

# Disbursement Funding for Commercial Litigation

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## Temple Disbursement Funding

A solicitor's guide to  
disbursement funding.

Everything you need to know

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[www.temple-funding.co.uk](http://www.temple-funding.co.uk)

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## Temple Funding and Temple Legal Protection

**Temple Funding** offers straightforward, affordable disbursement funding that gives litigants the freedom to pursue their claim without having to pay disbursements. Our facility also provides law firms with a solution to the significant cash flow burden that comes with funding litigation.

**Temple Legal Protection** is one of the country's leading underwriters of legal expenses insurance. We provide a wide range of ATE insurance solutions to law firms and brokers in order to help people reduce their financial risks in litigation.

Temple Funding Limited is a subsidiary of Temple Legal Protection.

Temple Legal Protection and Temple Funding are authorised and regulated by the Financial Conduct Authority.

## What is disbursement funding?



Disbursement funding frees up cash flow and allows the client to pursue meritorious cases which otherwise may not proceed.

The varied nature of commercial disputes, the type of retainer and size of claim means that you need options within your litigation funding facility. Costly court fees and expensive experts' reports could amount to tens of thousands of pounds. Our facility provides your clients with a solution.

Disbursement funding can be the difference between the client pursuing the case or not. In addition, explaining it to your client could mean they engage your firm's services sooner due to their increased understanding of the costs involved and the role of disbursement funding and ATE insurance.

Temple disbursement funding can be used at the outset of litigation or later in the life of a case. It is combined with our market leading insurance to fully protect your client. It typically pays for disbursements incurred in the legal action, such as court fees, expert's reports and mediator's fees.

# ATE Insurance and Funding for Commercial Disputes

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**Litigation Funding or Third Party Funding provides funding by way of a non-recourse loan** to an individual or company to meet the legal fees and disbursements they will incur in pursuing a claim. The term “non-recourse” means that if the case is not successful, the funder will not look to the litigant to repay the funding. If the litigant is successful, they will pay a multiple of the amount advanced back to the funder at the conclusion of the case. Litigation funding can be expensive because of the risk the funder will recover nothing if the case they are funding is unsuccessful. Litigation funding will only work where the damages the litigant is seeking to recover will be significantly more than the amount being funded. Temple is happy to insure a funded client’s case. Temple is not a “Third Party funder” and does not fund solicitor’s or counsel’s fees but will provide ATE insurance for many cases where those fees are funded. Disbursement funding is also available from Temple for cases insured by us that are Third Party funded.

## Four options, one real solution

A brief look at disbursement funding options available to your clients

### On balance sheet lending

The point of disbursement funding is to rid you client’s balance sheet and your own of any costs that can be passed on elsewhere. If an ATE provider is offering your firm on balance sheet lending there will be, more than likely, a cost for you, your client or both to pay.

### Increased ATE insurance premiums

It may be that ATE premiums are inflated to access a particular facility, often at a higher rate than current interest rates in the market. With this type of arrangement, the amount of funds that are accessible are often not enough to fund the case to its conclusion and if they are the client ultimately pays a higher premium.

### Tapered Administration Fees

Tapered Administration Fees are payable by your law firm at the end of a case and only upon a successful outcome. This puts a responsibility and commitment on the law firm.

### Consumer Credit Agreements (CCAs)

Consumer Credit Agreements ( CCAs ) is the solution Temple Funding offers. We work with many leading UK law firms who find the process both streamlined and straightforward. CCA’s come with many benefits for a client. It allows them to access funds they may not have been able to access previously. They also allow the deferment of repayment until case completion and only upon a successful outcome. What’s more, interest rates are rising, but the rates for Temple disbursement funding are not. You can check the potential cost of interest over the course of a case by going on to our website. The client can also do this and we will also pro-actively keep them informed directly of the current balance of interest throughout the duration of the case. If they wish to settle the balance of disbursement and capital before the successful completion of the case they can do so. The client is in control.

# ATE Insurance & Funding for Commercial Litigation

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## With Temple ATE insurance your client is eligible for our disbursement funding

Temple has led the after-the-event insurance market with products that have become industry benchmarks. These products are complemented perfectly by our disbursement funding. They are 'all under one roof' and integrate seamlessly.

Your client must have purchased After The Event Insurance with Temple to obtain Disbursement Funding so that they can be secure in the knowledge that if the claim is unsuccessful, the loan and interest is fully insured by their ATE insurance policy.

If you take out ATE insurance with us, we can make disbursement funding available to your client through our wholly owned subsidiary, Temple Funding Limited.

- If you would like access to such a disbursement funding facility, a one-off disbursement funding application form will need to be completed by you the solicitor on behalf of your client.
- The interest rate on the outstanding balance of any loan is 10% per annum compounded monthly. There is a transaction fee of £75 per drawdown.
- You pre-agree with us the level of funding required and, if further funding is required as the case progresses, you simply email us with the reason for this and the amount required.
- Should your client lose their case, then a claim will ordinarily be made under your client's Temple ATE policy in respect of disbursements, with monies remitted to the insured. This will in turn pay off any outstanding loan balance, interest and charges to Temple Funding Limited.

