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The Watson Judgment and Implications for PI Litigation

MH Site Maintenance Services Ltd & Anor v Watson EWCA Civ 775 - Analysis & Overview

Court of Appeal (Civil Division) – Judgment Date: 24 June 2025

1. Case Background and Procedural History

The Nature of Claim: This was a Low-value personal injury claim arising from a road traffic accident, processed under the Pre-Action Protocol (PAP) for Low Value Claims in Road Traffic Accidents.

The Claimant was Watson, and the Defendants were MH Site Maintenance Services Ltd and Markerstudy Insurance Services Ltd

The Lower Court Proceedings in the County Court were heard by DJ Baldwin who held that the court had no jurisdiction to make case management directions under CPR 3.1(2) while Part 8B proceedings were stayed pending submission of a Stage 2 settlement pack.

The Appeal to the Circuit Judge was heard by HHJ Wood KC and who upheld the decision.

There followed an Appeal to the Court of Appeal where the Defendants sought to challenge the interpretation of the court's jurisdiction during a procedural stay.

2. The Key Legal Issues

The Jurisdiction During a Stay:

The question was whether the County Court retains jurisdiction to make case management directions during a stay imposed under the PAP and Part 8B.

Furthermore, whether the court's supervisory powers under CPR 3.1(2) are ousted by a procedural stay.

Limitation Stays and Renewal:

The proper approach to the length and renewal of limitation stays.

The Role of the Court in the PAP Process:

The extent of the court's involvement and oversight during the pre-action stage.

3. Court of Appeal Judgment – Key Points

Jurisdiction Confirmed (Coulson LJ):

The Court of Appeal held that the County Court does have jurisdiction to make case management directions by virtue of the Part 8 proceedings, even during a stay.

Coulson LJ, at paragraph 46, emphasised that the court retains a supervisory role throughout the PAP process, preventing parties from using stays to frustrate access to justice or delay proceedings.

Limitation Stays (Andrews LJ):

Andrews LJ's separate judgment clarified that limitation stays should not be indefinite. They must be justified by the circumstances of the case and subject to judicial oversight.

Renewal of Stays: Any renewal of a stay must be supported by cogent reasons and is not to be granted as a matter of routine. The court must actively manage the case to ensure fairness and efficiency.

Case Management Powers:

The judgment reaffirms the court's broad case management powers under CPR 3.1(2), which are not displaced by procedural stays.

The court's role is to ensure the efficient and fair conduct of litigation, even at the pre-action stage.

4. Legal Analysis

Procedural Certainty:

The decision provides much-needed clarity for practitioners and insurers, confirming that the court's jurisdiction is not suspended by a stay in PAP cases.

Judicial Oversight:

The judgment underlines the importance of judicial oversight in low-value claims, ensuring that neither party can exploit procedural technicalities to delay resolution.

Limitation Stays:

The guidance on limitation stays will require practitioners to provide robust justification for any extension, reducing the risk of indefinite or unjustified delays.

The Strategic Implications:

Solicitors and insurers must now be prepared to adequately justify any requests for renewal of stays and to engage with the court's case management directions throughout the life of a claim including any period of stay.

5. Implications for the UK Legal Insurance Industry**Reduced Delays:**

The clarification of jurisdiction and the approach to stays will help hopefully reduce unnecessary delays in low-value claims, benefiting insurers managing large volumes of similar Road Traffic Accident cases.

Enhanced Judicial Control:

The judgment Highlights and strengthens the court's ability to manage claims actively, promoting procedural fairness and deterring tactical delays, particularly in low value Road Traffic Accident cases.

Compliance and Strategy:

Insurers and their legal representatives will need to ensure that all requests for stays are well-founded and that they remain responsive to the court's directions.

The decision may influence how insurers approach case management and settlement strategies in low-value personal injury claims.

A further key point emphasised by the Court of Appeal is that while the court's jurisdiction over pre-action conduct does not arise until proceedings are issued, once proceedings are in place under Part 8B the court may nonetheless order the completion of a pre-action step, such as requiring service of the Stage 2 settlement pack. This ensures that parties cannot take advantage of a stay to prevent necessary steps in the PAP process from being completed.

6. Conclusion

The Court of Appeal's judgment in *MH Site Maintenance Services Ltd & Anor v Watson* is a significant development in the management of low-value personal injury claims. It clarifies the court's jurisdiction during procedural stays, provides authoritative guidance on the handling of limitation stays, and reaffirms the court's supervisory role in the pre-action process. For the legal insurance industry, the decision promotes efficiency, fairness, and certainty, requiring practitioners to be more rigorous in their approach to case management and stay applications.

This decision is of particular importance to all practitioners; both claimant and defendant who are involved in the case management and litigation of low value Road Traffic Accident claims.

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