



Britain: Insurance, Justice and The Legal System

Part one: **The system as a whole**

Britain's legal system is world renowned, dispensing consistent justice on a basis of fairness and accessibility. It is why so many people from other countries use our courts; they can be confident in the rule of law.

Meanwhile the British people are well aware of the importance of the courts to our nation. Our new study looking at attitudes to our institutions found that the justice system ranks second on the list, only after free and fair elections. Meanwhile three quarters of us believe the courts are a vital part of keeping Britain a fair society.

However, as the 21st century progresses, Britons find themselves increasingly confused by the complexity of institutions designed to support and protect us. While in the abstract, our legal system is seen as fair and balanced, when the public come into contact with it they often find it difficult and expensive to navigate, with little idea who to turn to for help and guidance.



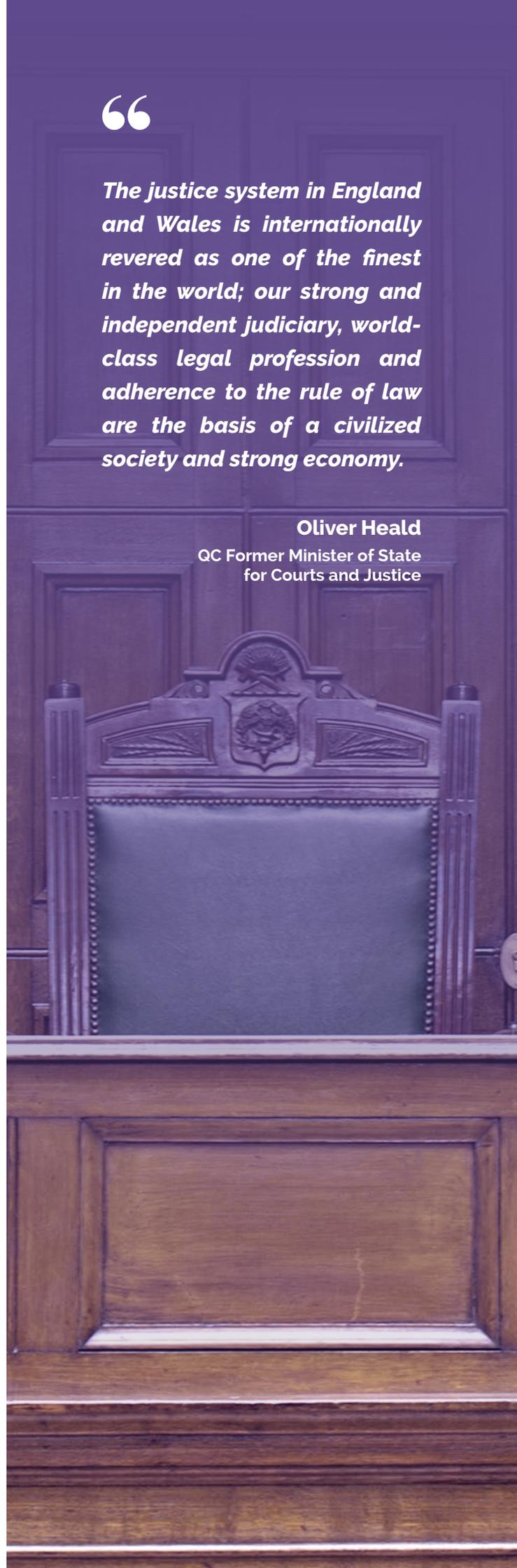
Nearly half (42%) of us have no idea of the fundamental difference between **the civil justice system** and **the criminal justice system.**

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The justice system in England and Wales is internationally revered as one of the finest in the world; our strong and independent judiciary, world-class legal profession and adherence to the rule of law are the basis of a civilized society and strong economy.

Oliver Heald

QC Former Minister of State
for Courts and Justice



More than a quarter (27 percent) of the 1,500 UK respondents we surveyed have no idea what legal aid is, while only 44 per cent understand the legal term "The Bar" or what its function is and 43 per cent have no idea what the role of Lord Chancellor entails.

Awareness of legal terms is especially concerning among younger people. For example, while 96 per cent of over 60s know what legal aid is, only 56 percent of 16-to-29-year olds can say the same.

Solicitor Stuart Gilmore, who works with ACSO member O'Reilly Stewart, explained the problem.

"People have no idea how to gain resolution," he says. "The initial phone calls I have take half an hour and they're just basic introductions to how the systems they're going to interact with work. They're faced with a number of processes that without trained help they simply won't be able to use.

"Thinking about this research project, I put myself in the shoes of a person on the street in the UK who is seeking justice and I have to say I'd find it bewildering."

Other issues apart from accessibility to the legal system include cost and time.

"The simplest cases I have with an easily diagnosed issue - say a broken limb and clear liability - take six to 12 months to sort out," Gilmore says. "More complex claims can go on for seven years - and these will be debilitating injuries which require time off work and further medical assistance. People have no idea of the amount of their life they might have to put into it."

