What percentage of compensation can a claimant keep?

When someone makes a personal injury claim, a common question is how much of the compensation they will actually keep after legal costs and fees are deducted. The short answer is that in many cases, a claimant can keep 100 percent of the compensation awarded, but certain arrangements and deductions can reduce that amount. The exact figure depends on the type of funding agreement, the terms of the legal support, and whether any costs are recovered from the losing side.

Under a standard no win no fee agreement, also known as a conditional fee agreement, a claimant typically keeps the full amount of compensation if the case succeeds. The solicitor's fees are paid by the losing party, and any success fee is usually capped at 25 percent of the compensation. However, this is not always straightforward, as other expenses can eat into the final payout.

How no win no fee agreements work

In a typical no win no fee arrangement, the solicitor agrees to take on the case without charging upfront fees. If the claim is unsuccessful, the claimant pays nothing for the solicitor's work. If the claim succeeds, the solicitor recovers their base costs from the losing party's insurer. In addition, the solicitor can charge a success fee, which is an uplift on their normal fees to reflect the risk of taking the case. This success fee is deducted from the claimant's compensation, but it is limited by law to a maximum of 25 percent of the damages. In practice, many solicitors set the success fee lower, often around 20 percent.

Even with a success fee, the claimant often walks away with the majority of the compensation. For example, if a settlement is £10,000 and the success fee is 20 percent, the claimant would receive £8,000 after the deduction. But there are other costs that might come out of the compensation, such as the cost of an after-the-event insurance premium, which covers the risk of paying the other side's costs if the claim fails. This premium is usually paid from the compensation, and it can be significant, sometimes several hundred pounds.

The key point is that a claimant can keep 100 percent of the compensation only if the success fee and any other deductions are waived or paid by the losing side. In many straightforward cases, especially those that settle before court proceedings begin, the losing party's insurer agrees to pay the success fee and the insurance premium as part of the settlement. In that scenario, the claimant receives the full compensation amount without any deductions. This is why many claims are marketed as "100 percent compensation" deals, where the solicitor guarantees that the claimant keeps every penny of the damages awarded.



When deductions apply

Not all claims qualify for a 100 percent compensation arrangement. If the case goes to court or is particularly complex, the success fee and insurance costs may not be recoverable from the losing side, and they come out of the claimant's compensation. Similarly, if the claimant chooses a solicitor who does not offer a 100 percent compensation guarantee, the success fee is always deducted. It is important to read the conditional fee agreement carefully to understand what deductions apply.

Another factor is the type of damages awarded. Compensation for personal injury is divided into general damages for pain and suffering, and special damages for financial losses like lost wages and medical expenses. Some agreements allow deductions only from the general damages, leaving the special damages untouched. But in many cases, the deduction is taken from the total compensation amount.

The legal costs of the other side are rarely a concern for the claimant in a no win no fee arrangement, because the after-the-event insurance covers those if the claim fails. However, if the claimant loses, they may still be liable for their own solicitor's disbursements, such as medical report fees or court fees, unless those are covered by the insurance. So even in a losing case, the claimant might face some costs, though these are typically small relative to the potential compensation.

What 100 percent compensation means in practice

When a solicitor advertises 100 percent compensation, it usually means that the claimant receives the full amount of damages awarded, with no deduction for the success fee or other legal costs. The solicitor recovers their fees from the losing party, and any success fee is either waived or paid by the other side. This is common in low-value road traffic accident claims, where the fixed costs regime allows the solicitor to claim costs from the insurer directly. For whiplash claims in Scotland, the rules are slightly different, but the principle is the same: the claimant should not have to pay for the legal work out of their own pocket.

It is worth noting that 100 percent compensation does not mean the claimant gets more than the damages awarded. It simply means they keep the full amount that the court or the insurer decided was fair. The deduction of a success fee would reduce that amount, so a 100 percent guarantee protects the claimant from that reduction. For many people, this is the most important factor when choosing a solicitor, because it removes the financial uncertainty of the claim.

Factors that affect the percentage kept

The percentage of compensation a claimant keeps depends on several factors:



- **Type of funding agreement:** Conditional fee agreements with a success fee can reduce the payout, while a 100 percent compensation guarantee means no deduction.
- **Stage of the claim:** Claims that settle early, before a court claim is issued, are more likely to have costs recovered from the losing side. Cases that go to trial may have higher costs that are not fully recoverable.

- **Insurance premiums:** After-the-event insurance premiums can be deducted from compensation if not paid by the losing party. In some cases, the premium is recoverable, but not always.
- **Disbursements:** Out-of-pocket expenses for medical reports, expert opinions, or court fees may be deducted if not covered by the insurance or the losing side.
- **The solicitor's policy:** Some firms offer a 100 percent compensation promise as a selling point, while others do not. It is essential to ask upfront.

How to ensure you keep the most compensation

The best way to maximise what you keep is to choose a solicitor who offers a 100 percent compensation guarantee. This is particularly important for straightforward claims, where the risk of losing is low and the legal costs are predictable. Before signing a conditional fee agreement, ask whether any success fee will be deducted from your compensation and whether the after-the-event insurance premium is recoverable from the losing side. A reputable solicitor will explain these terms clearly.

It also helps to settle the claim as early as possible. Most insurers are willing to negotiate a settlement before court proceedings begin, and in those cases, the costs are usually paid by the insurer. If the claim goes to court, the costs become more complicated, and the claimant may end up paying a portion of the legal fees. For this reason, solicitors often recommend accepting a reasonable settlement offer early, rather than pushing for a higher amount through litigation.

