

Personal injury cases auctioned off to the highest bidder

Law firm Spencers Solicitors lifts the lid on questionable and 'de-humanising' insurer practice of injured persons auctions

LONDON, 28 May: Personal injury cases are auctioned off to the highest bidder by insurance companies, Spencers Solicitors has revealed today.

This shocking revelation is at the heart of a new campaign launched by Spencers in an attempt to rid the personal injury system of questionable practices undertaken by insurers and other industry players.

For years, insurers have been selling personal injury cases to solicitors for 'referral fees', essentially a commission which lawyers must pay to represent individual claimants. In its worst guise, insurers conduct referral fee auctions amongst solicitors for bundles of cases. The 'price tag' of these case bundles is likely influenced by the degree of injuries sustained by specific cases, essentially putting people's misery up for sale to the highest bidder.

The campaign features a microsite – www.injuryauction.co.uk – with additional information and an interactive game, all designed to shine the spotlight on how the system works and encouraging consumers to challenge their insurer to end the practice immediately.

John Spencer, Director of Spencers Solicitors, said:

"The auctioning of personal injury claims is yet another representation of just how morally bankrupt the personal injury system is in the UK, and is a distasteful de-humanisation of the suffering of injured people. Although such auctions may be a perfectly legal and on the face of it a commercially astute way to conduct business in this industry, we believe it is ethically questionable as well as morally repugnant.

"Sadly, such practices are symptomatic of our times, whereby financial gain and profiteering by all players within the current PI system – insurers, claims management companies and solicitors among them – have been put far above the rights and needs of injured persons. This fundamental misstep is not only a direct threat to access to justice for injured persons, it is also a key reason behind the eye-opening escalation of motor insurance premiums for all.

"We are urging consumers to spread the word about this distasteful practice, and implore their insurer to bring it to an end well ahead of the introduction of the ban on referral fees next year."

Although referral fees themselves are set to be banned through the Legal Aid, Sentencing and Punishment of Offenders Act, the practice – including related activities such as injury auctions – can continue unabated until April 2013 and there is widespread uncertainty whether the ban itself will be sufficient to stamp out the practice.

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Notes to Editor

Based in Chesterfield, Spencers Solicitors Limited (www.spencerssolicitors.com) is a [leading personal injury claimant law firm](#).

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