# Chris Bogart warns UK risks losing London as litigation funding hub after PACCAR ruling



The recent comments from Chris Bogart, CEO of Burford Capital, underscore a growing concern within the litigation funding sector regarding the future of London as a preferred venue for dispute resolution. Bogart recently highlighted that the UK economy is now experiencing a downturn in investment flows, attributing this issue to increased uncertainties emanating from the PACCAR Supreme Court ruling. This landmark decision has cast a shadow over the stability of litigation finance, prompting companies like Burford to reconsider their strategic choices concerning legal jurisdictions.

Bogart elaborated that Burford, previously staunch advocates of London’s legal prowess, have shifted their focus towards other global centres, such as New York, Singapore, and Paris. This decision has stemmed from the perception that the legal climate in London has become less predictable. He succinctly pointed out that “the government’s failure to address problems posed by the PACCAR Supreme Court ruling is regrettable and causing a problem for the London market.” His remarks resonate with the prevailing sentiment among industry experts who caution that such legal uncertainties can deter potential investments, thus economically impacting the UK.

The implications of the PACCAR ruling are multifaceted. Legal experts have expressed grave concerns that this decision can lead to a diminishment of the UK's attractiveness as a haven for litigation funding. The ruling has classified certain funding agreements as Damages-Based Agreements, which may now be deemed unenforceable. As a consequence, litigation funders are scrambling to restructure their agreements to align with the new legal framework, further complicating the operational landscape.

A significant aspect of Bogart’s commentary is the correlation between predictable legal environments and investment capital. He stated, “To invest, you have to have a higher level of certainty,” suggesting that a lack of clarity is detrimental to drawing funds into the UK market. Industry statistics appear to endorse his assertions, revealing a notable downturn in litigation funding activity since the PACCAR ruling, which has seen players such as Therium, known for its involvement in high-profile cases, reducing their workforce as a result of these market shifts.

Bogart's reflections extend to the regulatory environment surrounding litigation funding. He is hopeful that the Civil Justice Council's ongoing review will signal the need for regulatory measures that restore a semblance of predictability. According to him, litigation is already closely monitored by judges in every case, rendering additional regulatory frameworks unnecessary. He argues, “This is a solution in search of a problem,” advocating instead for more thoughtful approaches to regulation that would bolster, rather than hinder, the litigation funding landscape.

The long-term implications of these developments cannot be understated. As Bogart stated, “When you have losses like that, they take a long time to recover.” The anxiety is palpable within the legal and financial communities, and the stakes are high as they grapple with how to navigate the changing tides of litigation funding in the UK.

In summary, as the ramifications of the PACCAR ruling continue to unfold, the UK risks losing its status as a leading jurisdiction for litigation funding unless prompt and effective measures are taken to address these uncertainties. The path forward will significantly depend on government responsiveness and the legal community's ability to adapt to the evolving landscape of dispute resolution.

### Reference Map

1. Paragraphs 1, 2, 3, 4
2. Paragraphs 2, 4
3. Paragraphs 2, 3
4. Paragraphs 1, 4
5. Paragraph 8
6. Paragraphs 1, 4
7. Paragraph 2

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.lawgazette.co.uk/news/fewer-dollars-for-uk-economy-as-funder-spurns-english-law/5123346.article> - Please view link - unable to able to access data
2. <https://www.burfordcapital.com/insights-news-events/news-press-releases/burfords-ceo-discusses-with-cityam-how-the-company-is-rolling-back-london-dispute-resolution-activity-due-to-uncertainties-stemming-from-government-delays/> - Burford Capital's CEO, Christopher Bogart, discussed with CityAM the company's decision to reduce dispute resolution activities in London due to uncertainties stemming from government delays related to the PACCAR case. He mentioned that while London has a strong global reputation for legal services, the government's inaction has led Burford to migrate some dispute resolution activities to other jurisdictions like New York, Paris, and Singapore.
3. <https://www.burfordcapital.com/insights-news-events/news-press-releases/christopher-bogart-op-ed-in-the-times-of-london-paccar/> - Christopher Bogart, CEO of Burford Capital, authored an op-ed in The Times discussing the impact of the 2023 UK Supreme Court ruling in the PACCAR case. He highlighted how the ruling has made it harder for cases to be funded and called on the government to act to correct this issue, noting that Burford has been forced to reconsider London as a preferred dispute resolution center due to lingering uncertainty and the government's silence.
4. <https://www.lawgazette.co.uk/features/whipping-up-a-storm/5122792.article> - This article examines the impact of the PACCAR Supreme Court ruling on the UK litigation funding market. It discusses how the ruling has created uncertainty, leading companies like Burford Capital to shift dispute resolution activities away from London to jurisdictions such as New York. Legal experts express concerns that the ruling may deter investors and affect the UK's attractiveness as a litigation hub.
5. <https://www.lawgazette.co.uk/news/ceo-of-top-litigation-funder-warns-against-unthoughtful-industry-reforms/5119789.article> - Christopher Bogart, CEO of Burford Capital, cautioned against 'unthoughtful' reforms in the litigation funding industry, particularly the capping of funders' fees. He argued that such measures would make the UK less attractive for litigation and emphasized the importance of thoughtful regulation to maintain the industry's health and the UK's position as a global litigation center.
6. <https://www.bristollawsociety.com/news/paccar-supreme-court-judgment-uncertainty-for-litigation-funders> - The Bristol Law Society discusses the PACCAR Supreme Court decision and its implications for litigation funders. The ruling classified certain litigation funding agreements as Damages-Based Agreements, potentially rendering them unenforceable. This has led to uncertainty in the industry, with funders needing to restructure agreements to comply with the new legal framework.
7. <https://www.cityam.com/burford-capital-turning-its-back-on-london-over-government-delays/> - CityAM reports on Burford Capital's decision to reduce its use of London's dispute resolution services due to uncertainties arising from government delays related to the PACCAR case. CEO Christopher Bogart expressed concerns that the UK's legal environment is becoming less reliable, prompting Burford to consider alternative jurisdictions for dispute resolution.