

## What is TPLF?

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Third party litigation funding (TPLF) is where financial firms (for example, hedge funds and private investment firms) that have no direct connection to a legal dispute invest in the case. These firms identify cases where there is likely to be a large recovery and pay the associated legal and administrative fees on behalf of the claimants. If the case is successful, the financial firm funding the case claims a significant share of the financial recovery awarded to the claimants (generally 30%-40% of the recovery). If the case is unsuccessful, the funder and the claimants get nothing.

Originating in Australia, the industry has spread globally, with the principal area of growth taking place in the prosecution of complex torts of business disputes and class action litigation.

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BritainThinks surveyed 1,261 members of the public in England and Wales\* between 31st July and 4th August 2015 using an online survey methodology.

*\*The survey focuses on the population of England and Wales (rather than Great Britain or the United Kingdom) because of significant differences between the legal system in Scotland and Northern Ireland compared to England and Wales.*

*For the full survey, please visit [justicenotprofit.co.uk](http://justicenotprofit.co.uk).*

## About Us

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The Justice not Profit campaign opposes the Government's introduction of U.S.-style "class action" lawsuits into the UK legal system. It also highlights the dangers of a growing and unregulated third party litigation funding industry. We believe the integrity of our legal system is now under serious threat.

The Justice not Profit campaign seeks to build a broad coalition of support to call on the Government to stop those who exploit the civil justice system for profit and to protect consumers and businesses alike.

*Justice not Profit is backed by the U.S. Chamber Institute for Legal Reform, a not-for-profit public advocacy organization affiliated with the U.S. Chamber of Commerce.*

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# A LOOK INTO THE PERCEPTION OF CIVIL JUSTICE & LITIGATION & FUNDING IN ENGLAND & WALES &



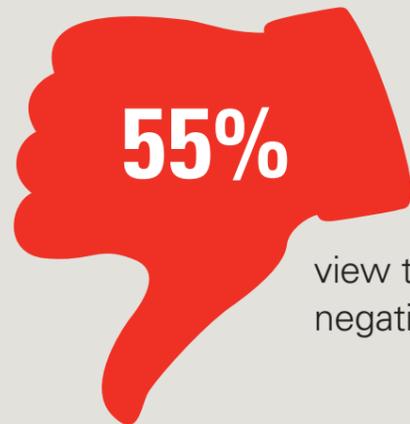
# CIVIL LITIGATION SYSTEM BECOMING INCREASINGLY AMERICANISED

A majority see the civil litigation system as becoming increasingly Americanised.

- Agree
- Don't know
- Disagree

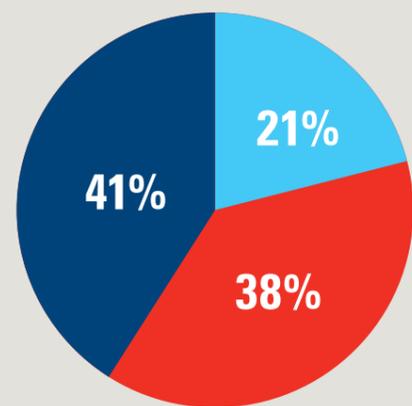


AND...



55%

view this trajectory negatively.



**ONLY 21%** believe the civil litigation system is moving in the right direction.

- Moving in the right direction
- Don't know
- Moving in the wrong direction

## WHY IS CIVIL LITIGATION ON THE RISE?

People are too quick to sue for minor reasons.

More people are being encouraged to sue.

# A GROWING COMPENSATION CULTURE

**83%** believe the compensation culture is growing because individuals are not taking responsibility for their own actions.

**79%** feel small businesses and employers face a growing threat of being sued.

**77%** believe there is a new breed of 'ambulance chasing lawyers' that are out for all they can get.

**66%** believe the legal system has less integrity than it used to have.

*"It seems that everyone is claiming for the smallest thing... even family and friends can be sued over the silliest thing."*  
-Survey Respondent

*"...people are being encouraged to extract money from companies and other people... this all came from the USA..."*  
-Survey Respondent

THE COMPENSATION CULTURE BREEDS LITIGATION FUNDING



63%

think the increase of third party litigation funding is a bad thing.

# LITIGATION FUNDING IS PROBLEMATIC

## THE PUBLIC'S BIGGEST CONCERNS ABOUT TPLF:



These firms only fund the cases that they think they can win, not the cases they think are just.



Third party litigation funders exist to make a profit, not to deliver justice.

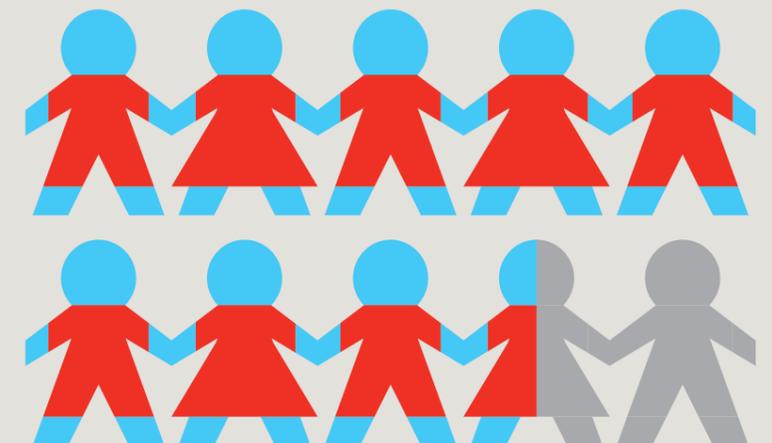


Financial firms fund the cases that will make them the most money.



Third party litigation funders do not care about consumers' best interests.

**84%** want the litigation funding industry to be independently regulated.



## HOW SHOULD TPLF BE REGULATED?

**84%** want a mandatory code of conduct with meaningful penalties.

**81%** want a cap on the fees funders can charge and a proportion of the recovery they can claim.

**77%** want government licensing of all third party litigation funders.