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Pressure mounts over court fees proposals

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Lawyers have turned up the heat on controversial government plans to hike court fees by 420%—with the Lord Chief Justice, Bar Council and personal injury lawyers expressing concerns.

The Ministry of Justice (Moj) announced plans in a [written statement last week](#) to introduce a fee of 5% of the value of the claim on claims for more than £10,000, with a cap of £10,000. The Moj raised the maximum fee from £1,670 to £1,920 last April—the proposed cap is therefore an increase of 420%.

In a letter to the Ministry of Justice (Moj), the Lord Chief Justice, Lord Thomas warned there was “likely to be a disproportionately adverse impact on small and medium sized enterprises and litigants in person”. He notes that court fees have to be paid “up front and in full”, and predicts litigants could be driven from the quicker, cheaper Intellectual Property and Enterprise Court, where costs are capped at £50,000, towards the uncapped high court.

The Bar Council warned the increase would either stop many small businesses—already the victim of late payments from large customers such as supermarkets—from pursuing a claim altogether or land them with a hefty court fee. The Civil Justice Council has also voiced concerns.

The issue has even united claimant and defendant personal injury lawyers—both the [Association of Personal Injury Lawyers \(Apil\)](#) and the [Forum of Insurance Lawyers \(Foil\)](#) have raised objections.

[Foil President, Nick Parsons](#) says: “Many individuals and SMEs will struggle to pay the new level of fee to start a claim.

“Foil also foresees the law of unintended consequences coming into play. This decision has been taken as a revenue-raising measure by the State, yet many of the defendants who will eventually end up footing the bill are themselves public bodies; local authorities and the NHS, for instance.

John Spencer, Apil President, says: "This move is bound to discourage people from making valid claims—people who have every right to make them.

"This new regime will dictate that some seriously-injured people will be expected to pay £10,000 up front to bring their cases to court, and many simply won't be able to afford it."

Alistair MacDonald QC, Bar Council chair, said the plans would effectively take the option of court away from small businesses and would "act as a deterrent for smaller companies to challenge their larger customers".

The MoJ predicts the fee increase would raise £120m. The deadline for responses to the consultation, *Proposals for further reforms to court fees*, is 27 February.

<http://www.newlawjournal.co.uk/nlj/content/pressure-mounts-over-court-fees-proposals>