

# New Law Journal

## Personal injury discount rate “delay”

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**Date:** 04 September 2014

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Personal injury lawyers have slated the Ministry of Justice's (MoJ) decision to “further delay” a promised review of the discount rate.

The discount rate is used to calculate damages for future losses in personal injury claims, taking into account the income a lump sum might produce.

The justice secretary confirmed to the [Association of Personal Injury Lawyers \(Apil\)](#) last week that he will recruit a panel of experts to help him decide the next step.

However, Apil said this would “delay the process further” and accused the government of “dragging its heels”.

Three years ago, Apil brought a judicial review against the justice secretary, who told the administrative court that “his decision will be made as promptly as practicable”. The government consulted on the issue in February 2013. In July, Apil urged the justice secretary again to review the rate and warned it was prepared to start a fresh judicial review if necessary.

Apil president [John Spencer](#) says: “Injured people continue to have their damages unfairly docked by a discount rate which was set 13 years ago when the financial markets were very different.”

However, [David Johnson](#), president of the [Forum of Insurance Lawyers \(Foil\)](#), says: “The government is taking active steps towards addressing the issue of variation of the discount rate but exercising caution and care in its approach.

“It is entirely appropriate that the government should call for a detailed analysis of the realities surrounding the investment of damages awards, before it decides whether to vary the rate and, if so, how.”

<http://www.newlawjournal.co.uk/nlj/content/personal-injury-discount-rate-delay>