

**FOIL****Prepared by Kysen PR****Date** 23 September 2015  
**Publication** Solicitors Journal (Online)  
**Type of publication** Legal

## Insurance lawyers back court fees exemption in PI claims

LEGAL NEWS | 23 September 2015

**Government risks damaging UK plc with court fee hike, says FOIL**

A proposal to exempt personal injury claims from a further increase in court fees has been backed by the Forum of Insurance Lawyers (FOIL).

Though the Ministry of Justice (MoJ) is proposing another round of significant fee increases, it has recognised that personal injury claimants do not fit into the category of 'large multi-national companies and wealthy individuals' it believes can afford the higher costs.



Following the introduction of new fees in March this year, the cost of starting a case was 5 per cent of the value of the claim. The value was capped at £200,000, making the maximum fee payable £10,000. One of the latest proposals is to remove this cap entirely.

'A personal injury claimant bringing a claim for more than £200,000 will almost inevitably have suffered a life-changing injury and a loss of income and, even with remission of fees, any further increase in court fees is likely to have a severe impact on their access to justice,' said FOIL in its response to the MoJ's consultation on raising fees.

FOIL added that increased fees in PI claims could backfire on the government as the cost burden in successful cases often falls on the defendant, which will include central government, local government, and insurers.

The representative voice of the defendant insurance lawyer community restated its opposition to raising fees, echoing widespread concerns about the impact on access to justice; the disproportionate effect on small businesses; delays and poor service in courts; and the potential of undermining London as an international legal centre.

Highlighting the government's own promotional material, which states that the legal services sector contributed £20.9bn to the UK economy in 2011 alone, the forum remarked: 'FOIL is concerned that the very significant financial advantages which accrue to this country, both direct and indirect, as a result of its popularity as a jurisdiction of choice, are in danger of being damaged.'

### Bargaining positions

FOIL is the latest lawyers' group to come out in opposition to government plans for the court system. Last week the Bar Council warned that higher fees will cause a greater imbalance where one party is wealthier than the other.

The Bar Council argued that the richer party in proceedings will have a stronger bargaining position in any settlement negotiations, or could simply refuse to settle the case, knowing the weaker party would be unable afford to take the case to court because of the higher fees.

Alistair MacDonald QC, the chairman of the Bar, said: 'It goes against every principle of justice that one party should have an unfair advantage over the other in a court case.'

The Chartered Institute of Legal Executives (CILEx) has already warned that the proposals to close 91 courts and tribunals and merge or integrate 31 more, combined with a further rise in court fees, would [cause irreparable damage to the justice system](#), leaving small businesses, landlords, and bereaved families unable to settle disputes.

Meanwhile, the Law Society has said it would be [wrong for the courts to make a profit for the government](#), and that people on low incomes would be stopped from bringing legitimate cases due to the fees regime.



John van der Luit-Drummond is deputy editor for Solicitors Journal  
[john.vanderluit@solicitorsjournal.co.uk](mailto:john.vanderluit@solicitorsjournal.co.uk) | [@JvdLD](#)

<http://www.solicitorsjournal.com/news/litigation/costs/24013/insurance-lawyers-back-court-fees-exemption-pi-claims>