Written evidence submitted by Garfield.Law Limited (WCC0096)

1. Context: the Garfield AI story

1.1. We welcome the opportunity to present this written submission to the Justice Select Committee ("**JSC**").

1.2 The author is a solicitor and was in practice for about twenty five years. For about thirteen years he was the co-founding partner of a boutique London law firm that specialised in complex international commercial dispute resolution.

1.3 The author's brother-in-law is a plumber near Sheffield. Occasionally, a customer seeks to evade paying him for his work. For a small business, an unpaid invoice for a few thousand pounds is a serious problem. Like many small businesses, he finds the Court system intimidating, and the small claims track byzantine and difficult to navigate. Attempting to bring a small claim absorbs a lot of time that should be spent serving customers and earning income. Instructing a high street law firm is typically not viable because their fees are usually uneconomic when weighed against the size of the debt.[1] Therefore, on the occasions when he must pursue a debt, the author will help him. His only realistic alternative would be to write the debt off.

1.4 This is a microcosm of the problem across the economy. According to research carried out for Direct Line, in one financial year alone SMEs wrote off £5.8bn in debt across the economy.[2] If even some of that money had been collected, it would have created more jobs, powered growth in people's businesses, and driven growth for the economy.

1.5 Following the public release of ChatGPT 3.5 in autumn 2022 the author perceived an opportunity to do something about this. Following the release of ChatGPT 4 in c. March 2023 he co-founded Garfield.Law Limited with his technical co-founder Daniel Long, a quantum physicist and software developer. Together with our development team, we have created "Garfield."

1.6 Garfield (https://garfield.law) is an AI-driven software application designed to assist small traders and SMEs in bringing small debt claims through the English and Welsh County Court system.[3] Garfield can take all the steps that a litigant – or a lawyer representing a litigant – can and will take up to trial. Garfield begins by triaging the claim. The user drags and drops his/her invoice(s) (and written contract, if available) onto Garfield and Garfield then assesses if the claim is appropriate for the small claims Court and is legally valid.[4] Assuming it is, Garfield then prepares the necessary letters, including the Civil Procedure Rules mandated "letter before action" for the creditor to send to the debtor. If the debt is not paid, it will prepare the Court paperwork including drafting the Claim Form and Particulars of Claim and will send them to Court on behalf of the creditor. Garfield then guides the creditor through all the possible

[1] This is not a criticism of law firms. Litigation is historically a time intensive activity and human time equates to cost.

[2] UK SMEs write off £5.8bn of bad debt | The Association of Corporate Treasurers

[3] In England and Wales, a small debt claim is in value any debt claim up to £10,000.

[4] For example, Garfield checks that the claim is within the applicable limitation period.

avenues that the claim might travel, including seeking a default judgment if the claim is ignored or, if the defendant admits the claim, Garfield will respond to the admission. If the claim is defended or met with a counterclaim, Garfield will deal with that too including drafting a Reply (or Reply and Defence to Counterclaim) and dealing with allocation and document production. Garfield also prepares all the documents necessary for the trial including preparing the trial bundle and a short skeleton argument and can assist the creditor throughout the lifetime of the claim with undertaking settlement discussions. Garfield also answers the user's questions about the process and the documents.

1.7 Garfield is not autonomous. It acts as a guide and an assistant to the creditor but the creditor must remain in the loop and make the final decisions. It is designed to be easy to use with a simple "drag and drop" interface. Garfield's objective is to improve access to justice by simplifying and streamlining the litigation process for non-lawyer litigants and SMEs. Despite being a sophisticated product, it is intentionally very affordable. Its pricing structure promotes access to justice as it is accessible for financially challenged creditors. Broadly speaking, it will cost in the region of no more than a tenth of what most law firms would cost and, in contested cases, less even than that.

