



This bulletin relates to claims brought against the Ministry of Defence for compensation at common law (other than those arising out of contract disputes). These are dealt with by the Claims Unit within the Department's Directorate of Judicial Engagement Policy (DJEP), by contractors operating in accordance with instructions provided by the Claims Unit, or by delegated authorities¹.

Key Points

- Total payments by MOD for compensation claims and associated costs in Financial Year 2016/17 (not including those arising out of contract disputes) were some **£101M, including claimants' legal costs**. This does not include MOD legal costs which were some £16M exclusive of staff costs. Over the same period recoveries of around **£2.6M** were achieved.
- The highest value claim that was settled in 2016/17 was for catastrophic injuries sustained as a result of a Road Traffic Accident. The total paid out on this claim (in both damages and claimants' costs) was **£5.5M**.
- The total number of new claims brought against MOD was **4390**. This represents a decrease of around 9% compared with 2015/16.
- **1317** Service Personnel Employer's liability claims were settled in 2016/17. In-year expenditure² on Service Personnel Employer's liability claims was **£60.0M**.
- **237** Civilian Employer's Liability claims were settled in 2016/17. In-year expenditure on Civilian Employer's liability claims was **£16.6M**.
- **1095** Public Liability claims were settled in 2016/17, of which 914 were third party motor claims. In-year expenditure on Public Liability claims was just under **£12.5M**, of which **£8M** was accounted for by motor claims.
- **27** Clinical Negligence claims were settled in 2016/17. In-year expenditure on Clinical Negligence claims was **£7.7M**.
- The in-year expenditure on structured settlements/periodic payments was around **£3M**.
- **745** claims were settled by delegated authorities in 2016/17. The in/year expenditure for delegated authorities was **£1.5M** with recoveries in excess of **£300,000**.

1. Delegated authorities such as overseas Area Claims Offices (ACOs) and the Defence Infrastructure Organisation (DIO).

2. In-year expenditure is inclusive of damages and other costs, such as claimants' legal costs and medical fees. It does not include MOD legal costs. Expenditure may include interim payments for active claims as well as final payments for settled claims.

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Further information/mailling list:

Would you like to be added to our **contact list**, so that we can inform you about updates to these statistics and consult you if we are thinking of making changes?

You can subscribe to updates by emailing DJEP-ClaimsGeneral@mod.gov.uk

Introduction

When compensation claims are received they are considered on the basis of whether or not the Ministry of Defence has a legal liability to pay compensation. A payment of compensation in circumstances where the Department does not consider that a court would find it liable would count as an *ex gratia* payment; the Department is not empowered to make such payments without Treasury authorisation, which is not frequently sought or given. The exception to this rule relates to claims arising from low flying.

The amount of compensation paid is determined by common law principles which broadly take account, as appropriate, of such factors as an individual's pain and suffering, degree of injury, property losses, past and future financial losses and level of care required. Advice is sought where necessary from the Government Legal Department, and the Department's commercial claims handlers' panel solicitors for cases brought in England and Wales; the Crown Solicitor in Northern Ireland; and Morton Fraser Solicitors, the Department's legal adviser in Scotland. Counsel are also consulted on high profile or complex cases or where a point of law needs to be explored. The majority of cases are settled through negotiation, saving the parties the additional costs of a court appearance. This bulletin does not distinguish between compensation ordered by a court and compensation paid pursuant to a negotiated settlement.

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Section 1 Compensation claims made against the MOD

The total number of new claims brought against MOD in 2016/17 was 4390. This represents a decrease of around 9% compared with 2015/16. The decrease in public liability claims is mainly accounted for by a reduction of motor claims. This is due to a change in the way that motor claims have been recorded by our new contractor this financial year. Each claim now represents a motor incident which may have one or more claimants with an injury and/or a property damage claim whereas previously each claim was considered separately. There has been a reduction in the number of employer's liability claims for both Service personnel and Civilians. Service-related noise-induced hearing loss claims remains the most commonly claimed for condition in the employer's liability claims category. There has been an increase in the number of clinical negligence claims (92 claims received in 2015/16 compared with 255 in 2016/17) as a result of a large number of mefloquine (Lariam) claims.

Table 1 New claims, by category

	FY2014/15	FY2015/16	FY2016/17
Total new claims brought	5 814	4 844	4 390
Public Liability	2 153	1 934	1 754
Motor	1 571	1 629	1 494
<i>Personal injury</i>	245	250	184
<i>Property/ vehicle damage</i>	1 320	1 363	1 287
<i>Vehicle overseas</i>	6	16	23
Other Public Liability	582	305	260
<i>Personal Injury</i>	186	154	92
<i>Low flying</i>	96	74	101
<i>Maritime</i>	8	17	9
<i>Iraq Private Law</i>	189	12	1
<i>NI Security Forces</i>	30	3	2
<i>Other¹</i>	73	45	55
Employer's Liability	2 887	2 093	1 764
Service	2 381	1 613	1 388
<i>Noise-induced hearing loss</i>	1 838	1 037	914
<i>Non-freezing cold injury</i>	145	206	117
<i>Other</i>	398	370	357
Civilian²	506	480	376
<i>Noise-induced hearing loss</i>	202	185	106
<i>Inhalation or Ingestion of Asbestos</i>	139	139	94
<i>Other</i>	165	156	176
Clinical negligence	95	92	255
Other	679	725	617
Area Claims Offices (ACOs)	663	714	608
Defence Infrastructure Organisation (DIO)	16^e	11^e	9^e

Source: Directorate of Judicial Engagement Policy Common Law Claims & Policy team

1. This category includes, for example, property damage claims which usually come from personnel working and living in service accommodation who have had their belongings damaged by poor maintenance of their accommodation or infrastructure.

