

Press Release

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For Immediate Release

**PERSONAL INJURY CLAIMANT FOUND IN CONTEMPT FOR
EXAGGERATING THE EFFECTS OF INJURY**

In a landmark Judgment Mr Justice Coulson sitting in the High Court in Liverpool has found a personal injury Claimant in contempt of Court for claiming damages for personal injuries to which she knew she was not entitled. Mrs Joanne Kirk, 45 from Preston, Lancashire, claimed in excess of £750,000 from Mrs Carol Walton for injuries she claimed she sustained in a road traffic accident.

In September 2001 Mrs Walton drove her car accidentally into the back of Mrs Kirk at a roundabout at Bamber Bridge. Mrs Kirk claimed that, as a result, she contracted a disease called Fibromyalgia, which left her crippled. Mrs Kirk claimed compensation, state benefits and a disabled Parking Badge alleging she could only walk about 10 paces "on a good day".

Mrs Walton's insurers did not believe her and obtained video films of her walking, driving and shopping for long periods on many occasions without any disability whatsoever. When the videos were disclosed Mrs Kirk realised the game was up and abandoned her claim.

Mrs Walton however bought private proceedings for contempt of Court against Mrs Kirk for lying to Mrs Walton's insurers and the Court in an effort to defraud them of compensation she knew she did not deserve.

Mr Justice Coulson said " Mrs Kirk generally exaggerated her symptoms to a significant and unconscionable degree" and that she can have had no "honest belief" that much of her claim was true. He accordingly found that she was in contempt of Court for lying in Court documents and Mrs Kirk was sentenced to a fine of £2,500 and ordered to pay 50% of the insurers costs of the contempt action. Insurance fraud is a massive problem that honest hard working premium payers have to pay for. This case signals the start of a get-tough policy by Britons insurers.

Commenting on the case Jo Pizzala, advising solicitor (Partner, Plexus Law) said:

"There is no doubt the costs consequences of this action have been severe to Mrs Kirk. As well as recovering no money from the original claim due to adverse costs orders her legal expenses cover was withdrawn and those costs and the subsequent costs of her defending the contempt proceedings are approximately £125,000 on top of this there is an order for recovery of 50% of the applicants contempt costs. This will severely impact upon her financial position for many years to come.

This is an important development for the general insurance industry and is long overdue". Insurers will now have the opportunity to pursue those people who pursue massive financial claims arising out of minor accidents further than the main personal injury action if the evidence shows that the claims have been dishonestly exaggerated in order to gain a significantly higher level of compensation. The general public have an interest in these cases as most people pay insurance premiums through one form or another and exaggerated claims for compensation cost the industry tens of millions every year."

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For more information please contact: Mark Marshall, Marketing Director,
The Parabis Group

T: 020 8253 1103 **M:** 07825 204965 **E:** mark.marshall@parabis.co.uk

Notes to Editors:

Attachments:

1. Plexus Law Case Alert.
2. Kirk v Walton – Judgement.