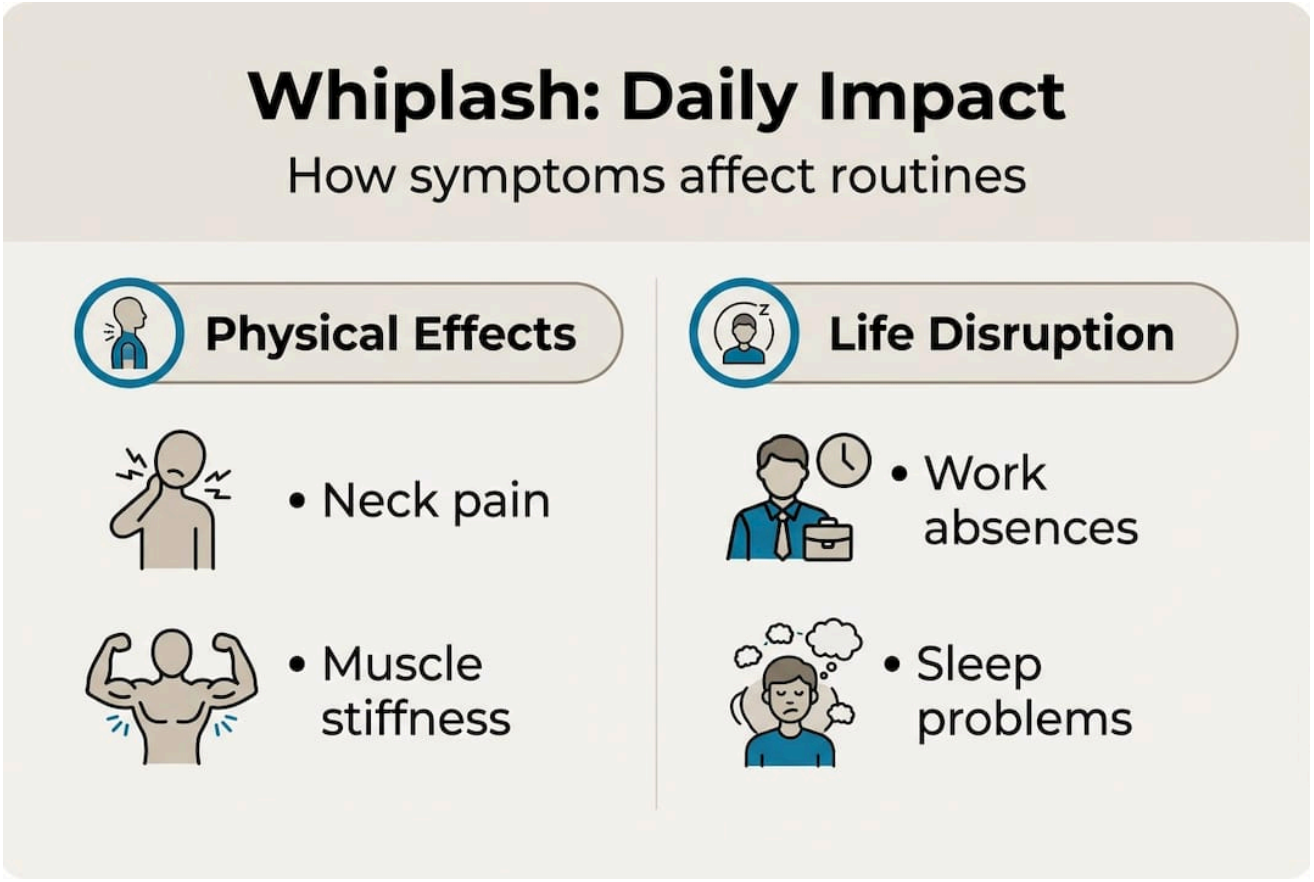
Another factor is the value of the claim. For low-value claims, the fixed costs regime in Scotland limits the amount the solicitor can recover from the losing party. If the solicitor cannot recover their full costs, they may have to deduct the shortfall from the compensation. Some firms absorb this cost to maintain a 100 percent compensation promise, while others pass it on to the claimant. It is worth checking the solicitor's policy on this point.

The role of the client agreement

The conditional fee agreement, or client agreement, is the document that sets out exactly what deductions apply. It should state the success fee percentage, whether the success fee is capped at 25 percent, and whether the after-the-event insurance premium is payable from the compensation. If the agreement says that the claimant is liable for the success fee only if the case succeeds, and that the fee is recoverable from the losing party, then the claimant should keep 100 percent. But if the agreement says the success fee is deducted from the claimant's damages, then the percentage kept is lower.

Some agreements also include a clause that allows the solicitor to deduct disbursements from the compensation. These are often small, but they can add up if the case requires multiple medical reports or expert evidence. The best practice is to ask for a breakdown of all potential deductions before signing, and to get any verbal promises in writing.

For a clearer picture of how these arrangements work in Scotland, you can look at resources like scotlandclaims.co.uk, which explains the process for whiplash and personal injury claims under no win no fee terms. That site gives an overview of what to expect when pursuing a claim, including how compensation is paid out and what deductions might apply. It is a useful starting point for anyone considering legal action after an accident.



Ultimately, the percentage of compensation a claimant keeps is determined by the terms of the funding agreement and the circumstances of the case. With the right solicitor and a clear understanding of the costs, it is possible to keep the full amount. The key is to ask questions, read the small print, and choose a firm that offers a 100 percent compensation guarantee if that is important to you. By doing so, you can avoid unexpected deductions and focus on recovering from your injuries rather than worrying about legal fees.

If you are making a claim in Scotland, it is worth comparing different solicitors and their terms. Some firms, including those referenced on scotlandclaims.co.uk, specialise in no win no fee arrangements and aim to ensure that claimants keep their full compensation. Taking the time

to understand the costs upfront can save a lot of stress later, and it helps you make an informed decision about who to trust with your case.