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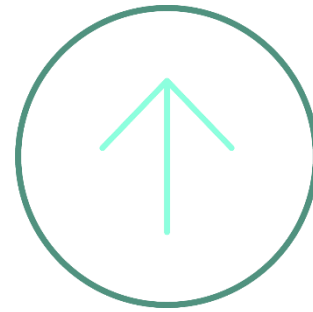
Litigation risk 2025

Balancing today's disputes with tomorrow's risks

Litigation risk 2025 key findings

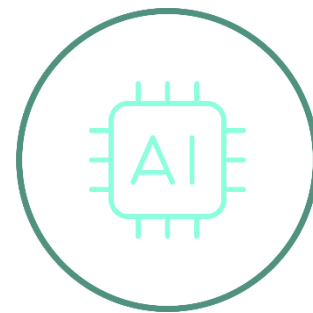
Disputes in the UK are on the rise

Although not necessarily reflected in the number of claims issued in 2024, the proportion of respondents engaged in disputes in England and Wales, Scotland and Northern Ireland all jumped by 10% or more compared with last year's report and is expected to keep rising over the next three years.



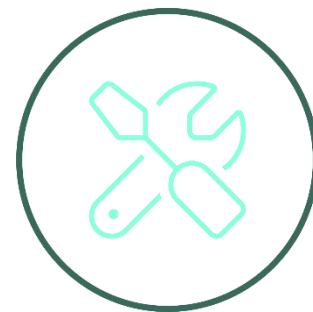
In-house counsel are worried about AI risks

Nearly 90% of senior legal decision-makers believe AI discrimination presents a high or moderate risk over the next 12 months, while AI is considered the biggest area of emerging risk by boards. Relatedly, more expect intellectual property risks to increase in the next three years than any other area of dispute.



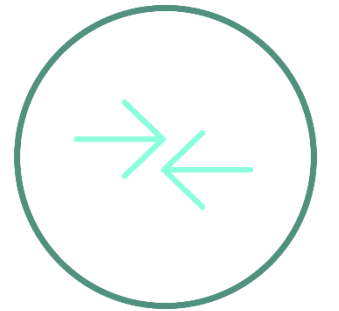
AI tools are taking off in litigation management

UK corporates embrace AI tools to better manage disputes, with a range of applications adopted in the past year and more than a third of respondents plan to adopt more in 2025.



This growth is being driven by competition and regulatory disputes

Far more businesses are involved in competition (42%) and regulatory (50%) cases and boards are aligned with legal teams in considering these among the greatest litigation risks.



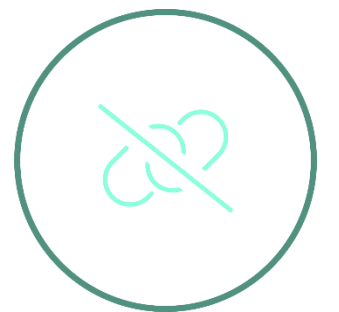
Costs and reputation are major factors in dispute decision-making

The average cost of a major dispute is now over £600,000, and costs and reputation are bigger considerations than the merits of a case when deciding whether to bring a claim.



