



**Informing Progress - Shaping the Future**

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## Levelling the Playing Fields to Justice

### **In-Depth Analysis of the New English Law that Will Enhance Access to Justice Against Powerful Companies**

The recent unveiling of a new law in England, aimed at bolstering justice for individuals wronged by powerful corporations, marks a significant legal development with far-reaching implications.

This proposed legislation is set to revolutionise the legal landscape, addressing key issues and introducing critical changes to empower ordinary citizens in their pursuit of justice.

Key Legal Issues Addressed by the New Law:

- 1. Third-Party Funding:** The law will facilitate easier access to justice by enabling individuals mistreated by large firms to secure third-party funding for their legal battles.
- 2. Litigation Funding Reversal:** Notably, the UK government plans to reverse a landmark ruling on litigation funding, providing clarity and support for individuals seeking legal recourse against corporate wrongdoings.
- 3. Corporate Investigations Reform:** The Economic Crime and Corporate Transparency Act, part of the legal reforms, redefines criminal liability for corporates, emphasising the prevention of fraud and enhancing compliance programs.

**4. Enhanced Powers to Combat Fraud:** Companies House is rolling out new powers to tackle fraud effectively, aligning with the broader legal reforms aimed at strengthening mechanisms to address corporate malpractices.

The new law on litigation funding in the UK will introduce key provisions that will significantly impact the legal landscape:

Key Provisions of the New Law:

**1. Third-Party Funding Expansion:** The legislation will enable individuals involved in litigation to secure third-party funding for their legal fees, enhancing access to justice for those who lack the financial means to pursue legal action.

**2. Regulation and Acceptability:** The law addresses the regulation and acceptability of litigation funding, acknowledging its importance in providing access to justice and overcoming financial barriers faced by plaintiffs.

**3. Historical Context:** The evolution of litigation funding in England and Wales, from historical restrictions to its mainstream acceptance, is highlighted, emphasising the significant growth and impact of the industry.

Impact on the Legal Landscape:

**1. Market Maturation:** The legal assets sector is witnessing a maturation with new capital entering the market, leading to a shift towards diversified investment models beyond traditional single case funding.

**2. Law Firm Lending:** There is a rise in law firm lending, with specialist legal assets funders becoming attractive partners for law firms, offering funding for various business needs and stages of development.

**3. Continued Dominance of Single Case Funding:** Despite market evolution, single case funding remains dominant in the UK disputes market, with areas like CAT claims and financial services litigation expected to remain prominent.

**4. Regulatory Outlook:** While UK funders have not been subject to third-party regulation, developments in Europe signal potential regulatory changes that could impact the industry, prompting a cautious approach among funders.

In summary, the forthcoming new law on litigation funding in the UK will introduce provisions that expand access to justice through third-party funding while also addressing historical restrictions and regulatory considerations.

These changes are expected to reshape the legal landscape by fostering market maturation, promoting law firm lending, and influencing the dominance of single case funding while keeping an eye on potential regulatory developments both domestically and in Europe.

## Implications and Significance:

The introduction of this comprehensive legal framework will signify a paradigm shift towards a more equitable legal system where individuals have enhanced tools to challenge powerful corporations.

By addressing critical issues such as third-party funding, litigation clarity, corporate liability, and fraud prevention, the new law will aim to level the playing field and ensure that justice is accessible to all, regardless of financial means or corporate influence.

The multifaceted nature of the proposed new law reflects a concerted effort to promote fairness, accountability, and transparency in the realm of corporate governance. By tackling key legal challenges and empowering individuals with enhanced legal protections and resources, this legislation heralds a new era of justice where the rights of individuals will be safeguarded against corporate misconduct.

<https://www.gov.uk/government/news/new-law-to-make-justice-more-accessible-for-innocent-people-wronged-by-powerful-companies>

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