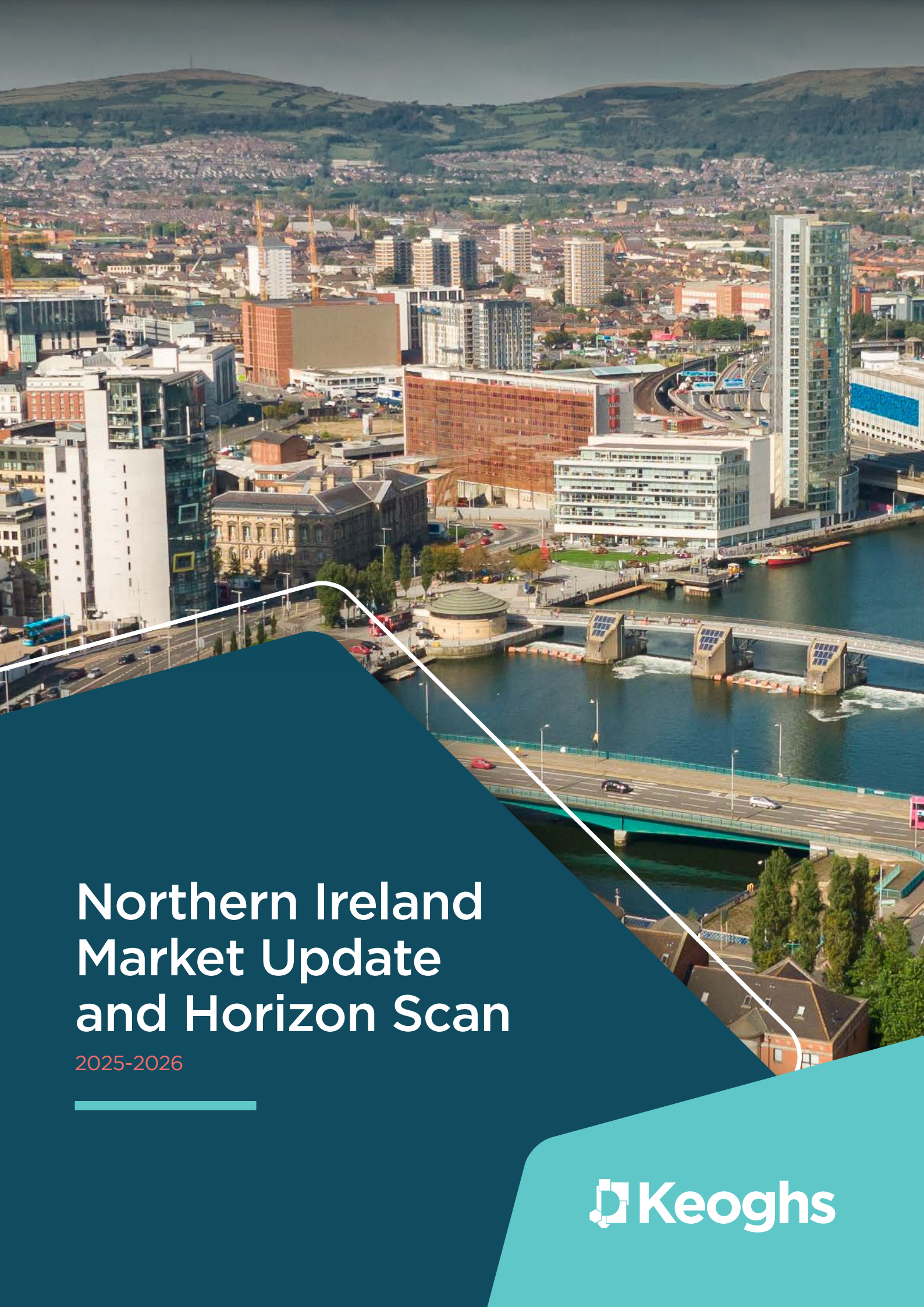


An aerial photograph of Belfast, Northern Ireland, showing a dense urban landscape with a mix of modern glass-fronted buildings and older brick structures. In the foreground, a large bridge with a green railing spans the River Lagan. The river flows through the city, with a large circular structure and several smaller bridges visible. In the background, rolling green hills are visible under a clear sky.