Legal teams need to be proactive in mitigating risk

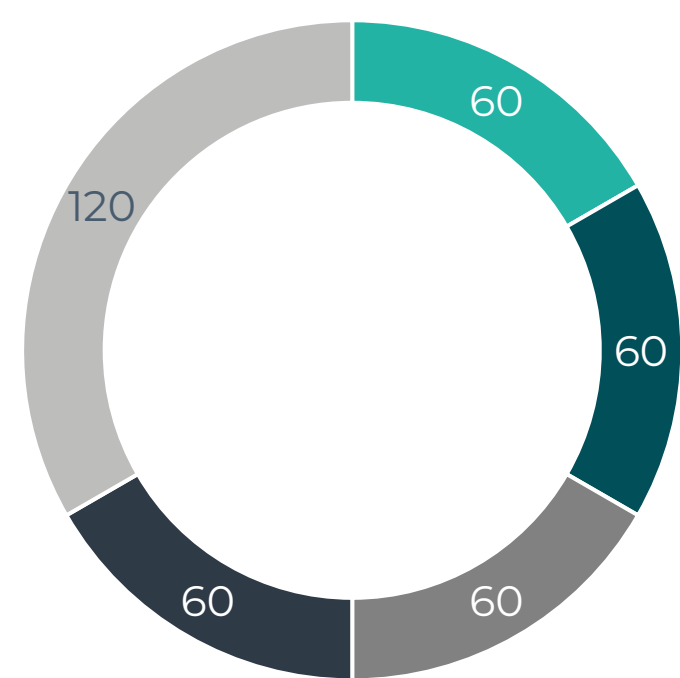
Given the growing risks to reputation and the potential cost of disputes, companies still need to do more to improve their risk mitigation plans. Less than half (49%) have conducted preparedness reviews despite this being acknowledged as the most effective measure.



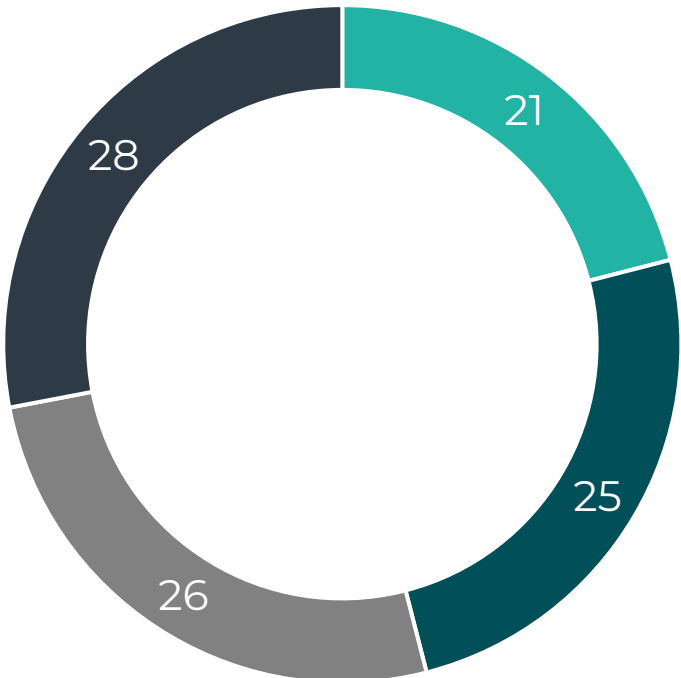
Litigation risk 2025 respondent profile

Sector split of 360 GCs and senior inhouse lawyers

% of respondent companies in each size category



Tech / telecoms Automotive Financial services
Real estate Other



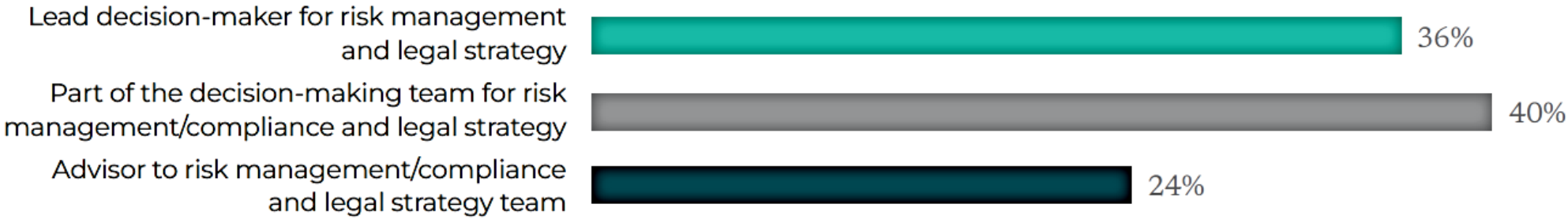
£100m to £499m £500m to £999m £1bn to £4.9bn £5bn+

Role:



