

Costs of Litigation

Litigation has a reputation for being expensive but that doesn't have to be the case. We recognise that businesses can be severely affected by the costs of pursuing or defending claims. The purpose of this article is to explain a bit more about how costs work and how to ensure that your business gets value for money.

Who pays the costs?

The general presumption is that the unsuccessful party to a claim pays the successful party's costs. Without proper advice on your prospects of success at the outset of a dispute, or without proper representation in ongoing proceedings, you may not only lose your case, but you may also be liable for the other side's costs. On the other hand, if you are properly advised and are successful in your case, you will also be able to recover the majority of the costs you have incurred.

Costs recovery

However, it must be borne in mind that generally the successful party will not recover all of the costs they have incurred. The court typically assesses costs on the 'standard' basis which usually results in the successful party being awarded between 60% and 70% of their actual costs. In extreme and unusual situations the court can order that costs be assessed on the 'indemnity' basis; for example when one party has acted unreasonably in the conduct of the case.

As such, it is obviously important to keep costs manageable and proportionate throughout any dispute. At Russell-Cooke we ensure that our clients are fully aware of any costs they have incurred by providing a detailed estimate of costs at the outset of litigation and discussing fees and expenses with clients on an ongoing basis.

Funding

Previous articles have discussed in detail the various funding options available to Russell-Cooke clients. These may include conditional fee agreements, fixed fees and deferred fee agreements.

If you need any advice in relation to a dispute, or have any queries in relation to this article please contact:

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