Methods of dealing with legal issues that bypass time-consuming court processes are also unknown territory to most people, with 87 per cent of us not having heard of alternative dispute resolution, something the senior judiciary is pushing for wider adoption and the government recently opened a call for evidence to get more ideas as to what can make justice more accessible.

The danger is that ignorance of our justice system can reverberate throughout society. If people do not trust the tenets of our democracy, suspicion quickly spreads, providing ammunition for those who want to undermine our institutions.



Part two: **Britain's faith in corporations**

It appears that lack of faith or understanding in institutions such as the law filters down and means Britons lose confidence in all manner of parts of the economy they interact with on a regular basis – including financial services and insurance.

Our research shows two in three people believe loan companies do not operate in the public's interest and after that fewer than one in two (42 per cent) people believe that insurance companies have consumer rights at the heart of their operations.

In fact, consumer trust was higher in oft-maligned utility companies (52 per cent) and banks (54 per cent) than the insurance sector.

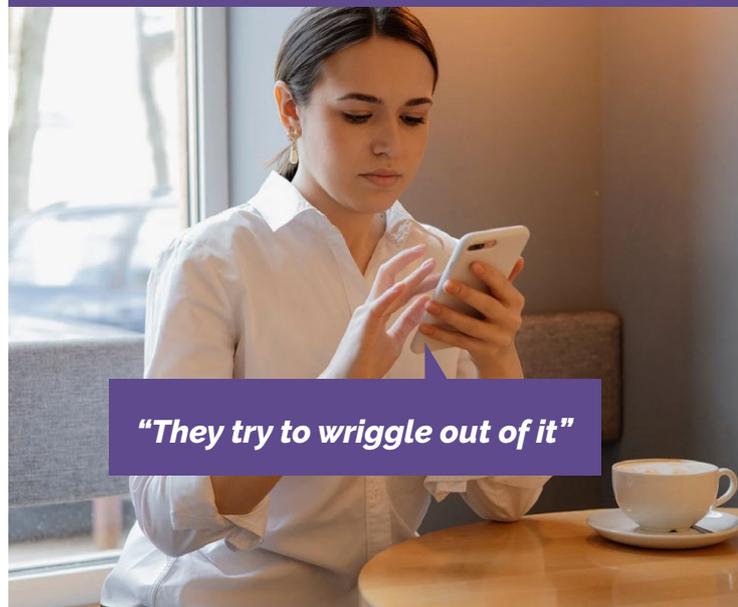
In contrast, lawyers (64 per cent) and citizens advice bureaux (74 per cent) were regarded by a clear majority of respondents as helpful and trustworthy sources of information for ordinary people.

The study also revealed a perceived failure of insurance companies to support the public in their hour of need, for example when they need to make a claim, despite a significant financial outlay on their products. On average, Britons each spend £882 a year on insurance - around 25bn* a year in total.

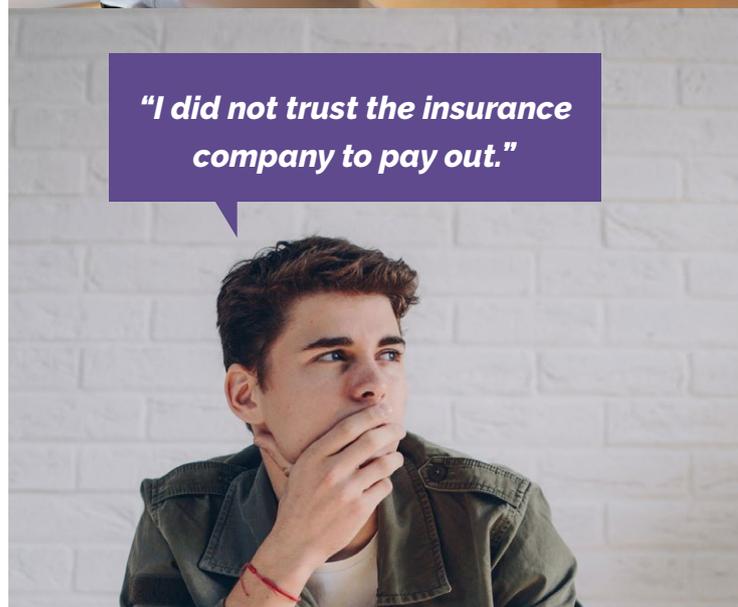
Yet 30 per cent of people say that they have not claimed on their insurance when they had a legitimate reason to claim. Again, the picture is worse for young people, with 40 per cent of the 16-to-29 demographic saying they've not bothered to make a claim, even when justified.

Consumers say they didn't claim when they could around five times in the last three years. The top reason for this was the excess being too high to make the claim worthwhile (34 per cent), followed by a fear that they risk the loss of their no-claims bonus (29 per cent). These reasons are perhaps to be expected, as there is a clear financial penalty attached, but lower down the list are more troubling findings.

Some interviewees on the survey claim that friction of the system prevented them gaining recompense.



"They try to wriggle out of it"



"I did not trust the insurance company to pay out."



"The insurance company took too long to give me a response. Got bored of waiting and poor service."