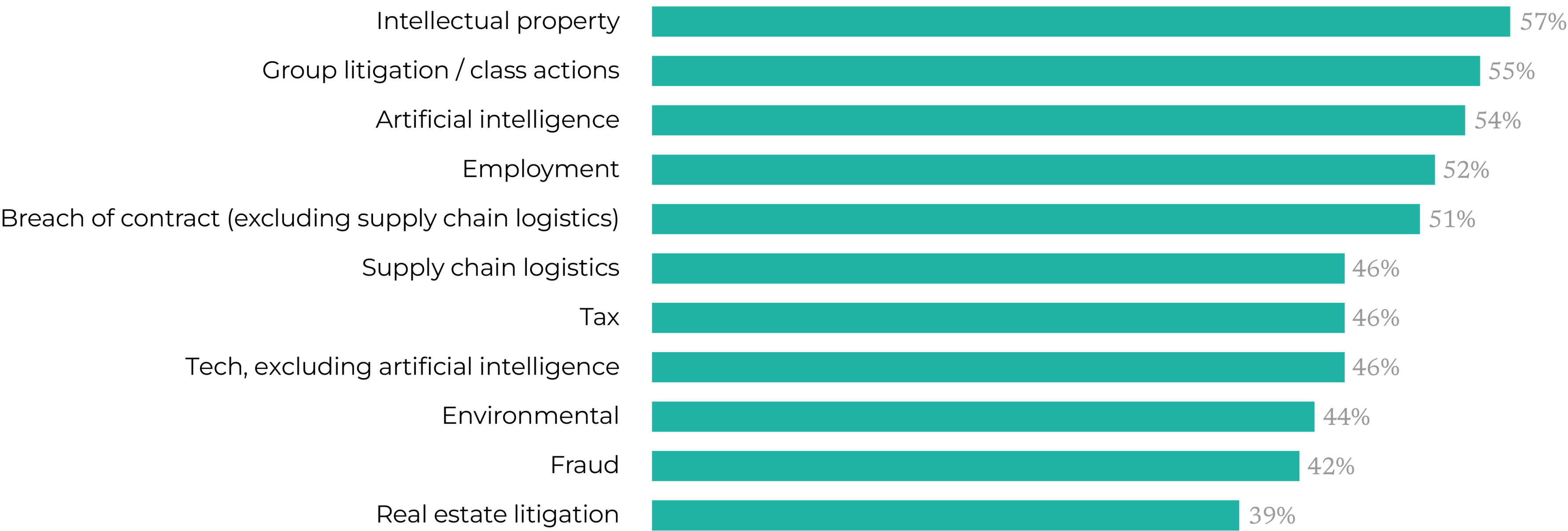
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Responsibility:



AI disputes are the third most likely type of dispute to increase in the future.

Q. How do you expect the risks of the following disputes to change over the next three years? (% 'Increase significantly' or 'Increase somewhat', top ten responses)

