



Ministry
of Justice

Sarah Sackman KC MP
Minister for Courts and
Legal Services

Andy Slaughter MP
Chair, Justice Select Committee
House of Commons
London
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MoJ ref: SUB130198

18 December 2025

Dear Andy,

GOVERNMENT RESPONSE TO THE CIVIL JUSTICE COUNCIL'S REVIEW OF LITIGATION FUNDING

I am writing to inform you that yesterday I issued a statement in relation to the review published by the Civil Justice Council (CJC) on 2 June 2025. The full statement can be read here: <https://questions-statements.parliament.uk/written-statements/detail/2025-12-17/hcws1192>.

Since its publication, my officials and I have carefully considered the recommendations made by the CJC. Third-party litigation funding is an essential tool in ensuring access to justice, which is why I am committed to ensuring it works fairly for all those involved. I recognise that the Supreme Court judgment in *PACCAR* has introduced significant uncertainty for funders and litigants alike. As this is a complex and contentious issue, we have taken the opportunity to consider the recommendations in the round and address concerns raised about the litigation funding sector.

As announced in my statement yesterday, I am pleased to inform you that the government intends to accept the two primary recommendations of the CJC review. The first recommendation relates to mitigating the effect of the *PACCAR* judgment by clarifying that Litigation Funding Agreements are not Damages Based Agreements. We will implement this change with prospective effect. The second recommendation is to introduce proportionate regulation of Litigation Funding Agreements. We will seek to bring forward legislation implementing these recommendations as soon as Parliamentary time allows.

It is my immediate priority to introduce legislation to ensure that the litigation funding sector works fairly and efficiently for all.

Yours sincerely,

SARAH SACKMAN KC MP
Minister Of State