



This bulletin relates to claims brought against the Ministry of Defence for compensation at common law (other than those arising out of contract disputes). These are dealt with by the Claims Unit within the Department's Directorate of Judicial Engagement Policy (DJEP), by contractors operating in accordance with instructions provided by the Claims Unit, or by delegated authorities<sup>1</sup>.

### Key Points

- Total payments by MOD for compensation claims and associated costs in Financial Year 2015/16 (not including those arising out of contract disputes) were **£88.9M**. This does not include MOD legal costs which totalled £13.6M exclusive of staff costs. Over the same period recoveries of around **£1.6M** were made.
- The highest value claim that was settled in 15/16 was for a spinal injury. The total paid out on this claim (in both damages and claimants' costs) was around **£3.8M and further future periodic payments will be made**.
- The total number of new claims brought against MOD was **4844**. This represents a decrease of around 16% compared with 2014/15.
- **1060** Service Personnel Employer's liability claims were settled in 2015/16. In-year expenditure<sup>2</sup> on Service Personnel Employer's liability claims was **£51.6M**.
- **252** Civilian Employer's Liability claims were settled in 2015/16. In-year expenditure on Civilian Employer's liability claims was **£14.6M**.
- **1624** Public Liability claims were settled in 2015/16, of which 1428 were third party motor claims in the UK. In-year expenditure on Public Liability claims was just under **£13M**, of which **£4.8M** was accounted for by motor claims.
- **20** Clinical Negligence claims were settled in 2015/16. In-year expenditure on Clinical Negligence claims was around **£6M**.
- The in-year expenditure on structured settlements/periodic payments was around **£2.8M**.
- **676** claims were settled by delegated authorities<sup>1</sup> in 15/16. The in/year expenditure for delegated authorities was just over **£1M** with recoveries in excess of **£166,000**.

1. Delegated authorities such as overseas Area Claims Offices (ACOs) and the Defence Infrastructure Organisation (DIO)

2. In- year expenditure is inclusive of damages and other costs, such as claimants' legal costs and medical fees. It does not include MOD legal costs. Expenditure may include interim payments for active claims as well as final payments for settled claims.

**Point of contact:** Deputy Head of Common Law Claims and Policy, Tel: 0207 218 1538

#### Further information/mailling list:

Would you like to be added to our **contact list**, so that we can inform you about updates to these statistics and consult you if we are thinking of making changes? You can subscribe to updates by emailing [DJEP-ClaimsGeneral@mod.uk](mailto:DJEP-ClaimsGeneral@mod.uk)

## Introduction

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When compensation claims are received they are considered on the basis of whether or not the Ministry of Defence has a legal liability to pay compensation. A payment of compensation in circumstances where the Department does not consider that a court would find it liable would count as an ex gratia payment, and the Department is not empowered to make such payments without Treasury authorisation, which is not frequently sought or given. The only exceptions to this rule relate to claims arising from low flying and to certain claims settled in theatre by Area Claims Officers.

The amount of compensation paid is determined by common law principles which broadly take account, as appropriate, of such factors as an individual's pain and suffering, degree of injury, property losses, past and future financial losses and level of care required. Advice is sought where necessary from the Government Legal Department, and the Department's commercial claims handlers' panel solicitors for cases brought in England and Wales; the Crown Solicitor in Northern Ireland; and Morton Fraser Solicitors, the Department's legal adviser in Scotland. Counsel are also consulted on high profile or complex cases or where a point of law needs to be explored. The majority of cases are settled through negotiation in order to save the parties the additional costs of a court appearance. This bulletin does not distinguish between compensation ordered by a court and compensation paid pursuant to a negotiated settlement.

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## Section 1 Compensation claims made against the MOD

The total number of new claims brought against MOD in 2015/16 was 4844. This represents a decrease of around 16% compared with 2014/15. There has been a reduction in the number of service-related noise-induced hearing loss claims (1838 claims received in 2014/15 compared with 1037 in 2015/16) although it still remains the most commonly claimed for condition in the employer's liability claims category. There has been a reduction in the number of Iraq Private Law claims brought (189 claims received in 2014/15 compared with just 12 in 2015/16).