1.8 The senior judiciary is forward thinking and has responded very positively to the access to justice benefits that products like Garfield can bring. At the autumn Civil Justice Council conference Lord Justice Birss, the Deputy Head of Civil Justice, referenced Garfield. You can watch his comments by clicking on this link: Civil Justice Council's 13th National Forum - Access to Justice: Working Together. He observed that products like Garfield are *"absolutely at the core of what we can do for access to justice."*

1.9 We believe Garfield is a world first as we are not aware of any other AI system that acts as an interface between litigants and the Court in this manner. It will be immediately apparent to the JSC how similar software products could be produced that would enable the public to uphold their rights in other areas of the law, i.e. housing, employment, personal injury, property damage, etc. This is an area where the UK could lead the world.[5]

1.10 However, to realise this, there will need to be improvements in the technology of the Court system. This submission therefore focuses on how the County Court system, particularly in the small claims track, can benefit from modernising its technological infrastructure—specifically by developing a fully featured API (Application Programming Interface) portal.[6] Additionally, we outline the wider transformative potential of structured data and artificial intelligence in the Court system, offering proposals for AI-driven enhancements that would benefit the judiciary, legal professionals, and litigants alike.

1.11 Furthermore, we address the broader economic implications of advancing the County Court system's technological capabilities, emphasizing the importance of maintaining the

[5] Garfield is seeking regulatory authorisation from the Solicitors Regulation Authority as it requires this before it can launch.
[6] An API can be thought of as a software interface that allows two applications to communicate with each other and share data.

competitiveness of English law on the global stage and exploring opportunities for monetizing existing judicial resources.

2. Current Challenges in the Court (and especially County Court) System

2.1. **Inefficient Processes and Overload**. The current system suffers from backlogs, inconsistent processes across different Courts, and an over-reliance on paper-based or disjointed digital solutions. By the latter we mean a patchwork of different legacy and modern systems. In the case of small debt claims there are several competing systems for issuing a claim:

2.1.1 the bulk issuing centre. This is only available for high volume users of the County Court such as banks, utility companies, etc. This means it's relative efficiency is unavailable to SMEs. Furthermore, even for bulk users, this system is not universal because it cannot handle a contested claim. Its technology is now aging as it uses older authorisation protocols and an XML standard. It is in the process of being phased out.

2.1.2 Money Claims Online (MCOL). This was the Court's original digital offering. It is in the process of being phased out.

2.1.3 The online claims portal (OCMC). This is the Court's new online offering. It is a web based portal based at gov.uk that is under ongoing development. It is incomplete. For example, at present, it cannot handle claims where there is more than one claimant and one defendant and where interest is in any way complicated[7] and there are various other restrictions.

2.1.4 Paper and pen. This is very slow with very long turn around times for hard copy documents.

2.2 If a claim is contested, ordinarily the claim is transferred from Northampton to the County Court local to the creditor or debtor (depending on whether the debtor is an individual or not). The parties then must deal with that local Court. In practice, whilst the procedure is supposed to be the same across all County Courts, there are variations in the documents issued by each Court and the speed with which each Court can deal with communications, and hence differences in process, differences in resolution times and increased pressure on judges and court staff.

2.3 In some cases the delays can be severe. To give one example, to the author's own knowledge, the Hastings County Court is currently reporting up to seventeen week delays in dealing with simple listing applications. This is inexcusable in the modern era. It directly prejudices people's lives.

2.4 Moreover, the quarterly statistics published by the MoJ show, broadly speaking, that over the past few years the resolution of County Court cases has slowed down and timescales have been

[7] You can use it to claim interest if it is at the same rate and from the same date. If interest is complicated, i.e. compounding, variable interest rates (such as a percentage above Bank of England base rate), you have to resort to paper.

getting longer. In 2019 the mean time taken for small claims to go to trial was 37.1 weeks.[8] In 2024 it was 50.7 weeks.[9]

2.5 **Limited Digital Tools**. Existing digital options (such as the OCMC) only partially automate claim initiation and cannot deal with common scenarios. The efficiencies of the bulk issuing centre are not available to parties who do not issue claims in bulk. Users must still navigate complex forms and processes, with limited guidance. Furthermore, the assistance they can provide is inevitably limited as HMCTS has to remain neutral and so cannot give legal advice.

2.6 **Limited human assistance**. The Courts provide helplines for litigants who have questions. These are often busy and over-subscribed with often long waiting times. As with the digital tools, due to the requirement of neutrality, no legal advice can be provided by the human helplines.

