

No win no fee explained

No win no fee effectively means if you don't win your claim you will not have to pay a solicitor's fee for acting. Client's sign a Contingency Fee Agreement (CFA) with the solicitor's firm which transfers the risk of an unsuccessful claim from the client to the solicitor.

Whilst acting under a CFA no fees will be charged to the client and even if the personal injury claim is unsuccessful no payment will need to be made to the solicitors or the other side. Any award of costs to the Defendant is covered by a type of insurance policy taken out by the solicitors on the client's behalf.

If the claim succeeds the solicitor's costs are recovered from the Defendant and are not taken from the compensation awarded. The Claimant's solicitor notifies the Defendant that their client is acting under a CFA which places the Defendant on notice that they will be liable to pay the Claimant's solicitors costs upon liability being admitted.

Unlike in America where contingency fee agreements allow solicitors to take a percentage of the Claimant's compensation, the system operated in England and Wales differs in that the compensation awarded to a personal injury Claimant remains theirs in its entirety.

No win no fee CFA were brought in to replace legal aid for personal injury claims. They operate to reduce the burden on the state funded legal aid system in civil claims. As such, they are encouraged and are highly regulated to ensure Claimant's are not left facing heavy legal bills.

Because of the risks involved to solicitors in not succeeding in personal injury claims all potential claims are assessed before they are taken on under a CFA. Initial consultations and evaluations are free and only when a good claim is established will a CFA be entered into. This reassures both the solicitor and client that pursuing a claim for compensation is worthwhile with a reasonable prospect of success.

The full details of a CFA are explained to a potential client before they are entered into and signed. If during the life of a CFA the solicitor decides to discontinue acting for the client, which is unlikely, the client will be free to walk away from the agreement and will not be liable for the works carried out.