

The Real Cost of Personal Injury

2016

A National Accident Helpline report



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1. Executive summary

What we know

At National Accident Helpline we know from our daily conversations with injured people just how much a personal injury can affect every aspect of a person's life, from the financial cost of loss of earnings and medical bills, to the emotional stress on an individual and their family. The aftermath of an accident can be a hugely overwhelming time.

THE DEVASTATING IMPACT OF PERSONAL INJURY

OF THOSE WHO LOST EARNINGS,
OVER A THIRD LOST MORE THAN £3,000.
1 IN 5 LOST MORE THAN £10,000.



£3K+



£10K+



1/10

1 IN 10 GOT INTO DEBT



1/5

1 IN 5 HAD TO FIND WAYS TO SAVE MONEY

1/10

1 IN 10 PEOPLE LOST OR HAD TO GIVE UP THEIR JOB



The current landscape

The debate around compensation has become increasingly heated in recent years, fuelled, in large measure, by intense lobbying on the part of the insurance industry. We are told by policymakers and insurers alike that the UK is in the grip of a 'compensation culture', that a very substantial proportion of claims are at worst fraudulent and at best, unnecessary, and that the volume of claims must be reduced to bring down the costs of our insurance policies. In the Autumn Statement in November 2015, the government put forward proposals to reform the claims process, with the ambition of shifting claims between the value of £1,000 and £5,000 into the small claims court, and removing compensation for pain and suffering altogether from those with soft tissue injuries.

The backdrop to these planned changes is the government's frequently stated desire to stamp out the so-called compensation culture and crack down on fraud, an issue which the insurance industry has persistently claimed is adding many millions of pounds to insurance policies. There are undoubtedly instances of fraudulent behaviour, with 'crash for cash' gangs a headline-grabbing example, and inevitably there is a small proportion of claimants who abuse the system and exaggerate their injuries for financial gain.¹ The government's Insurance Fraud Taskforce, to which National Accident Helpline contributed, has made a number of recommendations to help tackle this issue where it occurs.

The recommendations also aim to strike at the heart of the very real problem of nuisance calling, through which millions of UK consumers are plagued by cold calls, spam texts and unwanted

SILENT SUFFERERS

39% OF PERSONAL INJURY VICTIMS HAVEN'T CLAIMED AND DONT INTEND TO

3% INTEND TO

39% HAVEN'T MADE A CLAIM AND DONT INTEND TO

56% MADE A CLAIM

emails from rogue claims management companies on a daily basis. National Accident Helpline has campaigned vociferously against such practices, setting up the Ethical Marketing Charter in 2015 to band together with other ethical and professional companies to lobby for regulatory reform.

What is clear, however, is that in the increasingly heated debates around compensation culture, fraudulent behaviour and cold calling, the voice of the genuinely injured person is being lost. Behind the headlines, for thousands of people who have had an injury that wasn't their fault, there is a real story of pain and suffering. Honest, hardworking people, injured through no fault of their own, are being lumped together with a small cohort of fraudsters and smeared by association with the bad practices of cold callers and wrongdoers.

So while we're pleased that a number of sensible proposals, including action against nuisance calls, have been made, we are also focused on ensuring that the rights of genuine claimants are effectively balanced with the goal of tackling fraud. Therefore it's critical to understand the real cost of personal injury to an individual, as the legal landscape is set to change.

1. The Association of British Insurers' own figures show that 7% of claims are suspected of being fraudulent, indicating that the vast majority – 93% - of claims are wholly legitimate. In fact, analysis carried out by the Association of Personal Injury Lawyers shows that just 0.25% of motor claims are ultimately proven to be fraudulent.

What we have found out

Working with YouGov, we commissioned research from a sample of over 1,000 British adults who have experienced a personal injury – that is, an injury or illness suffered through no fault of an individual’s own – in order to learn more about the full impact of such injuries on people across the country. In addition, we have heard in detail from victims of a range of different personal injuries and accidents, to bring to light their stories, as well as speaking to our legal partners about the personal injury cases they have worked on.

Our findings demonstrate loud and clear that personal injury has a profound impact on every area of people’s lives. In addition to the pain of the injury itself, the financial losses incurred and the disruption to day-to-day routines, there’s another side to personal injury that’s often overlooked – the emotional cost. The cases in this report demonstrate how a personal injury can leave people feeling at their lowest point, with some suffering from depression and post-traumatic stress disorder.

