



Financing for legal proceedings in Union Law

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Abstract

Union law seeks to ensure a balance between access to justice and providing appropriate safeguards to those engaged in proceedings, to prevent their wish to access justice from being unjustly exploited. When litigation funders provide financing for legal proceedings in exchange for a share of any compensation awarded, a material risk of injustice can arise. That risk includes litigation funders being able to take advantage of claimants, or those they represent, including where relevant consumers whose interests are represented by qualified entities, to serve their own purposes and to maximize their own return, thus leaving claimants or intended beneficiaries materially disadvantaged.

The risks can be particularly acute where those expecting to benefit from litigation are consumers, who might welcome the involvement of a litigation funder ready to pay for proceedings, without appreciating that their interests could be subverted in favor of the litigation funder’s own interests.

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