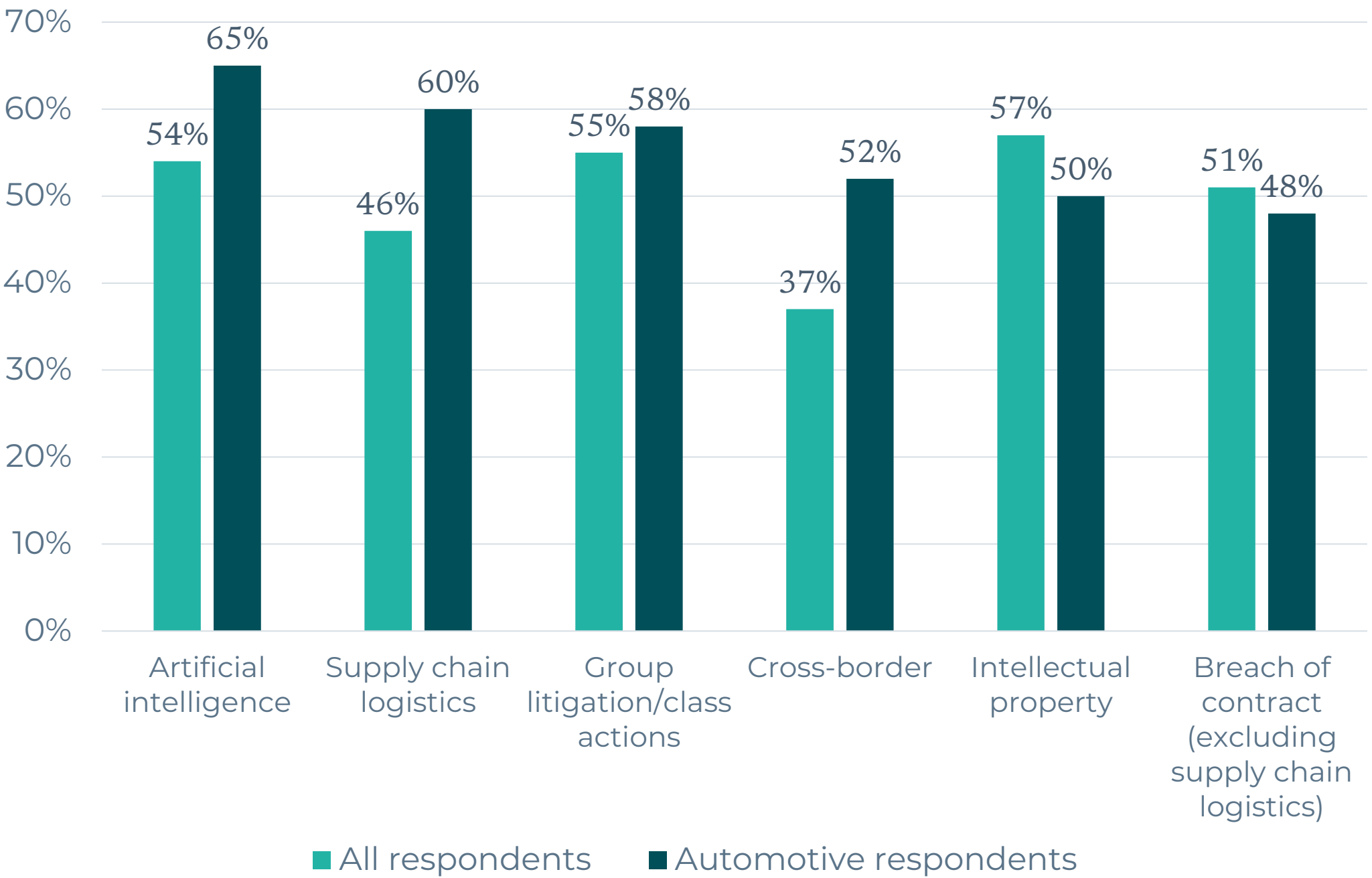


The increased risk of AI disputes

AI, supply chain logistics and group litigation disputes are most likely to increase over the next three years, according to automotive respondents.

