

News

Mass claims guidance

06 June 2024

As demonstrated by the various warning notices we have issued in recent years, how mass claims are handled is an issue of ongoing concern. Mass claims can help people access legal services, and enforce their rights, but such claims need to be handled properly.

Last month, we warned about concerns of [firms involved in financial product mis-selling](https://rules.sra.org.uk/sra/news/press/2024-press-releases/mass-claims/) [<https://rules.sra.org.uk/sra/news/press/2024-press-releases/mass-claims/>]. The Financial Conduct Authority (FCA) and the Financial Ombudsman Service (FOS) had highlighted this area as a risk in light of increased claims for compensation following [car finance being arranged at higher rates of interest than were needed](https://www.theguardian.com/business/2024/mar/14/car-finance-mis-selling-unlikely-to-reach-ppi-scandal-levels-says-uk-watchdog) [<https://www.theguardian.com/business/2024/mar/14/car-finance-mis-selling-unlikely-to-reach-ppi-scandal-levels-says-uk-watchdog>].

Among the issues we have asked you to guard against are making sure you get proper instructions from clients, and staff are supervised properly. The concerns of the FCA and FOS added to matters brought to our attention by some clients based on their experiences of claims, for example:

- firms starting to act, and generate costs, before gaining a client's consent
- poor due diligence during client onboarding leading to low quality and/or inaccurate claims being progressed
- prospective clients being identified by third party 'door knocking' exercises
- failures to act promptly or adequately in response to client instructions.

Alongside that warning notice we [also published wider guidance](https://rules.sra.org.uk/solicitors/guidance/claims-management-activity/) [<https://rules.sra.org.uk/solicitors/guidance/claims-management-activity/>] for those working in the mass claims sector. In addition to the issues covered in the warning notice, it covers wider areas such as working with third parties, levels of charges, and specific issues including the need to explain to clients the nature of after-the-event insurance used in 'no win, no fee' cases.

The guidance also builds on common themes from our previous guidance and warnings, which covered different types of claims such as payment protection insurance, holiday sickness and personal injury. Regardless of

the type of claim, the types of issues and inappropriate practices we are concerned about are typically similar.

Whatever mass claims area you are working in, your obligations are clear – and that includes acting in the best interests of each client.

We expect you to treat clients as individuals, not just a number within a group. Communicate with them clearly, give them a proper assessment of their specific case and related decisions to be made, and obtain informed consent before taking any actions in their name.

[Go to the guidance on mass claims.](https://rules.sra.org.uk/solicitors/guidance/claims-management-activity/)

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