2.7 **Funding Constraints**. It is no secret that the Court service has suffered underfunding. This hampers the implementation of innovative technologies. Any new approach should ideally be either cost-neutral or generate new revenue streams to be viable in the long term.

2.8 **Closed justice**. Whilst English law operates a policy of "open justice", in practice obtaining documents from a Court case that are theoretically in the public domain as a result of that case is harder than it should be. Often this requires approaching a particular Court, sometimes making a request of a particular Judge, and then having to pay expensive photocopying charges. Sometimes despite the documents being theoretically available in practice it is impossible to obtain them from the Court because the Court staff do not have the free capacity to service these requests.

2.9 **Global Competitiveness**. The pre-eminence of English law contributes significantly to the UK economy, generating billions in invisible earnings and healthy tax revenues from UK-based businesses.[10] It is no secret that English law is under threat from other jurisdictions looking to attract these revenues. Many foreign jurisdictions have set up competitor Commercial Courts and this now extends not only to other common law jurisdictions such as Singapore but also to Napoleonic code countries such as Holland and France, some jurisdictions have already successfully encroached on the UK's pre-eminence in international arbitration, yet others are setting up competing English law zones.[11] Competitor foreign jurisdictions are moving towards increased digitisation and automation. The US Courts and Singapore are already experimenting with implementing APIs, and other jurisdictions will follow. Maintaining and enhancing the efficiency of the Court system is crucial to preserving this competitive edge against other jurisdictions that are rapidly adopting advanced technological solutions.

2.10 It is noteworthy that whilst other sectors of the Government have adopted and published increasingly fully scoped APIs (such as Companies House, HMLR, etc.) HMCTS has not yet done so.

[8] civil-justice-statistics-quarterly-Oct-Dec.pdf
[9] Civil Justice Statistics Quarterly: July to September 2024 - GOV.UK
[10] See, i.e. The-value-of-English-law-to-the-UK-economy.pdf. The UK legal services sector generated a trade surplus of £5.9 billion in 2019.
[11] Such as the DIFC and Abu Dhabi.

3. <u>Recommendation: A Fully Featured API Portal</u>

3.1. **Summary**. We propose that HMCTS invests in building a comprehensive API portal that covers every procedural stage of a County Court claim—from pre-action steps through to judgment and enforcement. This would complement the existing digital channels including the OCMC.

3.2. **Advantages**:

3.2.1 <u>Facilitates More User-Facing Products</u>. With a robust API, external providers (like Garfield) could develop and then offer user-friendly interfaces specifically tailored to non-lawyers and to specific types of cases. These products can deliver services that HMCTS cannot offer itself due to the requirements of neutrality and/or funding constraints. These include advice on both substantive and procedural law, strategic recommendations, help with settlement, guidance at each step of the claim process and document automation and generation. These products should, in turn, not only increase access to justice for unrepresented litigants but also drive down costs for law firms and thereby enable law firms to offer services at more competitive rates.

3.2.2 This kind of facilitation is presently difficult to achieve with existing HMCTS portals, in some cases impossible. In the case of Garfield, it will make use of the bulk issuing centre but as noted above this is a partial solution and thus the complexity of building Garfield (and hence the cost) has been unnecessarily increased by having to try to cope with multiple different modes of communication with the Court and other parties.

3.2.3 Increasing the availability of AI tools like Garfield at a very affordable cost should reduce the volume of litigants in person. This will save huge amounts of Court time and will also increase the quality of justice dispensed because by using AI products cases will be properly prepared, the best case will be presented to the Courts, and the Courts will be more efficient.

3.2.4 Increasing the availability of AI tools should also help with accessibility as products can cater for challenges particular individuals or groups may have. For example, Garfield has several accessibility features built in including, for example, voice mode for people with eyesight problems.

3.2.5 <u>Standardisation and Structured Data</u>. An official, standardised API enforces data consistency across Courts and between Courts and its users. It helps ensure that each Court receives uniform digital inputs, thereby reducing the variability in local practices and enforces uniformity – meaning that litigants are not confronted with slightly different practices between different Courts. Consistent, structured, data is also the bedrock of advanced AI tools that can assist judges and Court staff. We return to this topic at a higher level of generality in section 4 below.