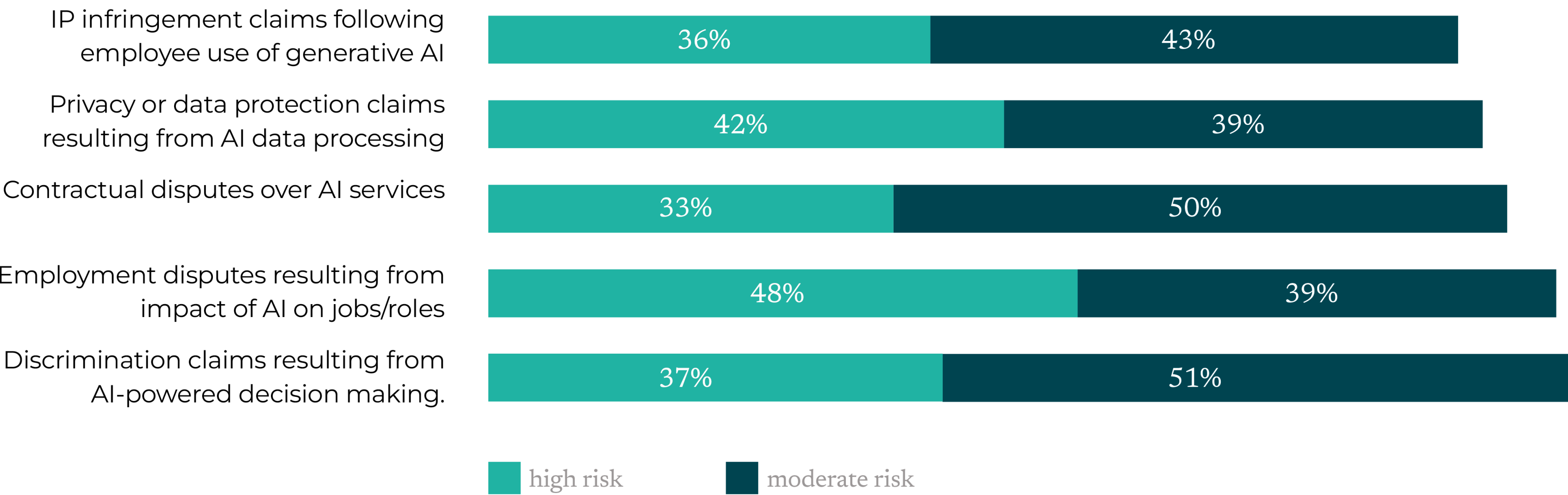
The threat of AI disputes, in particular, is higher than any other sector surveyed, with real estate (38%), financial services (55%) and technology & telecoms (50%) all trailing behind.

How do you expect the risks of the following disputes to change over the next three years?
(% 'Increase significantly' or 'Increase somewhat', top ten responses)



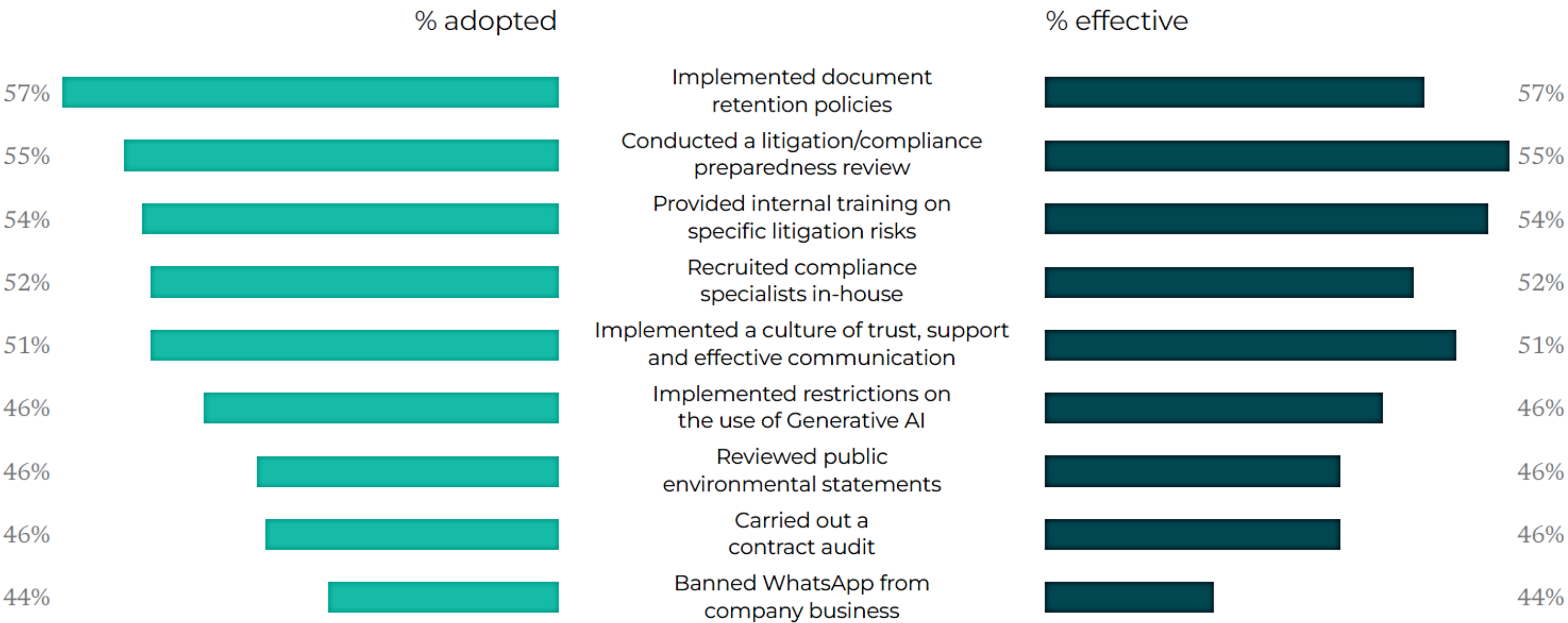
Litigation risks arising from AI adoption.

