# NHS medical negligence costs reach £60 billion amid legal reforms and rising claims



The NHS medical negligence bill has reached an estimated £60 billion, a fourfold increase since 2006/07, according to a recent report by the National Audit Office (NAO). This burgeoning liability now ranks as the second largest on the Government’s balance sheet, surpassed only by nuclear decommissioning costs. The sharp rise has been driven by an increasing number of claims, larger compensation payouts, and escalating legal fees, which in many cases exceed the amount awarded to the harmed patients themselves.

The NAO’s report highlights concerning dynamics in legal costs associated with clinical negligence claims. Claimant legal fees for successful claims have surged from £148 million to £538 million in real terms between 2006/07 and 2024/25, representing 15% of the total settlement costs. In comparison, legal defence expenses incurred by the NHS have also risen but at a slower pace, increasing from £76 million to £159 million and dropping from 7% to 4% of settled claim costs over the same period. Particularly striking is the disproportionate cost of low-value claims—typically those settling for £25,000 or less—where legal fees amount to nearly four times the damages paid. In 2024/25 alone, £143 million of the £183 million spent on low-value claims was allocated to legal costs, with only 21% covering compensation. Meanwhile, very-high-value claims over £1 million, mostly relating to brain injuries from poor maternity care, account for 68% of total costs despite comprising just 2% of cases by volume.

The annual cost of settling clinical negligence claims has more than tripled in two decades, rising from £1.1 billion in 2006/07 to £3.6 billion in 2024/25. This upward trajectory reflects both the increasing financial impact of obstetric injuries—such as cerebral palsy or brain damage—and a legal environment where claimants’ legal costs have escalated sharply. NHS Resolution has made efforts to resolve claims more rapidly and without litigation, but the NAO emphasises that further measures are necessary. Gareth Davies, head of the NAO, underscored the importance of reducing patient harm to contain costs, suggesting that the Department of Health and Social Care (DHSC) reassess whether current legal cost structures remain proportionate and explore alternative methods of compensation that could yield better outcomes at lower overall expense.

In response, the Government has announced plans to introduce a cap on legal costs for lower-value clinical negligence claims, aiming to save the NHS an estimated £500 million over the next decade while streamlining the compensation process for patients. This initiative directly addresses the alarming fact that claimant legal fees have grown fourfold over 16 years for these cases, often eclipsing the damages awarded. The cap, expected to be implemented in the near future, will fix recoverable legal costs for claims up to £25,000, curbing instances where fees have reportedly been more than 80 times the award given to victims in minor claims. The Government's consultation on these reforms includes proposals for a more proportionate, quicker settlement process, reducing the need for costly court proceedings.

Recent data from the Association of Costs Lawyers further illustrates the rising financial pressure, reporting a 14% increase in claimant legal costs in the year ending March 2025 compared to the previous year, with the NHS facing £621 million in claimant fees. This rise is linked to more cases resulting in higher settlements and the growing use of periodical payments. The Independent also notes that NHS payouts for medical negligence, especially related to maternity care, hit a new annual high of £2.8 billion. While the volume of new claims has remained relatively stable, the increased value of claims has intensified the financial strain on NHS resources.

The Department of Health and Social Care acknowledges the challenges posed by clinical negligence claims and legal fees. A spokesperson highlighted ongoing reforms focused on patient safety and improved care standards, particularly within maternity services, as fundamental to reducing incidents that lead to claims. The Government has appointed legal expert David Lock KC to advise on how to refine the claims process and mitigate escalating legal costs. These efforts are seen as essential steps to redirect funds currently absorbed by legal settlements back into frontline NHS services, addressing what the Government characterises as the “broken state” of the NHS’s safety landscape.

Legal professionals, including the Law Society, anticipate that the new fixed recoverable costs regime for claims up to £25,000, due for implementation in April 2024, will lead to a more expedient and less contentious process. Approximately 60% of claims against the NHS fall within this lower-value bracket, so these reforms are projected to alleviate a significant portion of the NHS’s financial and administrative burden caused by clinical negligence litigation.

