensation Agreement directly to Chester and not via the EFL Transfer Fee Account.

52. The financial transaction in respect of a transfer of registration between a Member Club and a non-league club is within the scope of Regulation 52.6.3. The text of Regulation 52.6.1, set out in paragraph 18 above, refers to default on payment to “*any other Club (or club)*” and includes Compensation Fees.
53. The CFRP does not accept the CFRU’s submission that contemporaneous written evidence of an agreement to extend time for payment is required to prove such an agreement. Clearly, it would be preferable for a Club to submit to the EFL such evidence where there is such an agreement. However, Regulation 52.6 does not include such an evidential requirement. It is right to note that Barrow should have notified the EFL of the amendment pursuant to Regulation 49.2, but the consequences of such a breach are not stated in that Regulation.
54. The CFRP has received signed written evidence from [REDACTED] and [REDACTED] referred to in paragraph 27 above, that on 6 June 2025 an agreement was made to extend the date for payment of the Fourth Instalment to 1 December 2025. The CFRU did not challenge the fact or date of that oral agreement. In the circumstances, the CFRP sees no reason to reject that evidence and accepts it.
55. The CFRP considers that the evidence establishes the necessary legal elements of a legally binding variation of the due date for payment of the Fourth Instalment. The Compensation Agreement included no clause limiting how it may be varied, such as a requirement of writing, and there was a clear agreement (offer and acceptance). In terms of consideration, Chester was prevented from claiming the Fourth Instalment until 1 December 2025 with no right to claim interest for the extended period and where payment of money between football clubs (League or non-League) is concerned, an intention to create legal relations is readily implied.
56. It follows from Barrow’s and Chester’s evidence that the agreement to extend the time for payment of the Fourth Instalment was made on 6 June 2025 that Barrow accepts that, under the terms of the Compensation Agreement, it was in default on payment of that instalment for the 5-day period from 1 June 2025 to 6 June 2025.

57. Regulation 52.6.4, set out in paragraph 18 above, states that “*Where a Fee Restriction is imposed under this Regulation 52.6 the Club may appeal to the CFRP... such sanction in circumstances where it can prove (a) any debt counting toward the Persistent Default was not due and owing at that time; or (b) the sanction applied to it is disproportionate taking into account all the circumstances.*”
58. It follows from the CFRU’s acceptance that Barrow paid the Fourth Instalment to Chester on 18 November 2025 that Barrow had paid the sum due before the CFRU’s Decision Letter dated 2 December 2025. There was therefore no debt counting toward the alleged Persistent Default due and owing at the date the Fee Restriction was imposed.
59. Further and in any event, the CFRP concludes that, under the terms of the deferral agreement, Barrow was in default on payment of the Fourth Instalment only for the 5-day period from 1 June 2025 to 6 June 2025. This period is less than the 10-day period stated in Regulation 52.6.3(a) for which the automatic sanction is a written warning from the EFL.

Proportionality of sanction

60. The grounds of appeal set out in Regulation 52.6.4 are alternatives. It follows from the Panel’s conclusion in paragraph 58 above that Barrow is not required to prove in addition that the Fee Restriction was disproportionate.
61. The CFRP sees no need or purpose in analysing that alternative ground of appeal and notes only the CFRU’s express acceptance that in the circumstances of this case the Fee Restriction was disproportionate.

XI: DECISION

62. Having deliberated on the parties' evidence and submissions, the Panel decides unanimously that:

62.1. Barrow has proved that no debt counting toward the alleged Persistent Default was due and owing on 2 December 2025, being the date of the CFRU's Decision Letter when the Fee Restriction was imposed;

62.2. the Fee Restriction is of no legal effect;

62.3. the Fee Restriction is set aside forthwith;

62.4. the Fine remains in place.

XII: FURTHER OBSERVATIONS

63. It is outside the jurisdiction of the CFRP to identify the merits of any potential revisions to Regulation 52.6.3 arising from this Decision. This is a matter for the EFL to consider in consultation with the Clubs.

XIII: COSTS

64. Pursuant to EFL Regulations Appendix 6, Rule 10, each party will bear its own costs. The EFL will pay the costs of the CFRP.

XIV: CONFIDENTIALITY AND PUBLICATION

65. The Panel directs that the EFL shall, as soon as practicable, publish this Decision on its website.

J.M. Bellamy

Jonathan Bellamy C.Arb
13 February 2026



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