Northern Ireland Market Update and Horizon Scan

2025-2026

Introduction

The past year has been exceptionally active for our Northern Ireland team. The year so far has seen significant developments across the litigation and policy landscape, with a number of cost-related reforms and procedural consultations underway or imminent.

This report provides an overview of key developments in progress, as well as issues we expect to shape the Northern Ireland claims and litigation environment in 2026. It reflects a broad perspective across reform, procedure, plaintiff behaviour and policy, concluding with an update on costs – still the most rapidly evolving area of change.

Executive Summary – Northern Ireland Market Update 2025-2026

1 Civil Procedure Reform

The Department of Justice (DoJ) continues to revisit the 2017 Gillen Civil Justice Review recommendations, focusing on case management, early engagement, and pre-action behaviour. A revised High Court Personal Injury Protocol is expected in late 2025 or early 2026. Incremental change is likely, rather than full CPR adoption.

2 Alternative Dispute Resolution (ADR)

ADR remains voluntary in most personal injury claims, but its profile is growing. The DoJ will pilot an online dispute resolution scheme in 2026, and the Commercial Court is already applying costs sanctions for unreasonable refusal to mediate. The next wave of procedural reform may embed ADR expectations more formally.

3 Rehabilitation and Serious Injury

With no formal Rehabilitation Code or Serious Injury Guide, delays in NHS and Legal Aid approvals are driving demand for interim payments to fund private treatment. Keoghs continues to advocate collaborative rehabilitation where it assists in managing cost exposure and demonstrating reasonableness.

4 Plaintiff Market Behaviour

One key opponent firm continues to dominate the NI market with a high-volume model and assertive cost tactics. The key VAT recovery appeal (listed for December 2025) and challenges over “without prejudice” PAV payments remain live. One plaintiff firm’s affiliations with a new CHO are being monitored.

5 Policy Developments

Justice Minister Naomi Long has confirmed that there will be no immediate legislation requiring court approval for minor settlements without proceedings. Keoghs continues to recommend formal approval in all minor cases as best practice.

6 Costs and Claims Environment

Cost inflation remains a defining feature of the NI market, with higher general damages, increased counsel and solicitor rates, and upcoming County Court cost reform. There remains an inconsistent approach from County Court judiciary as to costs entitlement on uplift of lodgement and pre-Certificate of Readiness. Clarification will be required from the High Court on appeal. Ongoing engagement through FOIL and the ABI ensures insurer perspectives remain represented.

7 Costs and Claims Environment

Procedural reform, ADR expansion and continued cost escalation will dominate. Key actions for insurers:

- ✓ Review reserves post-County Court scale update;
- ✓ Embed early resolution and ADR strategies;
- ✓ Prepare for new Pre-Action Protocol guidance; and
- ✓ Continue proactive engagement with policy consultations.

Civil Procedure Reform and Access to Justice

A move towards CPR-Style Rules?

Northern Ireland continues to operate under the Rules of the Court of Judicature rather than the Civil Procedure Rules (CPR) used in England and Wales. While there has been long-standing discussion about modernising our procedural framework, political and resource pressures have meant that civil reform remains some way down the Department of Justice's (DoJ) list of priorities.

The 2017 Gillen Civil Justice Review made a number of significant recommendations, including:

- ✓ Updating and consolidating the Rules of the Court of Judicature;
- ✓ Strengthening pre-action protocols and introducing early case reviews;
- ✓ Expanding case-management hearings and promoting early determination of issues; and
- ✓ Increasing use of witness statements and offers of settlement.

Many of these proposals are now being reconsidered as part of the DoJ's Enabling Access to Justice Delivery Plan (2025-2026). A judge-led working group chaired by Brian Fee KC is reviewing the High Court Pre-Action Protocol for Personal Injury. A consultation draft is expected shortly and will likely introduce stronger case-management expectations and clearer guidance on early disclosure and settlement.