The following are just some of the issues we uncovered, ranging from significant financial losses to life-changing career consequences, along with very real fears and concerns:

More than a quarter (26%) of Brits surveyed who suffered a personal injury which was not their fault lost out on earnings

Of those who lost earnings, over **one in five (22%)** lost £10,000 or more

Over a third (35%) had to take more than a month off work or other essential commitments

In fact, just over **one in 10 (11%)** lost or had to give up their job completely

Half (50%) were anxious about how long they would take to recover

17% were concerned they would lose their job if they took time off work

Almost **one in five (19%)** felt guilty about the impact on their spouse or partner

Meanwhile, challenging the perception of a compensation culture in the UK, we found that the overwhelming majority of respondents who have or intend to make a claim used or intended to use their compensation to get back to the position they were in before suffering their accident or injury – exactly what compensation is intended to do.

37% used or plan to use their compensation to replace lost earnings

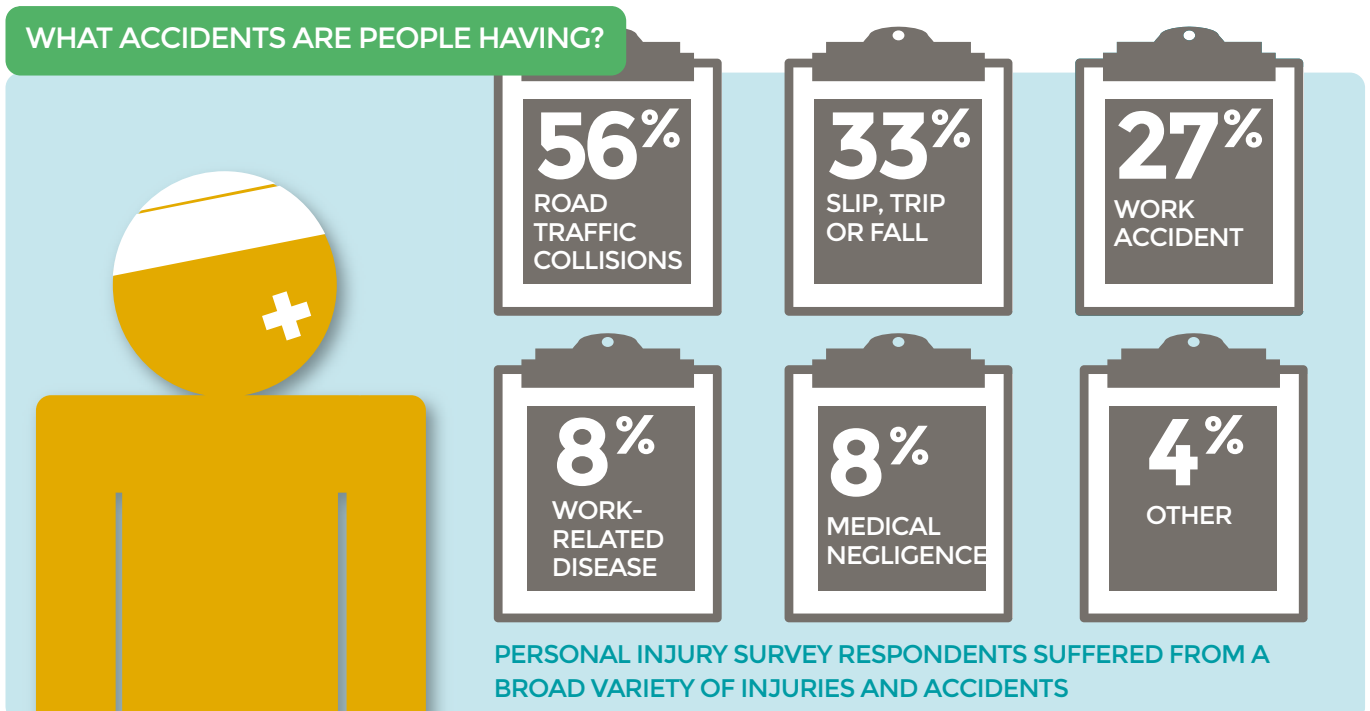
30% of people said it was to cover the cost of rehab and medication

21% of respondents said they used their claim to pay off debts

19% added to their savings

Claiming is not just about securing financial recompense, however. Almost a third (32%) of those who made a claim said they wanted to make sure the same accident couldn’t happen to someone else.

