

DEPARTMENT OF HEALTH PRESS RELEASE

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Government to cap excessive legal fees in clinical negligence cases

Excessive legal fees charged by lawyers in clinical negligence claims could be capped as part of Department of Health plans to save the NHS up to £80 million a year. Health Minister, Ben Gummer, has today outlined the plans following a letter to the Master of the Rolls.

In 2013/14 claimant lawyers charged the NHS Litigation Authority (NHS LA) £259million in legal fees for clinical negligence claims.

Currently, there is no limit on legal fees even if the compensation claim is small, meaning lawyers can claim extortionate fees for low-cost cases.

In one case, a lawyer pocketed £175,000 while the patient received just £11,800 in damages.

In another, the legal bill was more than £80,000 while the patient only received £1,000 – the legal bill was later reduced to less than £5,000 by the courts after a successful challenge by NHS LA. Taking cost claims to courts is a time and cost-consuming process in itself and could be avoided if fixed costs are introduced.

NHS LA has saved the NHS more than £74 million by challenging excessive legal costs in 2013/14 but these new DH proposals to put strict limits on legal bills will help them further.

Proposals include fixing legal costs for claims up to £100,000. The lawyer's fee would reflect a percentage of the compensation received by the patient so that it is proportionate.

Limits have already been introduced for other areas of personal injury claims such as road traffic accidents and employers' and public liability.

The detailed proposals are being considered by Ministers ahead of a formal consultation in the autumn. These plans follow recent announcements by DH on other tough new financial controls to cut down on waste in the NHS and save money which could be spent on patient care.

Health Minister, Ben Gummer said:

“Safe, compassionate care is my upmost priority and to achieve this, the NHS must make sure every penny counts. Unscrupulously, some lawyers have used patient claims to load grossly excessive costs onto the NHS and charge far more than the patient receives in compensation.”

“These financial controls will ensure money is pumped back into patient care.”