**Table 1 New claims, by category**

	FY2014/15	FY2015/16
<b>Total new claims brought</b>	<b>5 814</b>	<b>4 844</b>
<b>Public Liability</b>	<b>2 153</b>	<b>1 934</b>
<b>Motor</b>	<b>1 571</b>	<b>1 629</b>
<i>Personal injury</i>	245	250
<i>Property/ vehicle damage</i>	1 320	1 363
<i>Vehicle overseas</i>	6	16
<b>Other Public Liability</b>	<b>582</b>	<b>305</b>
<i>Personal Injury</i>	186	154
<i>Low flying</i>	96	74
<i>Maritime</i>	8	17
<i>Iraq Private Law</i>	189	12
<i>NI Security Forces</i>	30	3
<i>Other<sup>1</sup></i>	73	45
<b>Employer's Liability</b>	<b>2 887</b>	<b>2 093</b>
<b>Service</b>	<b>2 381</b>	<b>1 613</b>
<i>Noise-induced hearing loss</i>	1 838	1 037
<i>Non-freezing cold injury</i>	145	206
<i>Other</i>	398	370
<b>Civilian<sup>2</sup></b>	<b>506</b>	<b>480</b>
<i>Noise-induced hearing loss</i>	202	185
<i>Inhalation or Ingestion of Asbestos</i>	139	139
<i>Other</i>	165	156
<b>Clinical negligence</b>	<b>95</b>	<b>92</b>
<b>Other</b>	<b>679</b>	<b>725</b>
<b>Area Claims Offices (ACOs)</b>	<b>663</b>	<b>714</b>
<b>Defence Infrastructure Organisation (DIO)</b>	<b>16<sup>e</sup></b>	<b>11<sup>e</sup></b>

Source: Directorate of Judicial Engagement Policy Common Law Claims & Policy team

1. This category includes, for example, property damage claims which usually come from personnel working and living in service accommodation who have had their belonging damaged by poor maintenance of their accommodation or infrastructure

2. All MOD civilian employees including members of the Ministry of Defence Guard Service (MGS) and Ministry of Defence Police (MDP).

e This is an estimate based on the number of settled cases but the number of claims received may be slightly higher.

## Section 2 Settled compensation claims notified

In this Section, the term “settled” relates to claims that were fully determined. In total 3632 claims were settled on all costs in 2015/16 either out of Court or by Court verdict. The financial year in which settlement is recorded is not necessarily the year in which the damages were paid. This category does not include any claims which were discontinued, struck out by the Courts, or repudiated by the Claims Unit or by delegated authorities.

**Table 2 Settled claims, by category**

	FY2014/15	FY2015/16
<b>Total claims settled</b>	<b>4 366<sup>r</sup></b>	<b>3 632</b>
<b>Public Liability</b>	<b>1 400</b>	<b>1 624</b>
<b>Motor</b>	<b>1 164</b>	<b>1 439</b>
<i>Personal injury</i>	240	249
<i>Property/ vehicle damage</i>	914	1 179
<i>Vehicle overseas</i>	10	11
<b>Other Public Liability</b>	<b>236</b>	<b>185</b>
<i>Personal injury</i>	96	72
<i>Low flying</i>	69	48
<i>NI Security Forces</i>	16	32
<i>Maritime</i>	4	7
<i>Other<sup>1</sup></i>	51	26
<b>Employer's Liability</b>	<b>2 234</b>	<b>1 312</b>
<b>Service</b>	<b>1 898</b>	<b>1 060</b>
<i>Noise-induced hearing loss</i>	1 652	808
<i>Non-freezing cold injury</i>	50	62
<i>Other</i>	196	190
<b>Civilian<sup>2</sup></b>	<b>336</b>	<b>252</b>
<i>Noise-induced hearing loss</i>	85	64
<i>Inhalation or Ingestion of Asbestos</i>	124	94
<i>Other</i>	127	94
<b>Clinical negligence</b>	<b>21</b>	<b>20</b>
<b>Other</b>	<b>681</b>	<b>676</b>
<b>Area Claims Offices (ACOs)</b>	<b>665</b>	<b>665</b>
<b>Defence Infrastructure Organisation (DIO)</b>	<b>16</b>	<b>11</b>

