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**RULE 16.3(7) – STATEMENT OF UNDER VALUE TO BE INCLUDED IN  
THE CLAIM FORM?**

Sir David Eady J delivered a judgment on 30 March in the case of Mohamed Ali Harrath v Stand for Peace Limited and Samuel Westrop [2017] EWHC 653 (QB) (available here) in which he held that a claimant is entitled to recover damages that exceed the statement of value included in the claim form.

The first defendant's website described the claimant as a "convicted terrorist", per paragraph 3 of Eady J's judgment, those words were "plainly seriously defamatory to the claimant". At paragraph 6, Eady J held that there "simply was no evidence to support the allegation of terrorism".

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The claimant had indicated on the claim form that he expected to recover no more than £10,000. At paragraph 10 of the judgment, the notional upper limit for damages in libel cases was described as being "around £300,000".

Given that “few if any allegations could be more serious” than that of being a terrorist, Eady J held at paragraph 11 that “an allegation of terrorism is likely to attract in most cases an award towards the upper end of the scale” referred to above.

As a result, had the claimant inadvertently limited his claim to merely £10,000 and not a significantly higher, six-figure sum?

At paragraph 22 of the judgment, Eady J considered Rule 16.3 of the CPR. This rule requires the claimant to provide an estimated value of his claim if it is a claim for value and he is able to provide an estimate. Sub-paragraph 7) of that rule reads as follows: “the statement of value in the claim form does not limit the power of the court to give judgment for the amount which it finds the claimant is entitled to.” On that basis, the court awarded damages in the sum of £140,000.

paragraph 22 also records the claimant’s understandable willingness “to pay any additional fee if necessary.” This single sentence demonstrates the real interest in this case and is a reference to the fact that the court fee for issuing a claim is directly linked to the estimated value of the claim. Therefore, rule 16.3(7) leaves the door open for a claimant to undervalue his claim substantially so as to pay a much lesser court fee at the time of issue. If the claim is successful, the difference to be paid to the court can be paid at that point, possibly even out of the damages. If the claim is unsuccessful, the claimant will have benefited by paying the lower court fee. This tactic would most likely be more successful in claims for unliquidated damages than in cases for a specified sum, for obvious reasons. However, claimants will need to be able to explain why the statement of value in the claim form backed by a statement of truth does not accord with the final level of damages being sought and defendants should be alert to such differences, as indeed should the court.

Unless the court is alert to this possible tactical advantage being taken, the litigation risk for claimants can be deliberately reduced. According to the court fees applicable from 7 March 2017, the maximum issue fee for a claim valued at less than £10,000 is £455, compared to a fee of £10,000 for claims of £200,000 and above.

Undervaluing a claim could be very valuable indeed and quite naughty.

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