

## **Conditional Fees System to Change**

Conditional Fee Agreements (CFAs), also referred to as 'no win, no fee', were introduced five years ago and represented a massive change to the way much litigation was conducted. Most personal injury litigation is now funded by 'success fees', which are recoverable from insurers if the case is successful, and 'after the event' insurance, whereby insurance cover is purchased that will pay the fees if the case is unsuccessful. Needless to say, there have been teething problems and the agreements themselves can be rather complex.

The Department for Constitutional Affairs therefore undertook a consultation exercise which has led to proposals to simplify the regulatory regime for CFAs. As a result, from 1 November 2005 CFAs will be dealt with under a new system for which the Law Society will issue new professional conduct requirements and a new, simplified model agreement.

The intention is to help make CFAs a simpler product and in particular to help clients understand better the agreements they enter into and the risks they could face in contemplating litigation. Says Andrew Greenwood, "Safeguards for clients will be enhanced as responsibility for proper advice rests with the solicitor. Both clients and solicitors should welcome the changes, which will make the process of using CFAs simpler for all concerned."