

Leading PI Solicitor: Ministry of Justice dodged the referral fees 'bullet'

Proposed reforms fail to tackle perverse commercial incentives in personal injury market

London, 29 March 2011– Leading [personal injury solicitor](#) John Spencer has criticised today's proposed reforms to 'no-win, no-fee' legal action by the Ministry of Justice (MoJ) as not going far enough. More specific, the changes fail to take action on the perverse commercial incentives known as referral fees.

The reforms outlined today are in response to the comprehensive review of civil litigation costs undertaken by Lord Justice Jackson, completed in January 2010. In his report, Jackson recommended that referral fees be 'scrapped' because they 'offer no real value to the process' for claimants.

According to Spencer, the MoJ's failure at this juncture to tackle the issue of referral fees – the controversial charges paid by solicitors to insurers and others for obtaining personal injury cases – is a serious oversight, as it represents a major factor in the creation of the dysfunctional personal injury marketplace.

Spencer, who is a Director of CS2 Lawyers, said:

"The MoJ have disappointingly failed to simultaneously tackle the critical issue of referral fees. Many insurers and other organisations charge solicitors fees for introducing clients– essentially 'selling' accident victims to the highest bidder.

"In his report, Lord Justice Jackson unfortunately ignored evidence that such insurer behaviour substantially increases costs. The MoJ proposals are guilty of the same oversight. I believe that a more comprehensive approach is needed to tackle a system which has resulted in a 'merry-go-round' of warped incentives and profiteering.

"In the end, only a genuine industry-wide commitment to challenging deeply entrenched commercial interests and eliminating elements which add no value to claimants is the only real solution to guarantee access to justice and the protection of clients."

A qualified solicitor since 1985, John Spencer is a leading authority in the personal injury marketplace and a steadfast advocate for protection of claimants. He is a member of the Association of Personal Injury Lawyers, where he has been a Fellow since 2006, and is a Law Society PI Panel Member. He has served as Chairman of the Motor Accident Solicitors Society (MASS) and is its RTA Portal Co Director as well as a member of its Management Committee. As part of a Transport Committee investigation into motor insurance costs, John provided testimony and evidence on 9 November 2010.

ENDS

Notes to editor

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CS2 Lawyers is a specialist claimant personal injury practice employing 140 staff in its Derbyshire and Hampshire offices.