Q. How high is the risk of the following types of litigation against your company as a result of its use of AI in the next 12 months?



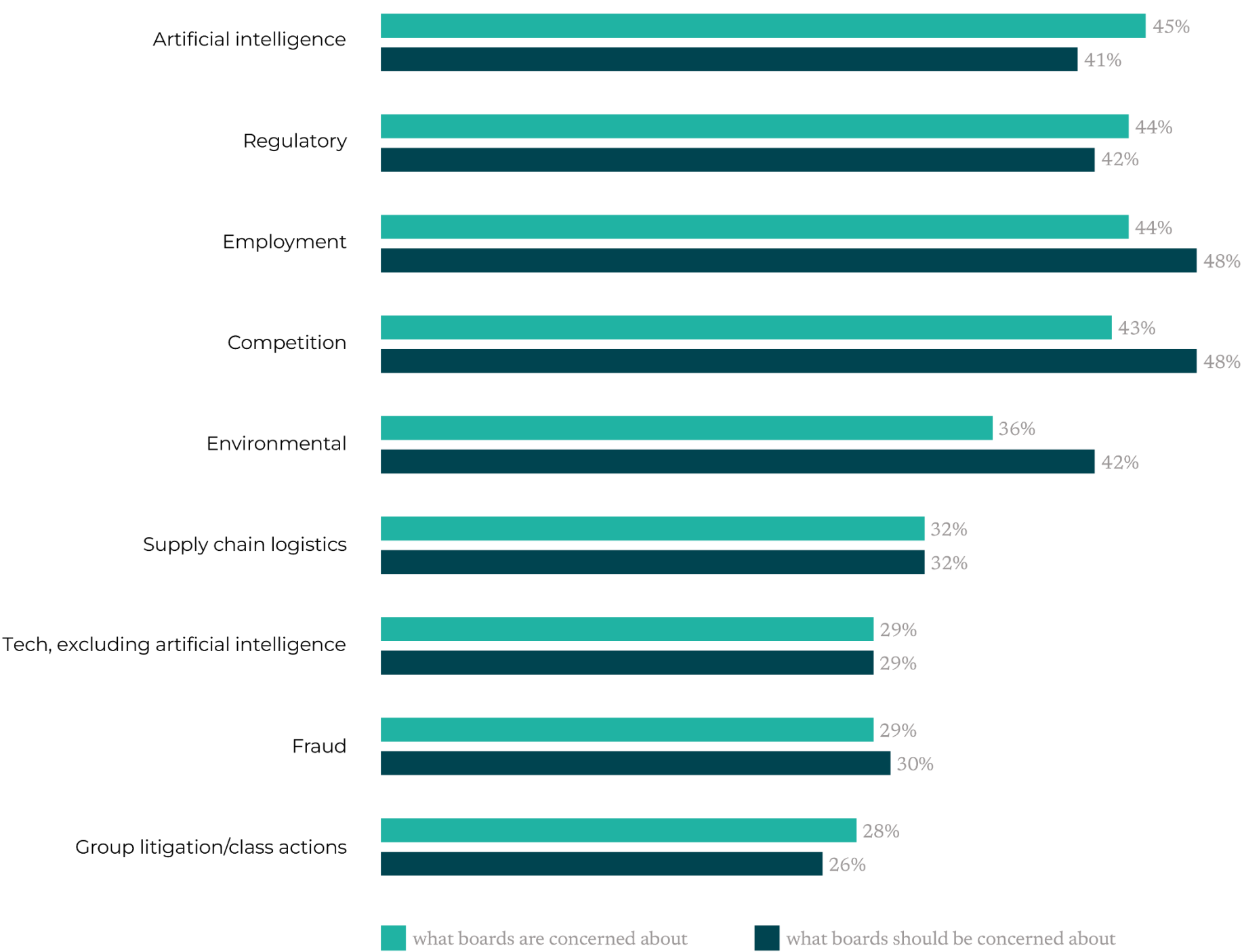
Most adopted vs most effective measures of mitigating litigation risk

