The Lawyers Who Sold the Loans *Now Admit They Caused Harm*

Resolution — Domestic Abuse in Financial Remedy Proceedings · October 2024 · resolution.org.uk/campaigning-for-change/dafpr-report

WHAT THIS REPORT IS

In October 2024, Resolution — the professional body representing 6,500 family law solicitors and barristers — published a landmark report on domestic abuse in financial remedy proceedings. The report is based on a survey of 526 family law professionals and an Economic Abuse Summit attended by specialists from some of England's most prominent family law firms.

The report acknowledges that divorce proceedings are being used to perpetrate ongoing economic abuse; that litigation loans impose crippling interest rates on vulnerable women; that Legal Aid has effectively collapsed; and that the legal system is structurally failing those it is supposed to protect.

WHO WROTE AND ENDORSED IT

The firms whose lawyers contributed to, attended the Economic Abuse Summit, or are named as authors include: Stewarts, Payne Hicks Beach, Forsters, Hunters Law, Withers, Bindmans, Kingsley Napley, Fladgate, Farrer & Co, and others. The report was endorsed by the Domestic Abuse Commissioner, the Family Law Bar Association, and Surviving Economic Abuse.

These are the same firms and professional networks whose members introduced clients to Novitas Loans and other litigation lenders in the years following the removal of Legal Aid in 2013. The same sector that sold the loans is now documenting the harm they cause.

IN ROSIE'S WORDS

> *"This publication by Resolution is extraordinarily damning. The contributors include many of the lawyers who were active in the litigation loan market — the very profession that introduced clients to these products. Now they are saying that these loans are expensive and can be weaponised against women. They acknowledge, that borrowers were not always provided with APRs — a legal requirement. The report also suggests the application process is complex, justifying significant fees; in our experience, many women were charged substantial sums for what amounted to straightforward form-filling. This publication demonstrates that the profession knew, or ought to have known, how dangerous and harmful these products were. The question that remains unanswered is why they continued to be sold."*
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> **— Rosie Heys, co-founder, Divorce Without Debt**

WHAT THE REPORT ADMITS — IN ITS OWN WORDS

Interest rates	Footnote 15: At the time of drafting, rates from two of the biggest litigation lenders are 26.82% (APR 29.4%) and 20% (APR 23%). These figures were in the report but not disclosed to borrowers at the point of sale.
APR disclosure	The report references APR rates in a footnote — information that was a legal requirement to disclose to borrowers before they signed. Many women were not given this information.
Setup costs	The report acknowledges that applications for litigation loans 'can cost between £5,000 to £10,000 depending on the firm' to set up. Rosie Heys and others were charged these sums by firms for completing forms that are not legally complex.
LSPO failures	The report states the current test for Legal Services Payment Orders 'may be incompatible' with the Domestic Abuse Act 2021 — meaning women were forced into high-interest commercial loans because the legal mechanism to access matrimonial funds was, and remains, broken.
Weaponisation	The report explicitly states that forcing a victim-survivor to borrow at high interest rates, when matrimonial funds exist but are controlled by the other party, 'can fall within the definition of economic abuse' under the Domestic Abuse Act 2021.
Legal Aid collapse	90% of professionals surveyed said there was insufficient access to Legal Aid for victim-survivors. At the Resolution National Conference, just one solicitor in a room of over 120 family lawyers confirmed their firm still offered Legal Aid for financial remedy cases.

WHY THIS MATTERS FOR DWD

The accountability gap this report exposes

The Resolution report was published in October 2024 — eleven years after LASPO removed Legal Aid, and years after thousands of women had already taken out litigation loans through law firms now represented in this report. The report calls for reform of the very systems whose failure these firms profited from — without acknowledging that the firms themselves were part of the mechanism of harm. The admission that litigation loans can constitute economic abuse, that APRs were not properly disclosed, and that women were charged thousands of pounds for simple form-filling.

The number that frames everything

80% of family law professionals say domestic abuse — including economic abuse — is not sufficiently taken into account in financial remedy proceedings. The same professionals who built their practices on a system that excluded Legal Aid and introduced clients to high-interest litigation loans are now calling for that system to change. The women who paid the price of that system deserve more than a policy report.