WHAT ACCIDENTS ARE PEOPLE HAVING?



Total adds up to more than 100% as some respondents reported more than one personal injury

Respondents to our survey also cited feelings of anger and frustration at those who had caused their accident, and in many cases a desire for an apology.

47% were angry and/or frustrated with the person or company who caused their accident

37% were keen for the person or company at fault to acknowledge responsibility and apologise

54% felt their injury could have been avoided

Yet despite the worthwhile uses cited for compensation and, for many, the desire to create a safer environment and right a wrong by making a claim, more than one in five (21%) of those who made a claim feel there is a compensation culture in the UK – and the figure rises to more than two in five (42%) among non-claimants.

Government and insurer rhetoric around the so-called claims culture, it appears, is preventing many genuinely injured people from seeking help to get back to where they were before their accident.

What we will do

Using our research, we will continue to work with the Government to ensure that people with legitimate cases are supported to get their lives back on track, and secure the justice they deserve.

We want the voices of personal injury sufferers to be heard amongst the noisy debate taking place.

What do people think?

In addition to gaining a better understanding of the impact of a personal injury, we wanted to get to grips with the current perceptions towards personal injury – how people feel about what has happened to them and their views on claiming.

It is not just about us

Supporting individuals who have sustained a personal injury goes beyond the work that National Accident Helpline and those in the wider legal system do. For instance, employers need to understand the importance of health and safety, their legal responsibilities and the support needed when injured people return to work. Local service providers, too, play a vital role in supporting individuals who are no longer able to work and those suffering with depression or struggling with their emotions following the accident.

CASE STUDY

“Since my accident I’ve lost my confidence and feel nervous all the time that people will bump into me. It’s hard to enjoy myself in social settings in case anyone knocks into me. My son’s wedding was three weeks after the accident, and I had to leave the ceremony early as I was in so much pain. This was incredibly upsetting. I used to go to the gym and go running each week, but I haven’t done this since before the accident.”

Nick

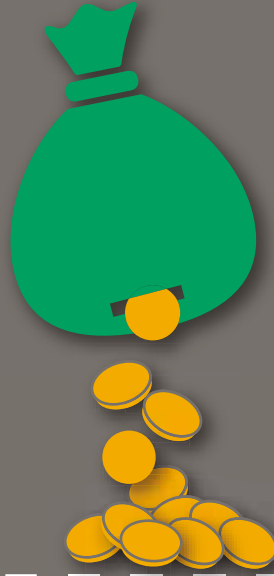


60%

60% SUFFERED FINANCIAL IMPLICATIONS FROM THEIR INJURY

17%

17% OF WORKERS WHO LOST EARNINGS LOST BETWEEN £3,000 AND £9,000



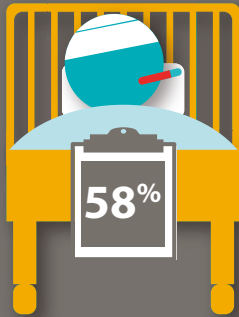
32%

HAD TO USE ALTERNATIVE TRANSPORT



58% HAD A WEEK OR MORE OFF WORK

58%



45%

GAVE UP OR REDUCED THE AMOUNT OF EXERCISE THEY UNDERTOOK



31% WORKERS NEEDED COLLEAGUES TO COVER THEIR WORK

31%



20%

HAD TO FIND WAYS TO SAVE MONEY



54% WERE ANXIOUS ABOUT HOW LONG IT WOULD TAKE TO GET BETTER

54%



8%

HAD TO CHANGE JOBS



2. Understanding the full cost of an accident

The financial cost

We know from experience that the financial cost of a personal injury quickly adds up. Being unable to work following an injury, whether it's short-term or for an extended period of time, can have a huge impact on a household – putting a major strain on finances.

Loss of earnings

Our research shows that more than a quarter (26%) of Brits surveyed who suffered a personal injury which was not their fault lost out on earnings. Of those that lost out, over one in five (22%) lost £10,000 or more, while a further 17% lost between £3,000 and £9,999. Given that research from the Money Advice Service indicates that 40% of UK adults have no more than £500 in savings, it's clear that for most households a loss of this magnitude would be a devastating blow.²

Time off work

When it came to taking time off work or other essential commitments, over a third of people surveyed who'd suffered a personal injury (35%) had to forgo these for more than a month, while one in five respondents (20%) had taken longer than three months off as a result of their accident. Half of the respondents (50%) had had a week or more off from these essential commitments.

