

The Claims Guys Legal Limited
The Exchange
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To Whom it May Concern

27 August 2025

Dear Sirs

Woodville Litigation Funding

I have been retained on an ongoing basis by Woodville for 20 months now, (albeit have been consulting on an ad hoc basis since 2021), I have been advising on all things PCP, from professional/industry opinion on FCA Consultation Papers and Policy Statements, FOS guidance notes market viewpoints, strategies within the industry following both the Johnson Court of Appeal and Supreme Court judgments.

Due to my career and vast experience in the space, I feel this is of huge value to Woodville and am delighted to be a partner of the Woodville team.

Whilst I've been fortunate to have received offers from other funders, the key attractions for exclusively working with Woodville, are their visionary ideas in terms of allocating funds when acquiring and processing claims with technology at the forefront, their aptitude and willingness to explore all potential options when problem-solving and being receptive. Ultimately, with any relationship, the key component for me, without being cliché is trust, which they have in abundance. Woodville are fast becoming one of the leading players in the litigation funding space with a large emphasis in the PCP space.

Having worked closely with Ann Marie and Peter over recent times, I am excited to be a part of the future prospects of this sector, with Woodville, especially with the launch of the FCA/FOS scheme this year.

As you will see from my Bio, I have vast experience in this space and am well respected and known. Based upon this, I have been tasked with crowdfunding the counsel fees for the Supreme Court appeal.

I have hugely benefited from my time with one of the leading companies in the PPI/Plevin space - The Claims Guys Legal, who trailblazed in these areas, which allowed me to obtain first-hand knowledge in dealing with high volume litigation cases and of course the nuances of dealing with the Banks in the claims industry.

Keynote to of course to point out, is the claims in the PCP space will be/are against those same individuals at the Banks/external lawyers who were involved in the PPI scandal, where strong relationships were formed in the not-too-distant past!

What is important from Woodville's perspective is their insistence on law firms having the appropriate technology to be able to deal with high volume cases, utilising the latest IT resources, along with relevant AI, which is an absolute necessity to scale up and onboard clients in significant numbers, at pace. To be honest, it is refreshing to see a funder like Woodville, taking such a proactive approach with the law firms they deal with, insisting on a very hands-on approach to the cases they fund.

Supreme Court – Friday 01 August

This eagerly anticipated 3 decisions which are relevant to non-DCA/fixed claims, found in favour of the lender on 2 of the cases – with the other case going on the side of the consumer.

The court confirmed as follows:-

- The car dealers are commercial parties acting at arm's length when it comes to consumers buying cars on finance, who were always pursuing their own interests in seeking to arrange the sale and finance of the car on profitable terms;
- The car dealers did not owe a fiduciary duty, namely a legal obligation to act in the customer's best interest, as they did not make an undertaking to act in the best of interests of the customer, without regard to their own interests;
- Based on the above, it followed that the submissions on bribery failed.

With the case which was successful – **Johnson** - the court found that there was an unfair relationship, similar to Plevin claims: The Supreme Court held that:

- When considering unfair relationship claims, courts can take account of a broad range of factors and that the issue will often be fact sensitive. The Court set out a non-exhaustive list of factors which are likely to be relevant to the assessment, which includes: the size of the commission relative to the charge for credit, the nature of the commission (e.g. whether it is discretionary), the characteristics of the customer, the extent and manner of disclosure, and the compliance with regulatory rules. They added that the fact that there had been no, or only partial, disclosure of the commission does not necessarily make a relationship unfair — it is simply a factor in the overall exercise.

The Court highlighted three relevant factors in Mr Johnson's case:

- First, the size of commission, which was 55% of the charge for credit. The fact that it was so high was described as a "powerful indication" that the relationship was unfair.
- Second, the fact that the documents given to Mr Johnson did not disclose the existence of the commercial tie between the finance company and the dealer under which the finance company was given first refusal. The documents were intended to create the false impression that the dealer was

offering products from a panel and recommending one that best met the customer's individual requirements.

- Third, on the other side of the balance, Mr Johnson's failure to read the documents he was given. The Court tempered this final point by referring to Mr Johnson's lack of financial sophistication and the fact that no prominence had been given to the relevant statements; as a customer would not have expected a commission of that size to be payable, and so particular attention should have been drawn to it.

The Court concluded ordered the lender pays Mr Johnson's an amount equivalent to the full commission - £1,650, with interest at a commercial rate to be calculated from the date of the agreement. A % rate was not given, but it was 8% in the Court of Appeal, so a high % rate is anticipated. This will assist County Courts when they determine quantum. It is expected that the Supreme Court will publish the Order next month.

FCA Releases on Sunday 03 August - Main Headlines/Take- Aways

- i) **There is to be a redress scheme – this is now official** for DCA and a cohort of DCA/fixed claims which meet a set criterion.
- ii) The FCA currently estimates that most individuals will probably receive less than £950 in compensation per agreement. The detail as to the methodology behind this figure, is awaited.
- iii) The FCA thinks it unlikely the cost of the scheme, including to run it, would be much lower than £9 billion - it could be higher, up to £18 billion in some scenarios though it doesn't believe these are the most likely. A total cost midway in the range, as forecast by some analysts, is more plausible.
- iv) A consultation paper will be published in early October with a 6-week response time limit – thereafter the FCA will publish a Policy Statement – our best guesstimate is that this will be by January, if not earlier.
- v) The redress scheme will be live in 2026.

Moving Forwards

In October 2024 when the Court of Appeal found in favour of the consumers, it was a shock and seismic decision for all parties and notwithstanding, this decision meant both DCA and non-DCA/fixed could be successful – as a business we focussed on obtaining claims where the lenders predominantly operated a DCA commission structure.

The decision from the Supreme Court has not altered our strategy or changed our business model.

We now know DCA claims will pay out next year and it is business as usual. Woodville will continue to onboard these claims, and we believe the market may contract, leading to opportunities for us to obtain claims from more sources.

We are where we were prior to the Court of Appeal decision and Woodville's financial forecasting as per the average values of these claims remains robust and has been designed to pivot, if necessary, between either the FCA scheme or via litigation.

Yours faithfully

David Goldstein

David Goldstein (Aug 27, 2025 13:49:07 GMT+1)

David Goldstein






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Final Audit Report

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