Current Procedural Landscape

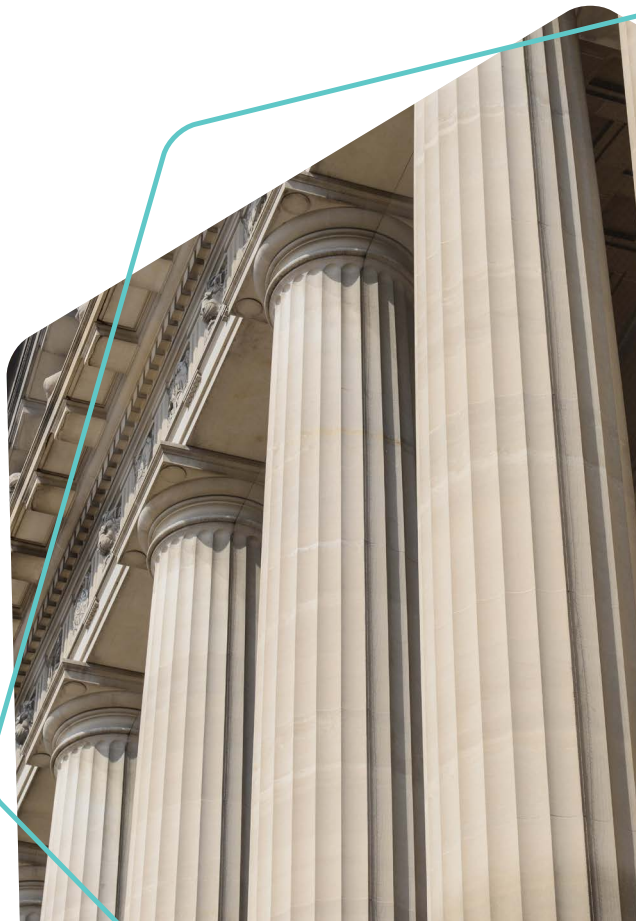
County Court:

Designed for efficiency, with an average life cycle of just over 12 months (53 weeks in 2024).

High Court:

Average duration now exceeds three years, reflecting a 5.8% increase in disposal times. Case management remains limited compared with England and Wales, although progress continues through the reintroduction of in-person Summons listings and selective timetabling by Masters.

While full CPR-style sanctions are unlikely soon, structured pre-action behaviour and greater judicial oversight are expected through incremental reform.



Alternative Dispute Resolution (ADR)

ADR will be an increasingly visible part of the Northern Ireland civil justice landscape.

Current Framework

- ✓ Mediation remains voluntary in personal injury claims; however, the Commercial Court actively encourages it and can impose cost sanctions for unreasonable refusal.
- ✓ The DoJ plans to launch an Online Dispute Resolution (ODR) pilot in 2026, initially for small claims, with the potential for wider civil application.
- ✓ The County Court Pre-Action Protocol (2023) encourages ADR consideration but imposes no sanctions for non-engagement.

Future Direction

The forthcoming High Court Pre-Action Protocol may include stronger references to ADR, potentially introducing expectations around early settlement engagement. Judicial appetite is gradually growing, supported by local counsel, who see scope for mediation in complex or multi-party personal injury cases.

Practical Takeaways

- ✓ ADR remains optional but carries increasing reputational and cost implications.
- ✓ Defendants should consider offering mediation proactively, particularly in professional negligence or multi-party claims.
- ✓ Early engagement can reduce exposure to cost sanctions and support insurer reputation for reasonableness.

Rehabilitation and Serious Injury Management

Northern Ireland does not currently operate the Rehabilitation Code or Serious Injury Guide used in England and Wales. Rehabilitation funding is still primarily through the NHS, but

with growing delays in treatment approvals, there has been a noticeable increase in interim payment applications – often to fund private treatment or expert evidence.