However, it's not just the immediate aftermath of an accident which counts. Future earnings can also be affected. Our research shows that more than one in 10 (11%) people lost or had to give up their job completely. Anecdotally, too, several of the people we spoke to had to take on less demanding roles, or missed out on overtime which formed a crucial element of their pay.

Household finances and extra costs

The impact of time off work and loss of earnings saw 20% looking for ways to save money, while more than one in 10 (11%) got into debt and struggled to continue paying household bills. The impact was even more significant for those with children at home, where almost 1 in 5 (19%) found it tough to keep up with bills. Those not in work also felt a greater impact than the remainder of our respondents, with 25% needing to find ways to save money.

Financial pressures were also triggered by 22% having to pay for taxis or alternative transport as they couldn't drive following their accident, one in 10 (10%) finding out their insurance didn't cover their losses and 17% having to replace items damaged in the accident.

Just 36% of respondents cited that there were no financial implications resulting from their injury.

CASE STUDY

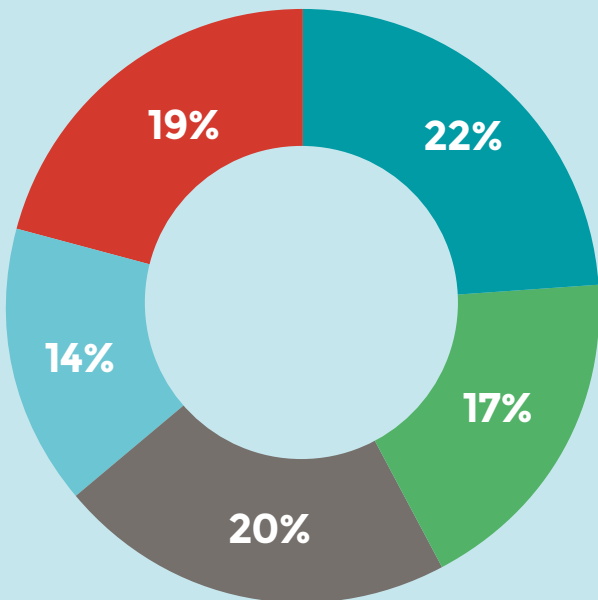
“My employer didn't renew my contract after my accident. It was an incredibly stressful period with the financial burden. I was paying for very expensive ultrasound treatments for my back, and osteopathy and physio appointments. I suffered from insomnia and I wasn't eating, plus I was on heavy painkillers for the slipped disc in my back. It was like dealing with a death, a divorce and moving house all at the same time.”

Gretchen

LOSS OF EARNINGS

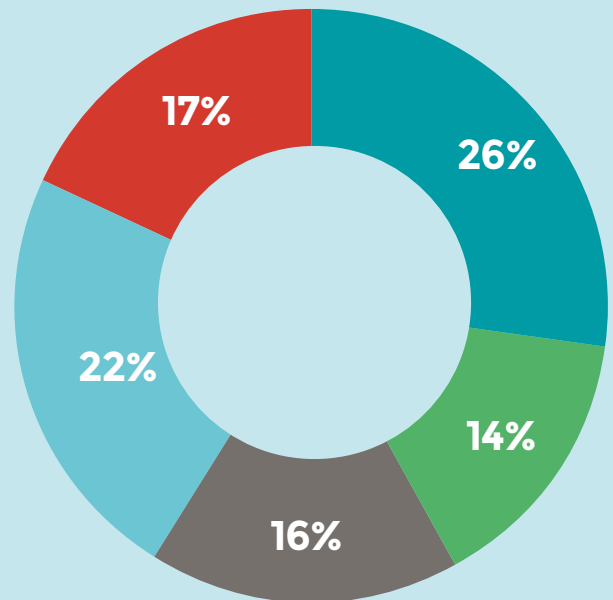
OF THOSE WHO LOST EARNINGS...