This shows that 16 per cent of people said that there was too much admin involved, while 15 per cent said that they simply didn't understand the process. That's one in seven people who are unable to comprehend their insurance, despite shelling out on products year after year.

Insurers have faced regular criticism from the public about the 'small print,' which enables them to be perceived as wriggling out of paying claims. During the Covid-19 pandemic, insurers took a reputational battering for refusing to pay thousands of business interruption claims. Eventually, the industry was taken to court in order to make them pay out.

The historical reluctance to pay out claims is further underlined by the data revealing that 10 percent of us are put off making legitimate claims as we feel we'd be treated like fraudsters.

Injury solicitor Stuart Gilmore comes across the public's unwillingness to pursue claims every day and he puts it down, in the main, to the perception, encouraged by the media and the insurance industry itself, compensation culture.

"Particularly with soft-tissue injuries, which are not so easily diagnosed, people are extremely wary," he explains. "I hear a lot of injured people tell me 'I'm not that kind of person'. Clearly it's been in insurance companies' interests to play the angle of compensation culture up and it has definitely stuck in people's minds."

While financial hardship is a factor, mistrust in insurers may be another reason why so many people do not have insurance even if they see it as essential. Only six in ten people have home insurance - even though eight in ten of us say that it is vital to have it. Similarly, while 63 per cent have comprehensive car insurance, 78 per cent think they ought to have it. And if serious sickness strikes, only 23 percent of us have critical illness cover.



Part three:

Finding justice: fear of compensation culture?

ACSO's members are all too aware of the problems encountered by people who find themselves needing resolution from the courts. The problems are particularly apparent on our roads, any not least for cyclists, who can find it nearly impossible to get justice.

David Dansky, business development head of Bike Works, said:

"Almost every cyclist will have had a bad experience with a car driver, whether it's people passing too close or swerving in front of them or aggressive behaviour in general. And they'll know the feeling of helplessness that goes with it."

"I had an incident where I was riding along in a middle of the road because the road wasn't wide enough. And there was a car behind me and a passenger got out at a roundabout, dragged me by the hair and tried to bang my head against a lamppost. I broke my knee. There were eight witnesses all prepared to give statements - and yet the police dropped it. They could identify the driver - but he was a known criminal and they knew he wouldn't disclose who the passenger was and so they dropped it."

"I could make no claim on insurance, I didn't even think about a civil case because you have to have an element of legal literacy to think about that."

"So what recourse has anyone got? For the individual cyclist at least, there is injustice. We know that punishments for car drivers are lenient and it's hard to convict anyway. What can you do?"

More than one in two (51 per cent) people simply don't know where to begin when looking to gain resolution after they've been scammed or ripped off.

Only 35 per cent would go to their insurance company, 26 per cent would go to citizens advice bureaux and 18 per cent would head online to sites such as moneysavingexpert.com.

Are people being left behind as they search for their rights? Is a fear of being treated like a criminal or the moral posturing over "compensation culture" leading to an air of defeatism?

It's important for corporations and governments to start listening to the concerns of the general public before this apathy mutates into something more serious.



More than half (51%) of people simply don't know where to begin when looking to gain resolution after they've been scammed or ripped off.

Summary:

ACSO concluding recommendations

- While Britons rate our justice system as being vitally important to our nation, ranked behind only free and fair elections, there is also a widespread misunderstanding of how it operates. This means the trust we need to have in the system as a whole is under threat.
- Both the criminal and civil justice systems have been hollowed out by cuts in public spending, but this has been exacerbated by behaviour by insurers and others that has added to mistrust and made people think that making a claim – no matter how reasonable – isn't worth the effort and might even be held against them in future.
- As the recent business interruption insurance scandal showed, many premium holders don't know what they are covered for and what they are not, putting them at the mercy of claims processes which may focus on cost cutting and rejecting claims rather than providing the support consumers deserve – and have paid for.
- Improving trust in insurance may help bridge the gap between how important consumers think such products are compared with how many people take policies out, for instance to protect their homes or ensure their motor cover is fully comprehensive. Improved pricing transparency could help people understand what they are getting and the value it represents.
- Public legal education – alongside better understanding of how financial services operate – may help both tackle this and ensure that service providers are encouraged to up their game.
- Meanwhile the language that all professionals use, be they insurers, lawyers, the government or anyone else, needs constantly to be improved to help make it more consumer friendly and make 'small print' easier to digest – rather than push aside and ignore.



About Perspectus Global

The research of 1,500 British respondents was conducted between July 21 and Jul 28, 2021 by Perspectus Global

Perspectus Global (formerly Ginger Research) is a division of Ginger Publicity Ltd, and was founded in 2015 by Harriet Scott (former MD of 72Point and co-founder of One Poll).

With more than 30 years' experience overseeing and running research projects, our team consists of research experts, media consultants and PR professionals.

We have a passion for communications and years of media experience – we know how to tell a story with research, whatever the audience.

Our UK panel comprises 100,000 respondents, and internationally we have access to panels across 99 territories. All our surveys adhere to the MRS Code of Conduct and GDPR.

** Based around 27.8 million households*



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