

25 April 2016

Ferguson Litigation Funding launches at IPA Annual Conference

Ferguson Litigation Funding announced its company launch at the Insolvency Practitioners Association (IPA) Annual Conference. The new litigation funder hosted the afternoon drinks reception at the event on 21 April 2016.

The firm has launched in response to new regulation – The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO) – which has made it increasingly difficult for liquidators to bring claims against rogue directors or debtors of failed businesses due to the prohibitive cost of litigation.

Ferguson Litigation Funding will fund legal and other costs associated with a claim in return for an agreed share of any successful return. If there is no recovery, or if the claim is lost, no debt is repayable as it provides protection for the claimant by assuming the risk.

The team behind the new limited company is well established in the insolvency sector, its sister company is specialist law firm Ferguson Financial Solicitors. From its base in Peterborough, and under the leadership of Maurice Power, Ferguson Litigation Funding will provide funding solutions to insolvency practitioners across the UK.

Maureen Leslie, President of the Insolvency Practitioners Association, commented:

“I am delighted that Ferguson Litigation Funding chose to launch their new company at our annual conference. We are always looking for service developments which might benefit our members and we were happy to provide a platform to Ferguson. Following the Jackson reforms, litigation funding is a hot topic at the moment and one in which our members have a significant interest.”

Charles Ferguson, Chairman at Ferguson Litigation Funding, said:

“We are excited to launch our new venture into the market, addressing the pertinent need of liquidators, individuals and corporates seeking the funds to pursue a claim that would otherwise be cost prohibitive. It is a significant step forward for us and I would like to thank the IPA for its support and enabling us a platform to launch the business at their esteemed conference.”

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Notes to editor:

The first image supplied is the Ferguson Litigation Funding logo.

The second image supplied is of the company partners at the IPA Annual Conference, from L to R: Steve Clark, Director, Maurice Power, General Manager, Charles Ferguson, Chairman, Jonnie Jones, Finance Director, Chris Jones, IT Manager

About Ferguson Litigation Funding:

<http://fergusonlitigationfunding.co.uk/#what-we-do>

Ferguson Litigation Funding brings together experts from the legal and finance sectors to provide third party funding to liquidators, individuals and corporates who are unable to pursue a claim due to the prohibitive cost of litigation.

From April 1st 2016 insolvency litigation became subject to the costs regime imposed by the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO). Thus abolishing the recoverability of solicitor success fees and after-the-event insurance premiums from losing defendants, and making it increasingly difficult for liquidators to bring claims against rogue directors or debtors of failed businesses.

As a Ferguson Litigation Funding will make available funds to pay legal and other costs associated with a claim in return for an agreed share of any successful return. If there is no recovery, or if the claim is lost, there is no debt to repay as it provides protection for the claimant by assuming the risk.

What is Litigation Funding?

Litigation funding is where a third party provides the financial resources to enable costly litigation cases to proceed. The claimant obtains all or part of the financing to cover its legal costs from a private commercial litigation funder, who has no direct interest in the proceedings. In return, if the case is won, the funder receives an agreed share of the proceeds of the claim. If the case is unsuccessful, the funder loses its money and nothing is owed by the litigant.

Because the litigation funder's return is tied to the success of the case, funders will risk assess all cases and will only look to fund cases with good prospects of success. The funder's share of the proceeds of a successful case is negotiated with the claimant at the outset. This financial reward typically consists of either a percentage of the damages recovered, or a multiple of the amount advanced by the funder, or a combination of the two.

This financing option provides a valuable means of access to justice for claimants who may not have funds available for potentially costly, yet valid, claims. Litigation funding provides a cost-effective financing tool for claimants, and solicitors in England & Wales are now obliged to explain its existence and function to their clients so that they can take it into consideration when planning the funding of a case.

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