Source: Directorate of Judicial Engagement Policy Common Law Claims & Policy team

1. This category includes, for example, property damage claims which usually come from personnel working and living in service accommodation who have had their belonging damaged by poor maintenance of their accommodation or infrastructure

2. All MOD civilian employees including members of the Ministry of Defence Guard Service (MGS) and Ministry of Defence Police (MDP)

<sup>r</sup> The figure previously published excluded settled claims for Delegated Authorities

### Section 3 Cost of compensation claims notified

This table includes damages and other costs, such as claimants' legal costs and medical fees. It does not include MOD legal costs. Expenditure may include interim payments for active claims as well as final payments for settled claims.

**Table 3 In-year expenditure on claims, by category**

	FY2014/15	FY2015/16
<b>Total in-year expenditure    £/million</b>	<b>85.130</b>	<b>88.928</b>
<b>In-year expenditure by MOD Claims Unit and claims contractors</b>	<b>83.714</b>	<b>87.841</b>
<b>Public Liability<sup>1</sup></b>	7.982	12.654
<b>Employer's Liability</b>	67.055	66.284
Service	51.861	51.642
Civilian	15.195	14.642
<b>Clinical negligence</b>	5.816	6.059
<b>In-year structured settlement or periodic payments</b>	2.862	2.845
<b>In-year expenditure by Delegated Authorities</b>	<b>1.416</b>	<b>1.086</b>
<b>Area Claims Offices (ACOs)</b>	1.371	1.057
ACO Afghanistan	0.023	0.002
ACO North West Europe	0.857	0.460
ACO Cyprus	0.489	0.595
ACO South Atlantic Islands	0.002	-
<b>Defence Infrastructure Organisation (DIO)</b>	0.045	0.029

Source: Directorate of Judicial Engagement Policy Common Law Claims & Policy team

1. Public liability claims include motor third party claims in the UK at a cost of £4.8M

## Further Information

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### Revisions

There are no regular planned revisions of this Bulletin. Any substantial changes which are discovered to be necessary will be made to the on-line version of the Bulletin.

Corrections to the published statistics will be made if errors are found, or if figures change as a result of improvements to methodology or changes to definitions. When making corrections, we will follow the Ministry of Defence Statistics Revisions and Corrections Policy:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/284849/defence-statistics-revisions-and-corrections-policy-v1.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284849/defence-statistics-revisions-and-corrections-policy-v1.pdf).

All corrected figures will be identified by the symbol “r”, and an explanation will be given of the reason for and size of the revision. Corrections which would have a significant impact on the utility of the statistics will be corrected as soon as possible, by reissuing the publication. Minor errors will also be corrected, but for convenience these corrections may be timed to coincide with the next annual release of the publication.

### Symbols

e estimated figure

### Contact Us

If you have any questions about the statistics contained in this publication you can contact us as follows:

**Claims Point of Contact** – Deputy Head of Common Law Claims and Policy, Tel: 0207 218 1538

Directorate of Judicial Engagement Policy – Common Law Claims and Policy  
Ministry of Defence, Main Building  
Floor 1 Zone I  
Whitehall  
London  
SW1A 2HB

E-mail: [DJEP-ClaimsGeneral@mod.uk](mailto:DJEP-ClaimsGeneral@mod.uk)

**Statistical Point of Contact** – Head of Defence Statistics (Tri-Service), Tel: 0207 807 8896

E-mail: [DefStrat-Stat-Tri-Hd@mod.uk](mailto:DefStrat-Stat-Tri-Hd@mod.uk)

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<https://www.gov.uk/make-a-freedom-of-information-request/the-freedom-of-information-act>

For general MOD enquiries, please call: 020 7218 9000