Q. Which of the following measures have you adopted in order to identify new areas of litigation risk? (% of respondents)



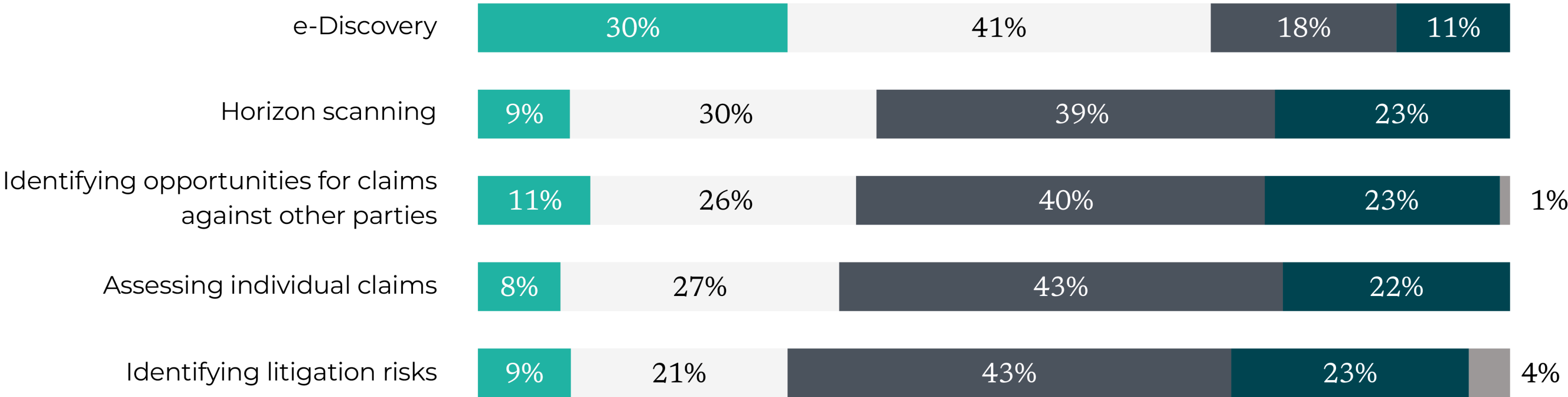
AI, regulation, employment and competition are the litigation risks causing the most concern for boards.

Q. Which of the following areas of emerging risk causes your board the most concern? Which areas of emerging risk should your board be concerned about? (% rank 1/2/3)



The approach to AI adoption in organisations is varied

Q. To what extent has your organisation adopted, or plans to adopt, AI tools to support the following? (% of respondents)



Contact us to discuss your litigation risks

If you would like to discuss the findings of this report, the challenges your business faces and how you can respond, please get in touch.



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