

Claims Management Company Check List

A claims management company is a firm who seek to obtain permission to represent you in appointing solicitors to make a claim against an Installer or under a Guarantee. Whilst professional Claims management companies may be able to assist you in making a claim, unfortunately many less scrupulous operators exist, attracted by easy profits, and may adopt practices such as cold calling and use of aggressive sales techniques. This simple guide is therefore intended to highlight questions that you should consider in instructing a third party to represent you in making a claim.

1. Have the company clearly identified who they are, where they are based, what they do and how they make their profit?
2. Have you checked if they are currently regulated as a Claims Management Company by the Claims Management Regulator (CMR) <https://www.gov.uk/check-claims-company-registered> ?
3. Have you checked on the history and feedback on the Company concerned (such as review sites, struck off directors, previous poor practice, previous company entities, customer experience)?
4. Do you actually have a problem or are you in danger of being persuaded that you have on the promise of compensation?
5. Have you asked for a clear explanation of all charges, commissions and fees?
6. Do you understand if any “opt out” fees will be payable if you subsequently decide that you do not wish them to represent you?
7. Have you checked whether you have a 14 day “cooling off” period in which to change your mind with regards to any agreement, loan or Conditional Fee Agreement?
8. Do you understand that you personally will be the claimant but will have little control over any Court proceedings?
9. Are you being pressurised by aggressive sales tactics into agreeing to them pursuing a case when you need more time to consider alternatives?
10. Are you aware that you should have an independent Guarantee for the work which can put things right in the event of a defect at no charge to you?
11. If you have a Guarantee have you checked what help the Guarantee provider or installer can give you without any risk?
12. Are they asking for an upfront fee or payment for an inspection that CIGA completes at no charge?
13. Are you being asked to take out a loan to cover the Claims Solicitors costs and profit and although you would not usually have to repay this are you clear on any circumstances that mean you may be asked to?
14. Have the risks been explained if you breach the rules of the After the Event Insurance policy?
15. Have you been advised about any rights of ATE insurers to accept a low offer to ensure that they receive their premium?
16. Are you aware of the risks that the conditional fee agreement (“no win no fee”) is not honoured?
17. Has your potential costs liability to the other side been fully explained in a situation where you do not ‘win’ your claim or it is allocated to the Small Claims Track?
18. Are you confident that the panel solicitor you will be forced to use has the necessary experience and knowledge and are they regulated by the Solicitors Regulation Authority (SRA) <http://www.sra.org.uk/consumers/solicitor-check.page> ?
19. Are you clear that the Solicitor will take their fees and a profit from any court award and have you considered what happens if this leaves too little to complete necessary work?
20. Have you checked how much you will need to pay the Solicitors for their costs and profit if any award is based on work being completed rather than the promised compensation?
21. Have you been encouraged to inflate your claim to increase their Claims company profit? Are you aware that if you do inflate your claim you could be charged with fraud and face a custodial sentence?