

Don't bank on it

The financial services sector no longer generates the most English High Court disputes

As part of our assessment of the future of dispute resolution, we scrutinised English High Court data from analytics provider Solomonik, covering more than 25,000 claims and 4,500 judgments over the past six years.

Combing through the data reveals patterns, confirms some suspicions and challenges a few received wisdoms about the realities of litigating in London. It also offers clues to the future trajectory of litigation as we enter 2021.

When it comes to litigation in the English High Court, one sector has reigned supreme: banking. Between 2015 and 2019, banks and other industry players accounted for 19% of all claims in the English High Court. Only two other sectors – construction and real estate – even made it into double digits.

Banking has relinquished its control of this most undesirable of titles, however, with its share of English High Court litigation dropping to 13% in 2020, perhaps reflecting that actions linked to the 2008 financial crisis have finally worked their way through the system.

That fall meant that 2020 was the first year in which banking didn't rank in the two busiest sectors for English High Court litigation, having been overtaken by both construction and professional services, each with a 16% share of High Court claims.

While construction actually saw a slight drop in its percentage of High Court litigation, from 21% in 2019, professional services saw the joint-largest growth in disputes share of any sector, at 4 percentage points. We expect this to continue, with downturns typically preceded by a wave of professional negligence claims.

This rate of increase in litigation activity was matched by two other sectors: insurance, which accounted for 7% of all High Court claims in 2020 and is now facing a flood of disputes in the wake of the pandemic; and technology, media and telecoms. (Insurance factors obviously also underpin disputes in other industry sectors.)

Shipping also saw its busiest year ever recorded by Solomonik, generating 13% of total claims in the English High Court. The sector was one of the first and heaviest impacted by Covid-related disruptions.

The Ferocious Five:

Source: Solomonik

The Busiest Sectors For English High Court Litigation, 2015-2020

Banking and finance	Market share	19%
Construction		15%
Real Estate		10%
Professional Services		9%
Shipping		9%

(No other sector accounted for more than 5% of English High Court litigation over that period.)

This is an excerpt from an HFW report on the future of dispute resolution. To read the rest of the report, which includes a series of 30 interviews with senior in-house counsel and other leading figures from across the global disputes industry, as well as insights from our expert litigators, visit: www.hfw.com/litigation

HFW LITIGATION

HFW has one of the most active disputes practices in the market, covering litigation, international arbitration and alternative forms of dispute resolution.

We have more than 350 specialist disputes lawyers across the Americas, Europe, the Middle East and Asia-Pacific, handling high-value, complex, multi-party and multi-jurisdictional disputes, including fraud and asset recovery, insolvency, class actions, and enforcement actions.

Our expert lawyers frequently litigate on behalf of clients in courts around the world.

To find out more about our leading disputes offering, contact:

NOEL CAMPBELL

Global Head of Litigation

T +852 3983 7757

M +44 (0)7774 964184/+852 6113 9280

E noel.campbell@hfw.com

NICOLA GARE

Disputes PSL

T +44 (0)20 7264 8158

M +44 (0)7795 612270

E nicola.gare@hfw.com

DAMIAN HONEY

Head of International Arbitration

T +44 (0)20 7264 8354

M +44 (0)7976 916412

E damian.honey@hfw.com

SEAN TWOMEY

Director of Business Development

T +44 (0)20 7264 8546

M +44 (0)7976 282592

E sean.twomey@hfw.com

Find us on LinkedIn at www.linkedin.com/company/hfw or search for #HFWlitigation.