Key trends

- ✓ Legal Aid restrictions mean delays of up to six months for expert approval.
- ✓ Plaintiff solicitors often resist early rehabilitation offers, preferring plaintiff-nominated providers.
- ✓ Keoghs large loss team continues to promote early collaboration where appropriate, while remaining alert to exaggerated or opportunistic claims.

Practical takeaway:

Early, tactical offers of rehabilitation – framed as part of a collaborative resolution strategy – can still yield strategic advantage and demonstrate reasonableness on costs, even where take-up is limited.

Plaintiff Market Dynamics – “Know Your Opponent”

One particular plaintiff firm continues to dominate in the NI market, particularly in motor and lower-value personal injury claims. Their business model emphasises speed, high volume, and early Certificate of Readiness (COR) lodgement to maximise cost recovery.

Current Framework

- 1 Full scale costs claims pre-COR – recently curtailed by *Dicks v First Central Underwriting* (awaiting appeal).
- 2 VAT recovery for VAT-registered plaintiffs – Court of Appeal hearing listed for 3 December 2025.
- 3 Interim billing after payment of pre-accident value (PAV) despite ongoing losses – insurers should resist such payments.
- 4 Refusal to accept “without prejudice” PAV payments and insistence on open liability admissions.

We are aware of affiliations between a particular plaintiff law firm and a flagged credit hire organisation. All linked cases are under review, and any fraud concerns will be escalated to clients promptly.

Policy and Legislative Developments

Mandatory Court Approval for Minor Settlements

In a notable policy reversal, Justice Minister Naomi Long has confirmed that the Department of Justice will not introduce legislation requiring court approval for personal injury settlements involving minors where no proceedings are issued.

While both the 2017 Gillen Review and the 2021 consultation supported mandatory approval, the Minister cited enforcement and practical challenges. The issue is deferred until at least 2027.

Keoghs position:

We continue to recommend that all minor settlements proceed to formal court approval rather than rely on parental indemnities. This remains the best protection against future challenges and ensures appropriate judicial oversight.

Costs and Claims Environment

A. Current Landscape

Rising Cost of Claims

Claim values continue to rise across Northern Ireland, driven by updated damages guidelines, increased legal costs and broader inflationary pressures. Keoghs NI remains one of the leading voices shaping policy and market responses, working closely with the Association of British Insurers (ABI) and the Forum of Insurance Lawyers (FOIL) to address the impact of inflation on motor and casualty premiums.

Key cost drivers include:

- ✓ The higher cost of vehicle repairs and replacement parts;
- ✓ Increased injury awards following the 2024 Green Book revision (average 23% indemnity uplift); and
- ✓ Expanded recoverable fees under the Commerton Scale, creating a material rise in barristers' fees.

Revised Green Book (April 2024)

The latest edition introduced 20-25% increases across most injury categories, maintaining Northern Ireland's position as having the highest general damages in the UK and Ireland. While the revision provides greater predictability, when viewed alongside fee inflation it compounds overall claim cost pressures and may incentivise exaggerated or fraudulent claims.

Commerton Scale Increases

The updated Commerton Scale (2025) has increased counsel fees by 19-37%, with an average rise of around 25-28%.

While the scale offers predictability at lower claim values, there are concerns that higher-value cases – particularly those exceeding £2 million – attract disproportionate brief fees, with limited judicial scrutiny to date.

A new Taxing Master, Joe Moore, is expected to take a more robust stance on unreasonable fee marking, though early judgments are awaited.

