

Press release: Crackdown on fake holiday sickness claims

Plans to clamp down on bogus holiday sickness claims have been announced by ministers today.

The move follows concerns from the travel industry that more and more suspected false insurance claims for gastric illnesses like food poisoning are being brought by British holidaymakers, partly fuelled by touts operating in European resorts.

Advice from the travel industry shows the upsurge of claims in this country – reported by the industry to be as high as 500% since 2013 – is not seen in other European countries, raising suspicions over the scale of bogus claims and damaging our reputation overseas.

Due to the reported increase in claims, and as many tour operators appear to settle them out of court, the costs to the industry are increasing.

This is raising fears of higher package holiday prices for the majority of law-abiding holiday makers.

A major barrier to tackling the issue is that these spurious claims are arising abroad. Legal costs are not controlled, so costs for tour operators who fight claims can be out of all proportion to the damages claimed.

Ministers today said they want to reduce cash incentives to bring spurious claims against package holiday tour operators. Under these proposals tour operators would pay a prescribed sum depending on the value of the claim, making the cost of defending a claim predictable.

Justice Secretary David Lidington said:

Our message to those who make false holiday sickness claims is clear – your actions are damaging and will not be tolerated.

We are addressing this issue, and will continue to explore further steps we can take. This government is absolutely determined to tackle the compensation culture which has penalised the honest majority for too long.

A system to control costs already exists for most personal injury claims in England and Wales, but a loophole is being exploited in foreign holiday claims.

To prevent this ministers have asked the Civil Procedure Rule Committee, which is responsible for setting rules on legal costs, to urgently look at the rules governing the costs of holiday claims. As a result of these

proposed changes, fixed recoverable costs can be extended to cover claims arising abroad, closing the loophole and meaning that pay-outs for tour operators will be subject to stricter controls.

The vast majority of holidaymakers will not make false claims, and those with genuine claims will still be able to claim damages. But these changes will crack down on those who do make bogus claims and help stop the price of package holidays soaring for the honest majority.

In addition to today's action, ministers will ask the Civil Justice Council in the coming weeks to look at the rules around how low value personal injury claims more generally are handled to reduce the incentives to bring claims lacking merit.

The government will also be bringing forward proposals to tackle the continuing high number and cost of whiplash claims via the Civil Liability Bill.

Further information:

- Holidaymakers should be reminded that they could face up to 3 years in prison if found guilty of making a fraudulent claim.
- A system of Fixed Recoverable Costs already exists for most personal injury claims in England and Wales, limiting the legal costs that are paid out. This does not currently apply to a tour operator if the incident happened abroad, however.
- Costs for tour operators who are unsuccessful in challenging a claim arising abroad are uncontrolled and can be out of all proportion to the damages claimed. Extending Fixed Recoverable Costs to cover these means tour operators would instead pay a prescribed sum depending on the value of the claim, making the costs of defending a claim predictable.
- We have been liaising with the Association of British Travel Agents and other industry representatives to understand the underlying problems and identify the most appropriate and effective response. In addition to today's action to close this loophole, we will be calling on the travel industry and others to come forward with further evidence. This Call for Evidence will aim to gather robust data on the volumes and costs of claims, which will help inform further action from government and industry to tackle the issue. The government is committed to tackling all fraudulent claims. The Claims Management Regulator has taken significant steps in this area and the Claims Management Regulator and the Solicitors Regulation Authority are working together to this end.
- [The Civil Procedure Rule Committee](#) was set up under the Civil Procedure Act 1997 to make rules of court for the Civil Division of the Court of Appeal, the High Court and the County Court. The Civil Procedure Rules set out the practice and procedure to be followed.