- £10,000 OR MORE
- £3,000 – £9,999
- £1,000 – £2,999
- £500-999
- <£500



THE FINANCIAL IMPACT OF INJURY

- Lost out on earnings
- Struggled to pay household bills
- Had to find money for prescriptions and medical bills
- Had to pay for taxis/alternative transport
- Had to replace items damaged in the accident



CASE STUDY

“I’ve lost the sight in my left eye which has been devastating. The accident has affected me in every single way. I lost my job in security logistics driving armoured vehicles and have had to take on a more basic role. I was closed off for a long time after the accident so I lost a fairly new relationship and some friendships. It’s also meant I can’t swim or play racket sports anymore. I still have bouts of depression and post-traumatic stress disorder.” – Paul

The emotional cost

We know that an accident doesn't just have an impact on finances. The consequences are far greater. It can affect your everyday life, your family, and your stress levels and wellbeing.

The emotions following an accident

After an accident, it is not uncommon to feel angry at those responsible for the injuries. Our research shows that almost half (47%) were angry and frustrated with the person or company who caused their accident, while 54% felt that their injury could have been avoided. More than one in three (37%) were keen for the person or company at fault for their injury to accept responsibility and apologise for what happened. Seeking justice can help bring closure that otherwise may not be found.

Individuals also face countless fears after an accident. Half (50%) of those surveyed for this report were anxious about how long they would take to recover, while one in five (20%) were worried they would not be able to pay their household bills. Thirty per cent of respondents, rising to 39% among women, were worried about keeping up with household chores, while many were concerned about time off work resulting in losing their job (17%) and the effect on colleagues (13%) (see 'Work and injury' and 'The ripple effect', above). These figures demonstrate how stressful having an accident can be and the impact it can have on an individual's wellbeing.

Work and injury

In today's pressurised working environment, with workloads increasing and job security a concern for many Brits, any time at all away from work can be a serious source of stress, even where loss of earnings is not a concern. Our research shows that 17% of respondents feared they would lose their job if they took time off work (rising to 23% among those with children living in their household).

Whether colleagues have covered workload, or injured people face returning to an overloaded inbox, the return to work can be exhausting, too. Previous research by National Accident Helpline has indicated that many people hurry back before they're fully recovered, with 9 in 10 respondents citing that they had gone to work while ill or injured.³ Reasons for working when injured or ill included money worries (25%), pressure from colleagues (11%) and pressure from the boss (19%). Employers have a key role to play here, in providing a carefully planned reintroduction to work with a phased return where appropriate.

The ripple effect

It is a common misconception that a personal injury only affects the individual who has had the accident. An accident can have a ripple effect, impacting on family members and colleagues too. In the event of an injury, an individual may have to be cared for by their partner, while colleagues frequently have to cover for the period of time they are unable to work.

Almost one in five people surveyed (19%) felt guilty about the impact on their spouse or partner, while 18% were worried about how it was affecting their family, rising to 28% for those with children at home. Meanwhile a quarter (25%) of respondents said colleagues had to cover their work in their absence. One in six respondents with children at home (17%) needed extra help to look after them while they recovered.

None of this should be taken lightly. The anger, the stress and the frustration can have a significant impact on an individual's health, wellbeing and recovery.

FEARS AND CONCERNS



50%

Anxious over how long recovery will take



54%

Felt their injury could have been avoided



17%

Worried they would lose their job if they took time off

The practical and lifestyle implications

Along with the serious financial difficulties personal injuries can trigger, and the significant emotional impact on many of those injured, there is also a practical impact. Being injured can turn life upside down, even if only temporarily. Routines are disrupted, with many injured people needing extra help to manage household chores, look after children or to get to where they need to be. The frustration of being effectively immobile at home can be intense.

Four in 10 (39%) of our respondents missed out on social occasions

45% had to give up exercise, or reduce the amount of exercise they took

One in three (32%) had to use alternative transport

2% (equating to around 20 people from our research sample) had even had to move house to accommodate their needs following their injury

Only **17%** were able to say that there were no practical implications resulting from their injury

Taken in conjunction with the many other difficulties people face after an injury, a picture emerges of accident victims displaced from routines, worried about the impact on their work and family and struggling financially, and all of this while coping with the pain of their injuries and an uncertain recovery time.

CASE STUDY

“I feel uncomfortable wearing shorts and skirts because the burn is so big and visible. But I couldn’t wear jeans until recently as it was so painful. I was on strong painkillers for a long time. It still twinges in the bath and shower if the water is too hot. The steamer also ruined my furniture: it broke my bedside table, melted plastic into the carpet and burnt the sofa, so I’ve had costs to cover.”

