

Government reveals plans to divert thousands of civil legal disputes away from court

- Claims under £10,000 would be diverted automatically to mediation
- 272,000 more people every year could be helped to resolve disputes outside court
- Move would free up vital court capacity to deal with more complex cases quicker

Ministers have published a blueprint for major reforms to the civil justice system which seeks to save people the cost, time and stress of lengthy courtroom battles.

It will see mediation made compulsory for small claims of up to £10,000, such as disputes over goods and services. People would be referred automatically to a free hour-long telephone session with a professional mediator provided by HM Courts and Tribunals Service (HMCTS) before their case can be progressed to a hearing.

During the session the parties involved will speak separately to the mediator to see if there is a common ground between them. If a solution is brokered, both parties will agree over the phone for it to be made legally binding through a settlement agreement.

It is expected that up to 20,000 extra cases every year could be settled away from court under these proposals – sparing people the time and cost of litigation. This would also free up vital court capacity with up to 7,000 judicial sitting days being available to help reduce waiting times for more complex cases which require a hearing. Overall around 272,000 people should be able to access the free mediation.

Justice Minister Lord Bellamy QC said:

Millions of businesses and individuals go through the civil courts every year and many of them simply do not need to.

Mediation is often a quicker and cheaper way of resolving disputes and under our proposals this will be free of charge for claims up to £10,000.

This could also help free up vital capacity in the civil courts to deal with more complex cases quicker.

The proposals are set out in a Government consultation published today. They form part of wider efforts to promote the use of mediation and help people resolve their disputes away from the courtroom – with Ministers committed to making these services a key part of the justice system.

The move follows a government call for evidence which examined how dispute resolution services, such as mediation, could be used more widely to resolve disagreements away from court. It found that mediation often offered faster, cheaper and more flexible solutions, but more needs to be done to encourage its use.

Federation of Small Businesses (FSB) National Chair Martin McTague said:

We support a more accessible, fair and affordable dispute resolution system. These proposals are a step in the right direction to help speed up access to justice, and to avoid expensive litigation for small claims.

Automatic or mandatory mediation has been in use in three Canadian cities in Ontario for over 20 years, and a recent survey of Ontario Bar Association members showed that 90 percent of respondents favoured expanding it further.

Jennifer Egsgard, an executive member of the Ontario Bar Association's Alternative Dispute Resolution Section said:

A major early study on Ontario's mandatory mediation programme showed that it significantly reduced the time taken to dispose of cases, decreased costs to litigants and led to a high proportion of cases being completely settled earlier in the process.

It also found that both the people and lawyers involved in these cases experienced considerable satisfaction with the process.

The Government welcomes views from court users, mediators, the legal profession, the judiciary, the advice sector, and anyone with an interest in the resolution of civil disputes.

The consultation will last 10 weeks and a response will be published in due course. The proposals would not include personal injury or housing disrepair claims.