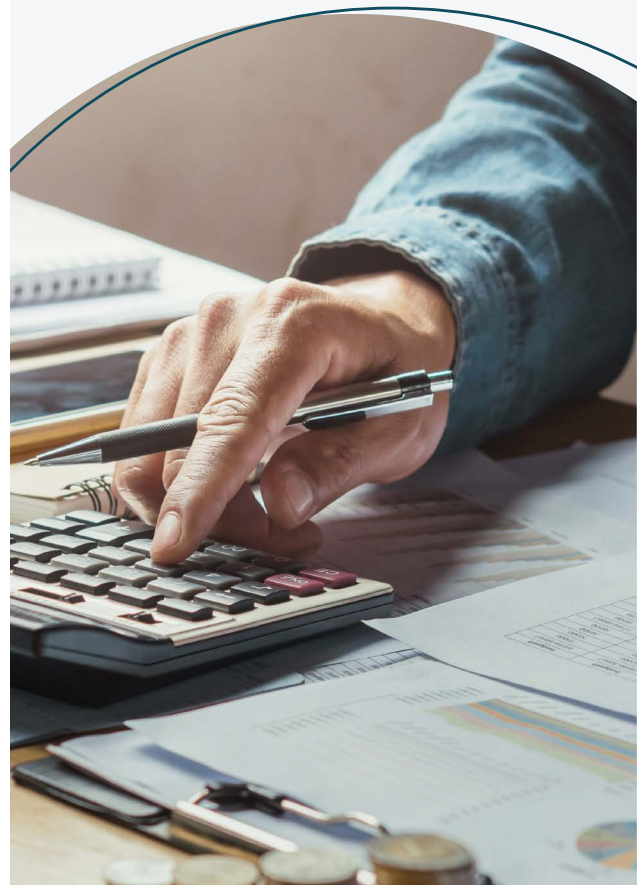
Solicitors' Hourly Rate Review

Effective 1 June 2025, the Taxing Master set a new guideline hourly rate of £155 (previously £102), representing a 50%+ increase.

The rate is prospective and subject to periodic review until 2027, with uplifts for "care, skill and attention" commonly starting at 50%. This change will have an immediate impact on litigation budgets and cost recovery exposure.

Pre-Certificate of Readiness (COR) costs

In *Dicks v First Central Underwriting Ltd* (Oct 2025), HHJ Duncan reaffirmed that $\frac{3}{4}$ scale County Court costs remain appropriate where a lodgement is accepted before the Certificate of Readiness is filed. An appeal is awaited, particularly around cases involving credit hire. The decision by HHJ Collins differs from decisions made by other District Judges across Northern Ireland and further decisions are awaited.



B. Forthcoming Developments

County Court Cost Review:

A live consultation proposes 23% increases in County Court scale costs, aligning with inflation since 2017. Implementation is expected within the next six months. Insurers should review reserves accordingly once confirmation is issued.

BSA Guide Update:

Is being revised to reflect the new solicitor hourly rate. Publication is imminent following the August 2025 committee meeting. We will issue an alert upon release.

Jurisdictional Increases:

Proposal to raise County Court limit to £60,000 remains under DoJ consideration.

Access to Justice Framework:

Civil legal aid scope review, ADR testing, and private finance proposals are all progressing.

Key Takeaways:

- ✓ Cost inflation remains the dominant theme across damages and legal fees.
- ✓ Reserve reviews should be planned once reforms are confirmed.
- ✓ Early resolution and cost-control strategies are critical for 2026.

Looking Ahead – Key Themes for 2026

Theme	Expected Impact / Action Point
Procedural reform	Incremental shift toward CPR-style case management; High Court Pre-Action Protocol expected late 2026.
ADR and ODR pilots	Growing emphasis on early resolution; potential cost sanctions for non-engagement.
Costs inflation	Continued pressure from revised scales and hourly rates; monitor County Court review outcome.
Plaintiff tactics	Volume firms remain aggressive; early tactical defence strategy essential.
Rehabilitation pressures	Rising demand for interim funding and defendant-led solutions.
Judicial turnover	New High Court appointments may influence damages and costs trends.

Conclusion

Northern Ireland's litigation landscape remains distinct, dynamic, and increasingly costly; 2026 will bring further evolution in procedure, ADR use and judicial approach. Keoghs continues to play a central role in influencing

reform through FOIL, the ABI, and direct engagement with the Department of Justice.

We will keep clients informed as consultations close and as practical implementation dates emerge.

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