

COMPENSATION FUND RULES

PPR COMPENSATION FUND RULES

Introduction

- 1.1. These are the PPR Compensation Fund Rules.
- 1.2. These Rules come into force on 23 March 2018 and were amended on [**] 2023.
- 1.3. The PPR is responsible for the administration of these Rules and of the PPR Compensation Fund.
- 1.4. Application of the Fund is delegated by the PPR to the RRC and its Panels.

Interpretation

2. In these Rules, unless otherwise provided:

‘Complainant’ means a person who is a client of a fully regulated RRC member who holds a PPC,

‘Discretionary Grant’ means compensation that is paid to a Complainant by the PPR,

‘Fund’ means the PPR Compensation Fund;

“Member” means a member of the PPR;

‘Paralegal Practising Certificate’ and ‘PPC’ mean a certificate, whether “specified” or “general” issued by the PPR to a Paralegal in recognition of their certification to provide certain Paralegal Services to the general public;

‘PPR’ means the Professional Paralegal Register, and its employees and agents;

‘Regulated Member’ means a Member who holds a valid Paralegal Practising Certificate issued by the PPR;

‘RRC’ means the Register Regulatory Committee;

‘Rules’ means the PPR Compensation Fund Rules.

The Fund

3. The PPR must establish and maintain the Fund, which is to be applied to the payment of Discretionary Grants and for the other purposes provided for under these Rules.

Compensation Fund Rules

4. Every Regulated Member with a PPC must make an annual contribution to the Fund. The PPR may from time to time prescribe the rate and amount of, and payment arrangements for, those contributions.

Management of the Fund

- 5.1. The Fund is to be managed by PPR, which may:
- a) hold and distribute any monies raised for the purposes of the Fund;
 - b) invest the Fund in any investments that the PPR believes to be beneficial;
 - c) borrow for the purposes of the Fund, pay interest on any money so borrowed, repay any money so borrowed and use investments which form part of the Fund as security for such borrowing;
 - d) use the Fund to pay any other costs, charges or expenses incurred by the PPR in establishing and administering the Fund; and
 - e) cancel or reduce contributions to the Fund.
- 5.2. Payments that may be made under Paragraph 5.1(d) include any expense or liability, including the payment of any award of costs or damages, incurred by the PPR as a result of proceedings brought against it for any good faith act or omission in the exercise or purported exercise of its powers under these Rules.

Discretionary Grants

- 6.1. The Fund may be used by the RRC to award Discretionary Grants to Complainants who have brought a complaint against a Regulated Member that has been upheld by the RRC in order to:
- a) replace money that a Regulated Member has misappropriated or for which the Regulated Member has otherwise failed to account; or
 - b) compensate a person in respect of the civil liability of a Regulated Member which, contrary to the Indemnity Insurance Rules, does not have in place a policy of qualifying insurance against which a claim in respect of that civil liability can be made.
- 6.2. A Discretionary Grant may not be awarded in respect of any loss:
- a) arising solely by reason of the professional negligence of a Regulated Member;
 - b) that is a personal debt or trading debt or liability of a Regulated Member
 - c) arising from practice by a Regulated Member outside of England and Wales;
 - d) that is a claim for interest under a contract between the Complainant and the Regulated Member; or
 - e) that did not arise from the performance or purported performance by a member of a legal activity that it is authorised to undertake by the PPR.
- 6.3. Any Discretionary Grant is to be made in the absolute discretion of the PPR. No person has a legally enforceable right to receive any Discretionary Grant.

Complaints giving rise to the award of a Discretionary Grant

- 7.1. A Discretionary Grant can only be awarded:

- a) when a complaint is made by a Complainant against a Regulated Member at a time when that Regulated Member is a fully paid up member of the PPR and is acting under the terms of a PPC;
 - b) in accordance with the **Complaints Procedure**;
 - c) not more than three months after the Complainant first knew, or with reasonable diligence should have known, about the misappropriation, failure to account or events giving rise to civil liability against the Regulated Member (as the case may be).
- 7.2. An Complainant must provide evidence to satisfy the PPR that, as a consequence of the misappropriation, failure to account or events giving rise to civil liability against the Regulated Member (as the case may be), the Complainant has suffered or is likely to suffer loss and hardship.
- 7.3. The Complainant has the burden of proving their claim and must provide the PPR with such documents or other information as it may require in respect of that claim, in accordance with the **Complaints Procedure**.
- 7.4. Failure to provide documents or other information or to co-operate with the PPR may be taken into account by the PPR when determining the merits of a complaint and the appropriateness of awarding a Discretionary Grant.

Other remedies and subrogation

- 8.1. A Discretionary Grant may be refused in respect of all or any part of a Complainant's loss that is:
- a. an insured risk; or
 - b. capable of being made good by any other means.
- 8.2. Before deciding whether to award a Discretionary Grant, the PPR may require a Complainant to:
- a. pursue any civil remedy against the Regulated Member who is the subject of the complaint;
 - b. make a formal complaint to the Police or other agency against that Regulated Member; and
 - c. assist in the taking of any action against that Regulated Member.
- 8.3. If a Discretionary Grant is made, any rights or remedies of the Complainant recipient will be subrogated to the PPR.
- 8.4. If required by the PPR to do so (whether before or after the making of the Discretionary Grant) the Complainant must comply with any other reasonable request made by the PPR for the purpose of giving effect to the PPR's subrogated rights.

Grant Limit

9. A Discretionary Grant may not exceed £5,000.

Refusal to award a discretionary grant

9. If a Complainant's request for a Discretionary Grant is refused, whether in whole or part, the PPR must inform the Complainant in writing of its decision and the reasons for that decision.