2. All MOD civilian employees including members of the Ministry of Defence Guard Service (MGS) and Ministry of Defence Police (MDP).

e This is an estimate based on the number of settled cases but the number of claims received may be slightly higher.

Section 2 Settled compensation claims

In this Section, the term “settled” relates to claims that have been settled on a full and final basis which means that damages and all associated legal costs have been paid. In total 3421 claims were settled on all costs in 2016/17 either out of Court or by Court verdict. The financial year in which settlement is recorded is not necessarily the year in which the damages were paid. This category does not include any claims that were discontinued, struck out by the Courts, or repudiated by the Claims Unit. The decrease in the number of settled public liability claims is because of the way settled motor claims are recorded by our new contractor.

Table 2 Settled claims, by category

	FY2014/15	FY2015/16	FY2016/17
Total claims settled	3 655	3 632	3 421
Public Liability	1 400	1 624	1 095
Motor	1 164	1 439	914
<i>Personal injury</i>	240	249	185
<i>Property/ vehicle damage</i>	914	1 179	721
<i>Vehicle overseas</i>	10	11	8
Other Public Liability	236	185	181
<i>Personal injury</i>	96	72	82
<i>Low flying</i>	69	48	47
<i>NI Security Forces</i>	16	32	15
<i>Maritime</i>	4	7	6
<i>Other¹</i>	51	26	31
Employer’s Liability	2 234	1 312	1 554
Service	1 898	1 060	1 317
<i>Noise-induced hearing loss</i>	1 652	808	931
<i>Non-freezing cold injury</i>	50	62	157
<i>Other</i>	196	190	229
Civilian²	336	252	237
<i>Noise-induced hearing loss</i>	85	64	67
<i>Inhalation or Ingestion of Asbestos</i>	124	94	87
<i>Other</i>	127	94	83
Clinical negligence	21	20	27
Other	681	676	745
Area Claims Offices (ACOs)	665	665	736
Defence Infrastructure Organisation (DIO)	16	11	9

1. This category includes, for example, property damage claims which usually come from personnel working and living in service accommodation who have had their belongings damaged by poor maintenance of their accommodation or infrastructure.

2. All MOD civilian employees including members of the Ministry of Defence Guard Service (MGS) and Ministry of Defence Police (MDP).

Section 3 Cost of compensation claims

This table includes damages and other costs, such as claimants' legal costs and medical fees. It does not include MOD legal costs with the exception of some foreign legal costs². Expenditure may include interim payments for active claims as well as final payments for settled claims.

Table 3 In-year expenditure on claims, by category

	FY2014/15	FY2015/16	FY2016/17
Total in-year expenditure £/million	85.130	88.928	101.294
In-year expenditure by MOD Claims Unit and claims contractors	83.714	87.841	99.762
Public Liability ¹	7.982	12.654	12.479
Employer's Liability	67.055	66.284	76.621
Service	51.861	51.642	60.012
Civilian	15.195	14.642	16.609
Clinical negligence	5.816	6.059	7.683
In-year structured settlement or periodic payments	2.862	2.845	2.978
In-year expenditure by Delegated Authorities	1.416	1.086	1.533
Area Claims Offices (ACOs)	1.371	1.057	1.519
ACO Afghanistan	0.023	0.002	0.000
ACO North West Europe	0.857	0.460	0.776 ²
ACO Cyprus	0.489	0.595	0.743
ACO South Atlantic Islands	0.002	-	
Defence Infrastructure Organisation (DIO)	0.045	0.029	0.013

Source: Directorate of Judicial Engagement Policy Common Law Claims & Policy team

1. Public liability claims include motor third party claims at a cost of £8M.

2. The figure will include some MOD legal costs relating to non-English claims.

Further Information

Revisions

There are no regular planned revisions of this Bulletin. Any substantial changes which are discovered to be necessary will be made to the on-line version of the Bulletin.

Corrections to the published statistics will be made if errors are found, or if figures change as a result of improvements to methodology or changes to definitions. When making corrections, we will follow the Ministry of Defence Statistics Revisions and Corrections Policy:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284849/defence-statistics-revisions-and-corrections-policy-v1.pdf.

All corrected figures will be identified by the symbol “r”, and an explanation will be given of the reason for and size of the revision. Corrections which would have a significant impact on the utility of the statistics will be corrected as soon as possible, by reissuing the publication. Minor errors will also be corrected, but for convenience these corrections may be timed to coincide with the next annual release of the publication.

Symbols

e estimated figure

Contact Us

If you have any questions about the statistics contained in this publication you can contact us as follows:

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<https://www.gov.uk/make-a-freedom-of-information-request/the-freedom-of-information-act>

For general MOD enquiries, please call: 0207 218 9000