Rachel

CASE STUDY

"I couldn't drive to work when I broke my foot, I had to take taxis which cost a lot of money. I also used to play football three or four times a week before the accident, which means I've lost my fitness as well as my social life. Since the accident, I've put on a stone. I have to wear a protective boot for five months and may need six months of physiotherapy. I'm still waiting to find out if I'll need an operation."

Shane



IMPACT OF INJURY ON NON-CLAIMERS



20% LOST OUT ON EARNINGS

11% STRUGGLED TO PAY HOUSEHOLD BILLS

7% LOST OR HAD TO GIVE UP THEIR JOB

TIME OFF WORK

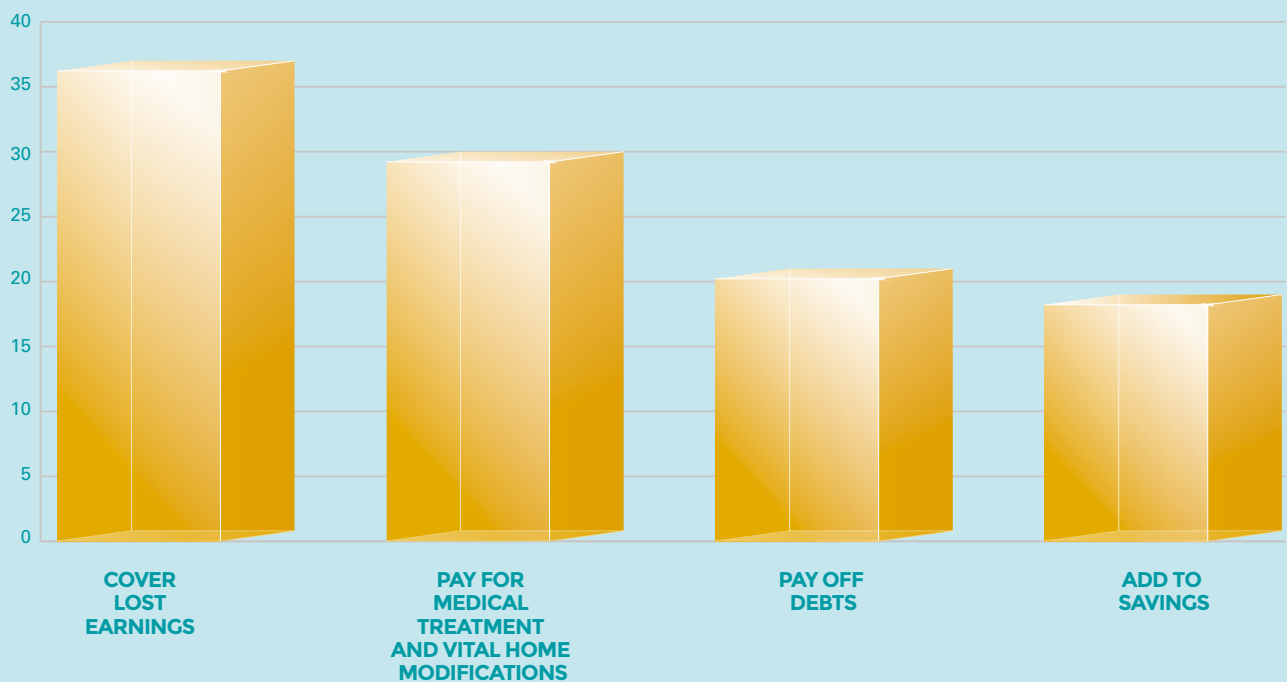


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One in five (20%) took longer than three months off

SPENDING COMPENSATION

THE MAJORITY OF RESPONDENTS USED - OR PLAN TO USE - THEIR COMPENSATION TO COVER MEDICAL EXPENSES AND FINANCIAL LOSS



CASE STUDY

“The pain in my wrist is so bad. I can’t sleep sometimes. Before the accident I started my own DJ company, but I can’t carry any of the equipment now, so I’ve only done a few jobs when my partner is around to help me. The muscle spasm through my elbow and shoulder means I also have to be careful when carrying my little boy. It can be devastating when you can’t do what you are used to doing every day.”

Louise

3. How do people feel about claiming?

We hear from people on a daily basis looking to understand what can be done following an accident and to find out what support is available. Our research has enabled us to explore in more depth the different motivations people have for speaking to us, and why some people claim and others don't.

