

Ralli Ltd

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Civil Liability Bill Receives Royal Assent

The Civil Liability Bill was granted Royal Assent earlier today (20 December 2018).

The Civil Liability Act, which began its journey through Parliament in March of this year, has completed all the parliamentary stages in both Houses and received Royal Assent from Her Majesty the Queen, thus becoming an Act of Parliament.

The reforms will introduce a damages tariff for road traffic accident claims and to raise the small claims limit to £5,000 in road traffic cases and £2,000 in other cases. The raising of the limit to £5000 is a 500% increase on the present limit of £1,000 for personal injury claims.

Furthermore, the Act requires that the first review of the Discount Rate will commence within 90 days of Royal Assent. The Lord Chancellor will then set the Discount Rate at least every 5 years with the assistance of independent advice.

Because of these reforms, the vast majority of road traffic victims will not bother to claim for their injuries. Those that do go through the new process will likely under settle significant claims without appreciating the implications of full and final settlement.

Under these modest levels of damages, it would be inconceivable for lawyers to undertake this type of work, which will then likely be done by unregulated claims management companies.

Ralli Director James Reilly reveals that "these unnecessary reforms were instigated by George Osborne and pushed through without forensic analysis of how the LASPO reforms of 2013 had already affected the provision of legal services in many areas. There was absolutely no reason for such draconian changes to be implemented, when all the evidence including that of the DWP was that the number of claims particularly RTA was dropping significantly. Now insurers and big business will make substantial savings and thereby increased profits which will not be passed on to the British consumer. The recent super complaint regarding loyal consumers being ripped off by insurers amongst others is indicative of how these reforms will play out. Unfortunately one expects the Government to stand up for the rights of the common man and not be an engine for increased profits for the few."