



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. These statistics do not include compensation awarded under the MOD's no fault schemes – the [Armed Forces Compensation Scheme](#) and its predecessor the [War Pension Scheme](#).

Key Points

- Total payments by MOD for compensation claims and associated costs in Financial Year 2017/18 (not including those arising out of contract disputes) were around **£130M, including claimants' legal costs**. This does not include MOD legal costs which were some £17M exclusive of staff costs. Over the same period recoveries of close to **£2M** were achieved.
- The highest value claim that was settled in 2017/18 was for a serious knee injury with subsequent amputation. The total paid out on this claim (in both damages and claimants' costs) was around **£2.97M**.
- The total number of new claims brought against MOD was **3,754**. This represents a decrease of almost 14.5% compared with 2016/17.
- **1,178** Service Personnel Employer's liability claims were settled in 2017/18. In-year expenditure² on Service Personnel Employer's liability claims was **£83.25M**.
- **250** Civilian Employer's Liability claims were settled in 2017/18. In-year expenditure on Civilian Employer's liability claims was **£17.1M**.
- **962** Public Liability claims were settled in 2017/18, of which 770 were third party motor claims. In-year expenditure on Public Liability claims was just under **£11.2M**, of which **£3.8M** was accounted for by third party motor claims.
- **22** Clinical Negligence claims were settled in 2017/18. In-year expenditure on Clinical Negligence claims was **£13.65M**.
- The in-year expenditure on structured settlements/periodic payments was around **£3M**.
- **479** claims were settled by delegated authorities¹ in 2017/18. The in/year expenditure for delegated authorities was **£1.7M** with recoveries in excess of **£110,000**.

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/ mailing 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 with the exception of claims arising from low flying. Treasury approval is not frequently sought or given.

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 a range of specialist Personal Injury Law firms 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 Common Law compensation claims made against the MOD

The total number of new claims brought against MOD in 2017/18 was 3,754. This represents an overall decrease of almost 14.5% compared with 2016/17 and this is reflected across various categories of claims. However, there has been an increase in Northern Ireland Legacy claims within the Public liability category. The number of Employer's liability claims for both Service personnel and Civilians continued to decrease. Service-related noise-induced hearing loss claims remains the most commonly claimed for condition in the Employer's liability claims category.

Table 1 New claims, by category

	FY2014/15	FY2015/16	FY2016/17	FY2017/18
Total new claims brought	5 814	4 844	4 390	3 754
Public Liability	2 153	1 934	1 754	1 544
Motor¹	1 571	1 629	1 494	1 092
<i>Personal injury</i>	245	250	184	91
<i>Property/ vehicle damage</i>	1 320	1 363	1 287	986
<i>Vehicle overseas</i>	6	16	23	15
Other Public Liability	582	305	260	452
<i>Personal Injury</i>	186	154	92	93
<i>Low flying</i>	96	74	101	61
<i>Maritime</i>	8	17	9	10
<i>Iraq Private Law</i>	189	12	1	-
<i>NI Legacy</i>	30	3	2	228
<i>Other²</i>	73	45	55	60
Employer's Liability	2 887	2 093	1 764	1 598
Service	2 381	1 613	1 388	1 320
<i>Noise-induced hearing loss</i>	1 838	1 037	914	958
<i>Non-freezing cold injury</i>	145	206	117	101
<i>Other</i>	398	370	357	261
Civilian³	506	480	376	278
<i>Noise-induced hearing loss</i>	202	185	106	48
<i>Inhalation or Ingestion of Asbestos</i>	139	139	94	112
<i>Other</i>	165	156	176	118
Clinical negligence	95	92	255	163
Other	679	725	617	449
Area Claims Offices (ACOs)	663	714	608	443
Defence Infrastructure Organisation (DIO)	16^e	11^e	9^e	6^e

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

1. The majority of motor claims will be third party motor liability claims.

2. 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.

3. 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 common law compensation claims notified

In this Section, the term “settled” relates to claims that have been settled on a full and final basis which means that damages and associated legal costs have been paid. In total 2,891 claims were settled on all costs in 2017/18 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 which were discontinued, struck out by the Courts, or repudiated by the Claims Unit.

Table 2 Settled claims, by category

	FY2014/15	FY2015/16	FY2016/17	FY2017/18
Total new claims brought	3 655	3 632	3 421	2 891
Public Liability	1 400	1 624	1 095	962
Motor¹	1 164	1 439	914	819
<i>Personal injury</i>	240	249	185	144
<i>Property/ vehicle damage</i>	914	1 179	721	666
<i>Vehicle overseas</i>	10	11	8	9
Other Public Liability	236	185	181	143
<i>Personal injury</i>	96	72	82	60
<i>Low flying</i>	69	48	47	34
<i>NI Legacy</i>	16	32	15	6
<i>Maritime</i>	4	7	6	5
<i>Other²</i>	51	26	31	38
Employer’s Liability	2 234	1 312	1 554	1 428
Service	1 898	1 060	1 317	1 178
<i>Noise-induced hearing loss</i>	1 652	808	931	803
<i>Non-freezing cold injury</i>	50	62	157	167
<i>Other</i>	196	190	229	208
Civilian³	336	252	237	250
<i>Noise-induced hearing loss</i>	85	64	67	61
<i>Inhalation or Ingestion of Asbestos</i>	124	94	87	101
<i>Other</i>	127	94	83	88
Clinical negligence	21	20	27	22
Other	681	676	745	479
Area Claims Offices (ACOs)	665	665	736	473
Defence Infrastructure Organisation (DIO)	16	11	9	6

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

1. The majority of motor claims will be third party motor liability claims.

2. 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.

3. 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 notified

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. The in-year expenditure has increased by 28%. On 20 March 2017, the Lord Chancellor announced a change in the Personal Injury Discount Rate from 2.5% to minus 0.75%. This has increased the value of claims settlements which include future losses and elements of care and accommodation.

Table 3 In-year expenditure on claims, by category

		FY2014/15	FY2015/16	FY2016/17	FY2017/18
Total in-year expenditure	£/million	85.130	88.928	101.294	129.859
In-year expenditure by MOD Claims Unit and claims contractors		83.714	87.841	99.762	128.193
Public Liability¹		7.982	12.654	12.479	11.182
Employer's Liability		67.055	66.284	76.621	100.373
Service		51.861	51.642	60.012	83.253
Civilian		15.195	14.642	16.609	17.119
Clinical negligence		5.816	6.059	7.683	13.654
In-year structured settlement or periodic payments		2.862	2.845	2.978	2.985
In-year expenditure by Delegated Authorities		1.416	1.086	1.533	1.666
Area Claims Offices (ACOs)		1.371	1.057	1.519	1.653
ACO Afghanistan		0.023	0.002	~	-
ACO North West Europe		0.857	0.460	0.776 ²	1.063 ²
ACO Cyprus		0.489	0.595	0.743	0.587
ACO South Atlantic Islands		0.002	-	-	0.002
Defence Infrastructure Organisation (DIO)		0.045	0.029	0.013	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 £3.8M.

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
- zero
- ~ £500 or less

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: 020 7218 9000