Of the people we spoke to who had suffered a personal injury which wasn't their fault, only just over half (56%) had claimed, 3% hadn't but intended to, and 39% haven't and won't.

Why claiming?

People's motivations for claiming included needing compensation to cover the losses they had incurred (42%) and feeling that they deserved compensation (62%). A third of those who had claimed (32%) wanted to prevent the same accident happening to someone else.

And, challenging the perception that there is a compensation culture in the UK, people are primarily using their settlements to help get their lives back on track. By far the biggest responses were from those who used or plan to use it to replace lost earnings (37%), cover the cost of rehab and medication (30%), and pay off debts (21%).

A claims culture?

Among non-claimers, 42% think there's a compensation culture in the UK. Other factors which may have played a part in the decision not to claim include perceptions that it will increase stress (18%), nervousness around the process (9%) and a desire not to make trouble for anyone (13%).

18% felt it would be too stressful to make a claim

13% didn't want to cause trouble for the person or organisation whose fault it was by claiming compensation

6% of those injured at work were worried that they would lose their job if they made a claim

Just **7%** of non-claimers were confident they knew how to go about making a claim

Yet the impact of their injury on those who didn't claim was still significant.

20% of respondents who didn't claim had lost out on earnings

Of those, **17%** had lost £10,000 or more

16% had more than three months off work or essential commitments, and a further 16% had more than a month and up to three months

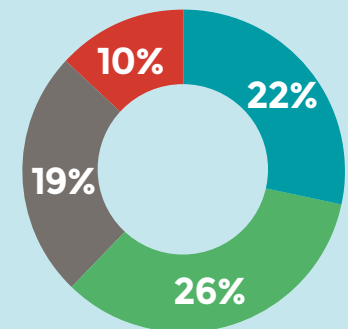
11% struggled to pay household bills

7% lost or had to give up their job

We need to challenge the stigma of making a personal injury claim. Individuals with genuine cases shouldn't feel worried or guilty about applying for compensation which, after all, exists solely to put them back to the position they were in before their accident – not an unreasonable desire. Fear of what others may think, combined with an onslaught of negativity from government, the media and insurers is preventing many thousands of people every year from seeking justice.

CONCERNS CITED BY THOSE WHO MADE A CLAIM

ONLY **22%** CONFIDENT THEY KNEW HOW TO GO ABOUT IT



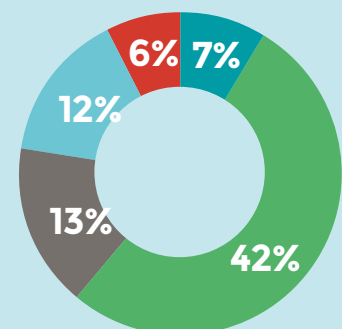
26% nervous about the process

19% daunted and intimidated

10% worried about what people would think

REASONS FOR NOT CLAIMING

JUST **7%** CONFIDENT THEY KNEW HOW TO GO ABOUT IT



42% feel there's a compensation culture in the UK

12% daunted and intimidated by the process

13% don't want to make trouble for the person/organisation whose fault it was

6% worried about losing their job because the accident happened at work

4. Conclusion

Our research shows that the full impact of an accident has wide-reaching implications for an individual – affecting their work, health and wellbeing, families and colleagues, and finances. The real cost of an injury encompasses more than just loss of earnings and struggling to pay the bills. It has the potential to turn a person's life upside down.

Although the monetary aspect can't be ignored, we know that many of those who suffer an accident are dealing with life-changing health issues – some unable to return to work again, others not able to exercise or socialise, and some suffering with anxiety and depression.

And it's not just the impact on the individual. Many people say they are worried and concerned about the impact on their spouse or family. There's also the repercussions for colleagues who take on the extra work to cover the absence of an individual, leading to potential stress and anxiety in the workplace.

The proposal to change the small claims limit and remove compensation for general damages for so-called 'minor' soft tissue injuries will have a huge impact on individuals who sustain personal injuries. Soft tissue injuries can be seriously debilitating – with 20% of soft tissue neck injuries lasting over a year – and include a variety of issues that are far from trivial.

National Accident Helpline will continue to work closely with the Government and other stakeholders to ensure that the rights of genuine claimants are effectively balanced with the goal of tackling fraud.

