

Provision of Damages, Lump Sums and PPOs

If your case concludes successfully it will have been necessary to consider how the compensation should be awarded to you.

In some cases the compensation will be paid in one lump sum payment. In other cases you may receive an interim payment soon after liability is admitted followed by subsequent interim payments depending on how long the case takes before a final lump sum.

Sometimes you might receive a combination of interim payments, a lump sum payment and what is referred to as a PPO or Periodical Payment Order. Just to complicate things further any of the combinations above could be awarded to you on a provisional basis so that if subsequently your condition ever deteriorated you would be able to go back to the Court to open up the compensation question again and secure whatever additional compensation the deterioration of the original injury might merit.

Lump sums are relatively easy concepts to understand. Any lump sum payable to you would be paid taking into account any interim payments received as the case progressed and also any amounts you had received as recoverable benefits paid to you as a direct result of being injured. The Department of Work and Pensions issues a Compensation Recovery Unit Certificate confirming the amount of those benefits paid to you and it is for the Defendant to repay those costs to the DWP at the conclusion of your case.

Interim payments will be requested but will only be paid where the Defendant will concede liability. If liability is not going to be accepted it can frustrate the early payment of an interim amount. Obviously we will keep you updated as to the situation as it applies in your case. Our aim will always be to secure an interim payment in the earliest possible course where that is an option. Sometimes we will have to issue proceedings in Court to do that.

Lump sums awarded in spinal injuries cases is that they are typically significant sums. In spinal injuries claims we have to secure compensation in respect of all losses occasioned by the injury for the rest of the injured person's life. Lump sums need careful management.

You will always be advised of the merits of putting compensation monies into a Personal Injury Trust. If necessary you will also be advised of the importance of securing the services of a financial advisor experienced in assisting people with lifelong financial needs arising as a result of serious injuries in order that the sum can be best managed. The difficulty with lump sums can be that the amount of money is either spent too soon or, as is often the case hoarded in the hope that it will be there when it is needed later on. But that can mean foregoing things that might be needed now and brings considerable pressure on a Claimant who faces so much uncertainty about what their future will bring.

In cases where there are significant care needs it is likely that a periodical payment based award would be more appropriate. Paying parties typically do not like periodical payments which require them to make often substantial payments for the rest of the Claimant's life. Clearly if the Claimant lives longer than expected the paying party insurer stands to pay out more than might otherwise have been paid in a lump sum. (The converse can also be said.) Ultimately Judges will make a Periodical Payment Order ("PPO") where they consider it is in the Claimant's best interests and that will typically arise where there are significant care needs. We frequently secure awards where the periodical payment element is measured in significant six figure sums.

One potential issue when considering a PPO however, can be that there is insufficient capital available in the lump sum to achieve all that might need to be achieved to meet the Claimant's other needs. For example, where buying a house might be concerned. In each case we consider these issues with an independent financial advice expert who can provide expert assistance to the Judge in due course as to what form of award might be best.

In spinal injuries cases it is appropriate that any award of compensation is made on a provisional basis. Spinal injuries consultants will advise on the possibility of syringomyelia becoming an issue. This is where a syrinx develops and ascends the spinal cord. Whilst it is a risk in any person who has suffered damage to the cord (and one certainly worth at least exploring with your treating consultant) the risk of the syrinx ascending and causing further permanent damage above the level of the injury is slight and where the syrinx does ascend spinal injuries consultant will often be able to provide reassurance that the symptoms can be identified and treated quickly so that no further damage materialises.

However, because the risk exists and the potential consequence of the risk manifesting itself is so significant, it is appropriate to seek an award on a provisional basis so that further damages can be applied for if they are needed at some point later on. The logic here is that the syrinx only became an issue as a result of the initial injury that the Defendant is liable to compensate you for.

Again Defendants tend not to want to leave matters open and will resist provisional awards where they are sought. You will be advised as to how to meet that sort of response if it arises in your individual case.

If you would like to find out more about **forms of award** please do [get in touch](#).

You might also like to read other notes we have made available via our website such as **Liability, Quantum, Interim Payments, Personal Injury Trusts, Life Expectancy** and **The Schedule of Loss**.

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