Overall, the scale and costs of clinical negligence claims present a major financial challenge for the NHS and taxpayers. While patient safety improvements remain the cornerstone of the Government’s long-term strategy, the evolving legal framework aims to ensure that compensation systems are fairer, more efficient, and less costly, preserving vital healthcare resources.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://associationofcostslawyers.co.uk/costs-lawyer-journal/claimant-legal-costs-for-clinical-negligence-claims-rise-14-in-past-year/)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[4]](https://associationofcostslawyers.co.uk/costs-lawyer-journal/claimant-legal-costs-for-clinical-negligence-claims-rise-14-in-past-year/), [[6]](https://www.gov.uk/government/news/plans-for-fixed-cap-on-legal-costs-for-medical-negligence-cases), [[7]](https://www.lawsociety.org.uk/topics/civil-litigation/clinical-negligence-whats-changing)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.independent.co.uk/news/health/nhs-negligence-maternity-care-legal-costs-b2587544.html), [[4]](https://associationofcostslawyers.co.uk/costs-lawyer-journal/claimant-legal-costs-for-clinical-negligence-claims-rise-14-in-past-year/)
* Paragraph 4 – [[2]](https://www.gov.uk/government/news/government-to-introduce-legal-costs-cap-to-support-victims), [[3]](https://www.gov.uk/government/news/new-cap-on-legal-costs-to-save-nhs-500-million), [[6]](https://www.gov.uk/government/news/plans-for-fixed-cap-on-legal-costs-for-medical-negligence-cases)
* Paragraph 5 – [[4]](https://associationofcostslawyers.co.uk/costs-lawyer-journal/claimant-legal-costs-for-clinical-negligence-claims-rise-14-in-past-year/), [[5]](https://www.independent.co.uk/news/health/nhs-negligence-maternity-care-legal-costs-b2587544.html)
* Paragraph 6 – [[1]](https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.independent.co.uk/news/health/nhs-negligence-maternity-care-legal-costs-b2587544.html)
* Paragraph 7 – [[1]](https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.gov.uk/government/news/government-to-introduce-legal-costs-cap-to-support-victims), [[7]](https://www.lawsociety.org.uk/topics/civil-litigation/clinical-negligence-whats-changing)

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## Bibliography

1. <https://www.dailymail.co.uk/health/article-15199347/Soaring-NHS-medical-negligence-bill-quadruples-60billion-nuclear-decommissioning-larger-liability-governments-balance-sheet.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.gov.uk/government/news/government-to-introduce-legal-costs-cap-to-support-victims> - The UK government has announced plans to cap legal costs in lower-value clinical negligence claims. This initiative aims to support victims, expedite justice, and protect NHS funds. Over the past 16 years, claimant legal costs for such cases have increased fourfold, leading to a significant financial burden on the NHS. The proposed cap is expected to save an estimated £500 million over the next decade, funds that could be redirected towards patient care. The changes are designed to ensure that legal fees are proportionate and that the claims process is as efficient as possible.
3. <https://www.gov.uk/government/news/new-cap-on-legal-costs-to-save-nhs-500-million> - The UK government is consulting on a new cap for legal costs in lower-value clinical negligence claims. The proposal aims to make legal fees more proportionate and fair, ensuring that patients receive a larger share of compensation. Currently, claimant legal costs are more than four times higher than defendant legal costs for lower-value claims. The new cap is projected to save the NHS nearly £500 million over the next ten years, funds that could be reinvested into patient care. The consultation also includes plans for a streamlined process to resolve claims more quickly, reducing the need for court proceedings.
4. <https://associationofcostslawyers.co.uk/costs-lawyer-journal/claimant-legal-costs-for-clinical-negligence-claims-rise-14-in-past-year/> - The Association of Costs Lawyers reports a 14% increase in claimant legal costs for clinical negligence claims over the past year. In the year ending 31 March 2025, NHS paid £621 million in claimant legal costs, up from £545 million the previous year. This rise is attributed to more cases being resolved with higher settlements and a larger volume of cases settled with periodical payments. The report highlights that, for claims valued up to £25,000, the average claimant legal costs now exceed the damages awarded, indicating a significant financial burden on the NHS.
5. <https://www.independent.co.uk/news/health/nhs-negligence-maternity-care-legal-costs-b2587544.html> - The Independent reports that NHS payouts for medical negligence claims have reached a new annual high of £2.8 billion. The increase is largely driven by claims related to poor maternity care, which account for a significant portion of the total payouts. The report highlights that while the number of new clinical negligence claims and reported incidents has remained stable, the value associated with these claims has risen, indicating a growing financial burden on the NHS. The article also notes that the majority of claims are resolved without litigation, but the overall value of damages and legal costs continues to rise.
6. <https://www.gov.uk/government/news/plans-for-fixed-cap-on-legal-costs-for-medical-negligence-cases> - The UK government plans to impose a fixed cap on legal costs for clinical negligence cases up to £25,000. This measure aims to prevent rising litigation costs within the NHS, as there have been instances where lawyers have charged more than 80 times the amount awarded to victims in minor claims. The new cap is expected to help the NHS save up to £45 million annually, ensuring that more funds are available for patient care. The initiative is part of a broader effort to make the claims process more efficient and reduce the financial burden on the NHS.
7. <https://www.lawsociety.org.uk/topics/civil-litigation/clinical-negligence-whats-changing> - The Law Society discusses upcoming changes in clinical negligence claims, including the introduction of fixed recoverable costs for claims up to £25,000. The government plans to implement these changes in April 2024, aiming to make the claims process quicker and reduce conflict. The article notes that such cases constitute around 60% of claims against the NHS, and the new measures are expected to reduce the financial impact on the NHS. The Law Society provides insights into how these changes may affect legal practitioners and claimants.