

PRESS RELEASE**EMBARGOED TO WEDNESDAY 15 JUNE 2016****RISE IN COSTS AFFECT LONDON'S STATUS AS INTERNATIONAL LEGAL HUB**

Emerging concerns about threats to the UK's position as the jurisdiction of choice for international litigation brought on by the twin forces of higher court fees and increasing disclosure costs, have been revealed by the latest poll of London's heavyweight litigators.

Anecdotal evidence that the perceived expense of litigating in England & Wales is affecting client considerations has been flagged by respondents to the latest London Solicitors Litigation Association (LSLA) Trends in Litigation Survey, conducted jointly with New Law Journal.

Increased court fees were said by over 60% of respondents already to have affected clients' decisions about whether or not to commence proceedings, and 87% of respondents predicted they would affect future decision-making. The impact was being felt by businesses of all size, with the front-loading of fees proportionate to the value of the case in dispute being unaffordable for smaller businesses and troubling to big business. Costs budgeting was also shown to have driven up litigation costs.

LSLA members expressed concern that the hike in court fees now stood in the way of access to justice for smaller businesses, and was undermining the major international work which is seen as such a strong contributor to the Treasury.

Far from the reforms of recent years driving down costs, more than 82% of respondents said costs would continue to increase in the next five years.

Another area of concern among respondents from the 2,000-member LSLA was disclosure costs. Views were evenly split on the courts and Civil Procedure Rules' (CPR) current approach to e-disclosure. It was clear, however, that there was much further to go in achieving a level of co-operation between litigating parties and with the courts to ensure the scope and cost of disclosure was kept at sensible, practical levels.

Ed Crosse, President of the LSLA, commented: "Front-loading of the increased court fees has delivered a heavy blow to commercial litigation, especially to smaller businesses which now feel deterred from pursuing legitimate claims. It's also leading to more shopping around by larger businesses who are baulking at the increasing cost of litigating here. It would have been fairer to have sought to generate this increased income during different phases of the litigation thus better aligning fees with the status of the case.

“There are positives to come out of our survey too with summary assessment of costs by trial judges seen as welcome subject to a proper examination of its relationship with budgeting. The recent *Pyrrho Investments* ruling around the use of predictive coding in e-disclosure is also seen as a progressive move.”

Survey highlights:

- More than 60% of respondents were from firms with teams of more than 20 litigators
- Over 65% said increased court fees had affected clients’ decisions to commence proceedings
- 87% said increased fees would influence clients’ decision-making in future
- Over 80% saw litigation costs increasing in the next five years
- 80% said costs budgeting had driven up costs overall
- Just over 80% predicted a continued growth in litigation-only firms
- There was a 50/50 split on views about whether the courts’ approach to e-disclosure is working

Ends

Notes to Editors:

LSLA: London Solicitors Litigation Association represents the interests of a wide range of civil litigators in London. It has 2,000 members among all the major litigation practices, ranging from sole practitioners to large international firms. It provides a strong and effective voice for litigators in law-defining consultations and debate.

<http://www.lsla.co.uk/>

New Law Journal: New Law Journal is the leading weekly legal magazine keeping practitioners up to date with the latest news and developments in the legal sector and keeping them abreast of all changes in case law. <http://www.newlawjournal.co.uk/>

The Survey: The Survey was conducted in the Spring of 2016. Results are based on responses from 142 individuals.

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