3.2.6 Enhanced Administrative Efficiency. The availability of an API means documents will be transmitted digitally rather than in hard copy. This enables the automation of routine processes (such as document verification and analysis), saves time from low value tasks (such as scanning paper documents into an electronic format) and allows Court staff to focus on more complex tasks. Errors in forms and documents are reduced through real-time validation. Litigants benefit from improved turnaround times. Claims should progress through the County Courts much more swiftly with justice delivered much earlier.

3.2.7 Defining Common Standards for Cost Savings. Establishing a common schema for document types through the API portal facilitates the creation of shared resources such as document repositories and advanced search tools. This standardisation can lead to significant government cost savings by reducing duplication of efforts and enabling the development of efficient, scalable tools that support litigation processes. For example, during the CMOC litigation,[12] serving documents via a secure Data Room with defined access protocols saved huge amounts of judicial time and streamlined document management. Similar efficiencies can be achieved on a broader scale with standardized APIs. Defining a common schema will also lead to external providers and stakeholders, such as law firms, and software providers, adopting it and will enable the creation of new tools that will enable more efficient litigation processes. For example, at present, law firms exchange a lot of documents over email but this is inefficient and leads to vast duplication.

3.2.8 Open justice. A fully fledged API would enable external parties to access the theoretically publicly available documents about Court cases that, at present, are difficult or impossible to access. It will make public scrutiny of the Court system more effective. It would also mean a better and wider range of data could be provided to the public about the operation of the County Courts and the cases that go through them.

3.2.9 Revenue Generation. The API could be monetised, particularly for professional users (e.g., law firms or high-volume litigants or entities conducting big data analysis), through a pay-per-call or subscription model. Given ongoing funding pressures, this offers an avenue for sustainable revenue, potentially easing reliance on other funding streams. Ideally, it would also generate excess revenue that could be used to meet the funding needs of the Family and Criminal jurisdictions.

3.2.10 Maintaining international competitiveness. By developing APIs, which can then be rolled out into other areas, i.e. Commercial Court work, the UK can maintain its leadership in legal technology. This will help ensure that English law remains technologically advanced compared to other jurisdictions like the United States and should generate an eco-system of products like Garfield that will help to retain the UK's pre-eminence as a preferred place to resolve disputes. Furthermore, as English law firms charge on a time/cost basis, AI tools that reduce the volume of time intensive but relatively low value tasks that law firms must

[12] CMOC Sales & Marketing Ltd v Person Unknown & Ors [2018] EWHC 2230 (Comm) (26 July 2018)

carry out should reduce the cost of litigation and thus help maintain the UK's competitiveness in that respect, too.

3 **Wider Benefits of Structured Data**

4.1 **Streamlined judgment enforcement**. The enforcement of judgments is still lacking in modernity. It is slow and unnecessarily cumbersome. Structured data would allow direct transmission of Court Orders to key agencies and stakeholders. For example, after judgment has been given, an Order could be securely sent to a bank to freeze accounts or to HM Land Registry or Companies House to charge assets. This would significantly reduce delays in judgment enforcement, improving the overall efficacy of the Court process.

4.2. **Enhanced Analytics and Policy Development**. A fully digitised system would allow the Ministry of Justice and HMCTS to analyse anonymised data at scale. Patterns and bottlenecks could be identified more rapidly, allowing a more coherent service and resources to be redeployed swiftly to address problems, and inform evidence-based policy reforms.

4.3 **Improved Morale and Retention in the Judiciary**. Administrative burdens are a major cause of stress for judges. By automating low-value tasks and offering real-time assistance, AI tools could be developed to free judges to focus on complex legal questions, thus improving job satisfaction and retention. Litigant facing AI tools such as Garfield would also reduce the number of litigants in person, thus saving additional judicial time and improving judicial morale.

4.4 **Government Cost Savings through Standardisation**. As noted above, defining and enforcing common standards for document types and data structures through the API portal can lead to significant cost savings for the government. Standardisation reduces the need for bespoke solutions, lowers maintenance costs, and facilitates the creation of shared resources such as document repositories and advanced search tools. These efficiencies translate into reduced operational expenses and better allocation of resources within the judicial system.

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5 February 2025

February 2025