

## Be Careful What You Claim For

In a recent case, a woman sought damages of £750,000 for back injuries after she was involved in a car crash. She provided evidence for the court in the form of several documents accompanied by signed statements of truth. However, the defendant's insurer believed she was exaggerating as to the extent of the injuries she had sustained in the collision and made a payment into court of only £25,000.

The insurer then produced evidence, in the form of surveillance footage, which proved that the woman had greatly overstated her injuries and the extent of her disabilities. It was also found that she had failed to disclose disabilities she was suffering from prior to the accident. Faced with this evidence, the woman accepted the £25,000 paid into court but, because of her delay in accepting the offer, she was ordered to pay the insurer's costs.

The insurer then filed a claim under the Civil Procedure Rules for contempt of court. Such proceedings may be brought against someone who has no honest belief in a statement they have made where this was accompanied by a signed statement of truth. For the insurer to prove that the woman had been in contempt of court, it would have to show that:

- her statements were false;
- the statements would interfere with the course of justice in some material respect; and
- she knew at the time her statements were made that they were untrue and that in making them there was a likely prospect of the course of justice being interfered with.

The court found that the woman had intentionally exaggerated her claim by making two false statements and had fully intended to claim more money than she knew she was entitled to. She was found guilty of contempt of court, ordered to pay £2,500 and given a criminal conviction.

This is an important ruling for insurers as it will serve to act as a deterrent for anyone considering making a false or exaggerated damages claim. Although mere exaggeration alone is unlikely to lead to a conviction for contempt, the case shows that, even where there are genuine elements to a case, the courts will not tolerate dishonesty in litigation.

In a time of economic downturn, a claimant may be tempted to bring a fraudulent claim or to exaggerate a genuine claim, but this case shows that the repercussions can be severe and should make claimants think twice about trying to secure a larger compensation settlement than is warranted.

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