Despite suffering significant injuries, some of the people featured in this report would have been impacted by the proposed changes, as their cases would fall into the bracket due to be covered by the small claims court. In the post-small claims environment, they would face the prospect of making a claim without access to legal support. Recent research

has shown that the reforms would have a serious impact on personal injury victims, and would be a significant deterrent to claiming. A quarter of those surveyed would try and run the case themselves, without paying for a solicitor, while 26% wouldn't claim for their personal injury at all.⁴

We know from experience that this report is still just a snapshot of the real cost of personal injury. There are thousands of people across the UK who are struggling in the aftermath of an accident, including those trying to come to terms with the result of a life-altering injury.

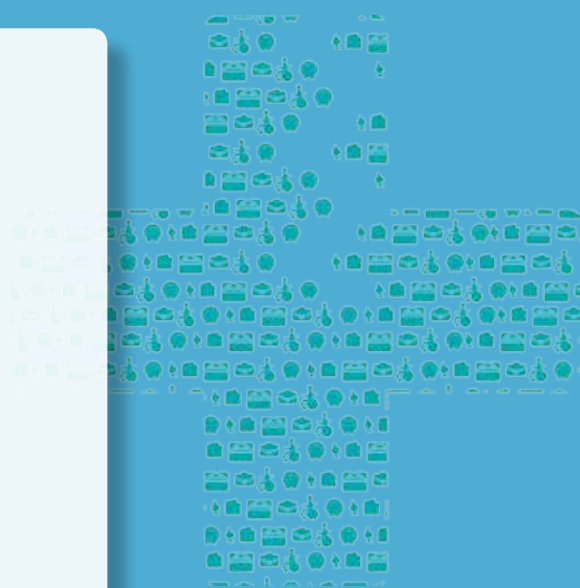
Access to compensation should be made available to those people with valid, legitimate claims. We will continue to put this argument forward, to ensure support is given to the people who need it most.

The Paul Bush Foundation Trust, a charity supporting catastrophically injured people, responds to the research

“All too often, we see how the lives of the people our Trust helps, and those of their families, are turned upside down by the actions of others. The Paul Bush Foundation Trust supports those without recourse to compensation but highlights that access to justice must be maintained at all costs.”

Rachel Bush, Trustee, Paul Bush Foundation Trust

4. Research conducted by MAGNAFI for Access to Justice, April 2016



5. Notes to Editors

About the research

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1,009 adults, made up of people who have had an accident which was not their fault. Fieldwork was undertaken between 6th May – 10th May 2016. The survey was carried out online. YouGov is a member of the British Polling Council and abides by its rules.



About National Accident Helpline

National Accident Helpline (NAH) is the UK's leading provider of personal injury advice, services and support, and represents 50 legal practices across the UK. If a consumer has suffered an accident or injury which was someone else's fault we can help them understand if they have a legitimate claim, and we will connect them with one of our specialist PI panel solicitor firms so they can seek appropriate redress.

Through our approved network of specialist personal injury solicitor firms, we champion consumer rights for people who have suffered a personal injury, helping those with genuine claims to secure access to justice to help aid their recovery.

NAH is an ethical and professional organisation. We have industry-leading standards and we never cold call or send spam texts or spam emails to attract new clients.

NAH is part of NAHL Group plc and is a registered company, incorporated in the UK and regulated by the Claims Management Regulator in respect of claims management activities. For more information please visit the website: <http://www.NationalAccidentHelpline.co.uk>

A response to the research from road safety charity Brake

“Every day five people are killed and more than 60 are seriously injured on the UK's roads. We work closely to support the families whose lives are torn apart by these crashes. A death or serious injury on the roads has long-lasting, devastating consequences for not only those involved but also their families and loved ones. It is deeply concerning that families, who have been through such devastation, feel guilty about claiming the support that they are entitled to, because of the perceived 'compensation culture.'”

Brake, the road safety charity



1430 Montagu Court, Kettering Parkway, Kettering, Northants, NN15 6XR

www.NationalAccidentHelpline.co.uk

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National Accident Helpline is a supporter of the Paul Bush Foundation Trust, set up in 2012 to provide grants to those with acquired disability as the result of an accident or birth injury and the charities which support them. To find out more, or to make a donation, visit www.bushco.co.uk/tag/paul-bush-foundation

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