

LSLA

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Court fees rise will hurt business

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LSLA issues warning over 12-fold hike in commercial court fees

Senior business lawyers have issued a stern warning about Ministry of Justice (MoJ) proposals to [hike fees nearly 12-fold in commercial courts](#).

The [London Solicitors Litigation Association](#) (LSLA) say the increase would jeopardise the ability of small and medium sized businesses to pursue bad debts or settle contract disputes. They say the impact of the proposals has been made worse by the additional upfront costs arising from the Jackson reforms—skewing the costs-benefit balance so that companies will be more likely to write off losses than seek redress.

The MoJ recently proposed that civil and commercial courts become self-financing with extra money raised from commercial cases to subsidise family court costs.

In its consultation, *Court Fees: Proposals for Reform*, it suggests the issue fee for a £400,000 commercial claim in the Rolls Building, currently £1,670, should rise to £20,000.

However, the LSLA opposes the rise and has argued that fees should be high enough to deter time-wasters but low enough not to be a barrier. It is concerned that “by viewing high value international commercial litigation conducted in London as a cash cow to be milked at will, the MoJ will drive work into the arms of competitor jurisdictions such as New York and Singapore”.

LSLA President [Francesca Kaye](#) says: “No one should be priced out of civil litigation from the outset. “All but the biggest UK businesses would suffer if these increased charges are driven through. Charges would be the same for multi-million pound claims as for the lower value claims that individuals or SMEs might make, weighting the system heavily in favour of multinationals but penalising the businesses which are the lifeblood of our economy.

“The last thing SMEs need is more risk. Neither this nor ramping up fees for international cases make commercial sense for government or business. The courts play a vital role in the economy and should be enabled to be effective.”

The LSLA also opposes the idea that business court users should subsidise other court users. Kaye says: “It seems inconsistent to increase fees in the civil courts but standardise, or even reduce, fees in other areas.”