



Ministry
of Justice

Sarah Sackman KC MP
Minister for Courts and
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Andy Slaughter MP
Chair, Justice Select Committee
House of Commons
London
SW1A 0AA

MoJ ref: ADR131393

29 January 2026

Dear Andy,

RE: CIVIL JUSTICE COUNCIL REVIEW OF LITIGATION FUNDING

Thank you for your letter of 15 January 2026, regarding the government's response to the Civil Justice Council's (CJC) review of third-party litigation funding, and for the interest of the Justice Committee on this matter.

I am pleased to read that the Committee shares our view on the importance of third-party litigation funding. Litigation funding is an essential tool to enable access to justice, without which many claimants would not be able to afford to litigate against better-resourced opponents.

As set out in my statement of 17 December 2025, this government is committed to ensuring that third-party litigation funding works effectively for all those involved. The UK Supreme Court's 2023 judgment in *PACCAR* created significant uncertainty for funders and claimants alike. That is why we have announced our intention to legislate, when Parliamentary time allows, clarifying that Litigation Funding Agreements are not Damages-Based Agreements and introducing proportionate regulation of Litigation Funding Agreements. Once we have implemented these two changes, we will consider the CJC's remaining recommendations in closer detail.

While I am unable to confirm the legislative plans or timings for the changes, I will keep the Committee abreast of any updates. I am grateful for the Committee's continued engagement on this issue.

Yours sincerely,

SARAH SACKMAN KC MP
Minister Of State