Temple Funding is fully authorised and regulated by the Financial Conduct Authority - this provides transparency, protection and security to you, your law firm and your clients. We work in partnership with many specialist commercial litigators law firms and have considerable experience of the broad nature of commercial disputes, the type of retainer and size of claim.



# Disbursement Funding

## Case Study



### Removing a burden from your client's balance sheet

*This case study shows how disbursement funding from Temple Funding for a professional negligence claim removes a burden from your balance sheet and a barrier to enabling your client to pursue the case.*

The information provided below in this example is based on a typical professional negligence case, where: -

- The client usually does not incur many disbursements pre-issue;
- Then incurs an issue fee of up to £10,000 depending on the level of quantum;
- Then may need to incur an expert fee at some level some time after issue;
- Then may incur a hearing fee of £1,090, and typically gets judgment in their favour up to 3 months after a final hearing.

Typically there would only be one drawdown fee since a solicitor would usually draw down all the monies needed in a single tranche.

Drawdown Number	Type	Drawdown Date	Settlement Date	Drawdown Amount	Drawdown Charge	Total Drawdown	Interest Charged @10.00%	Total Repayable
Drawdown 1	Court Issue Fee	01/01/21	31/12/22	£10,000.00	£75.00	£10,075.00	£2,220.44	£12,295.44
Drawdown 2	Expert Fee	01/07/21	31/12/22	£2,500.00	£75.00	£2,575.00	£414.86	£2,989.86
Drawdown 3	Hearing Fee	31/08/21	31/12/22	£1,090.00	£75.00	£1,165.00	£39.32	£1,204.32
Total				£13,590.00	£225.00	£13,815.00	£2,674.62	£16,489.62

# Disbursement Funding

## FAQ's and Other Resources

### FAQ's



Below are our most popular frequently asked questions, to see all our FAQs, please visit

[www.temple-funding.co.uk/find-out-more/faqs/](http://www.temple-funding.co.uk/find-out-more/faqs/)

#### How long does it take to set up disbursement funding?

If a facility is agreed this can be available within 10 working days of signing the agreement

#### Who is the money loaned to?

The credit agreements are between Temple Funding and the individual clients. Money is drawn down into your firm's client account to pay for disbursements.

#### Who issues the credit agreement to my client?

Your firm will issue the Credit Agreement to your clients through Temple's Online Policy System (TOPS). The Credit Intermediary Agreement clearly sets out the procedure for issuing credit agreements.

#### When can the credit agreement be issued?

A credit agreement can only be issued once a Temple ATE insurance policy has been issued. Once this is in place, money can be drawn down at any point in the case as required.

#### What are the charges?

There are no costs to your firm at all and there are no set up fees for the client. Interest is charged only on funds drawn down.

Rates are competitive - from just 10%. Payment of the interest and draw down fees is deferred until the conclusion of the legal action.

### Video resources

#### More questions answered



We have a number of videos that may be of interest to you.

#### Temple Disbursement Funding

- [What is Disbursement Funding?](#)
- [Disbursement Funding FAQ's](#)

#### Temple Commercial ATE insurance

- [Why work with Temple Legal Protection - Commercial ATE insurance](#)
- [What are the Key Benefits of Temple's Commercial ATE Insurance?](#)

To watch more of Temple's video please visit [www.temple-legal.co.uk/news/videos/](http://www.temple-legal.co.uk/news/videos/)

### Find out how much disbursement funding will cost



Simply use the interest rate calculator via the link below. Enter the amount you wish to borrow and select the period of time using the slider. [Click here](#) to give it a try.

# Testimonials

## from customer law firms

*With its user-friendly interface, swift approvals and payments and excellent customer service, the ease with which the Facility operates are truly remarkable.*

**Janine Collier - Tees Law**

*I have no hesitation in recommending Temple's disbursement funding facility to other law firms/clients*

**James Morris - Fenchurch Law**

*We were delighted when Temple introduced the disbursement funding loan. This means that our firm do not carry the disbursements and therefore does not interfere with our cash flow. It is simple to explain to our clients and enables them to have confidence that their expert's fees will be covered. The loan is easily managed by our team of solicitors; the support from Temple for them and therefore our clients throughout the life of the case is invaluable.*

**Mehmooda Duke (MBE) - Moosa - Duke Solicitors**

*It is extremely straightforward to use, the policy quite simply works and it is comforting for clients to have the option of disbursement funding in addition. All in all the whole thing is a bit of a 'no-brainer', especially for clients who are naturally concerned about the financial risks when undertaking litigation.*

**Kevin Rogers - Wilson Browne Solicitors**

## Contact Us

Find out more about how our ATE insurance and disbursement funding can help you and your clients:

Call: 01483 514414 | Email: [andy.lyalle@temple-legal.co.uk](mailto:andy.lyalle@temple-legal.co.uk) | Visit: [www.temple-funding.co.uk](http://www.temple-funding.co.uk)