

Article Summary

Journal of Professional Negligence

Edited by:

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Publisher:

Bloomsbury Professional

Publication Date:

June 2026

**Professional Liability, Regulatory and Coverage Update:
what happened in 2025 and what's next in 2026?**

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The topic that occupied the most court time in 2025 was the involvement of professionals with frauds or other economic wrongdoing. One striking case in the High Court, *Vanquis v TMS Legal*¹, identified the potential danger to professionals of claims founded on economic torts. So too did the Supreme Court's judgment in *Bilta v Tradition*² as regards the potential reach of the Insolvency Act 1986. Furthermore, no less than four Supreme Court cases (*Hopcraft*,³ *Rukhadze*,⁴ *Hotel Portfolio*,⁵ and *Mitchell v Sheikh Mohamed Bin Issa Al Jaber*⁶) considered the nature and consequence of fiduciary duties.

The courts also had cause to revisit s 32 of the Limitation Act 1980 in numerous contexts, including whether defendants can be taken to have 'deliberately concealed' information that claimants could have found from a public record, the position of dissolved corporate claimants and how the Limitation Act 1980 interacts with the Third Parties (Rights Against Insurers) Act 2010. Allied to limitation were the numerous attempts by claimants who had sued the wrong defendant to get round their error, whether under new interpretations of CPR 19.6 or on the basis of novel estoppel or novation arguments.

In the regulatory sphere, two areas came under particular scrutiny. The first was the impact of AI, where the High Court hammered home the need for both individual and firm-level caution in *Ayinde*.⁷ The second was the sudden attack on the long-understood position that unauthorised fee earners could conduct litigation under the supervision of authorised lawyers in *Mazur*.⁸

¹ *Vanquis Bank Ltd v TMS Legal Ltd* [2025] EWHC 1599.

² *Bilta (UK) Ltd & Ors v Tradition Financial Services Ltd* [2025] UKSC 18; [2025] 2 WLR 1015, [2025] WLR(D) 255, [2026] AC 140.

³ *Hopcraft v Close Brothers Ltd* [2025] UKSC 33; [2025] 3 WLR 423.

⁴ *Rukhadze v Recovery Partners GP Ltd* [2025] UKSC 10; [2026] AC 209.

⁵ *Stevens v Hotel Portfolio II UK Ltd (In Liquidation)* [2025] UKSC 28; [2025] 3 WLR 293.

⁶ *Mitchell v Sheikh Mohamed Bin Issa Al Jaber* [2025] UKSC 43; [2025] 3 WLR 849.

⁷ *R (on the application of Ayinde) v Haringey LBC* [2025] EWHC 1383 (Admin); [2025] 1 WLR 5147.

⁸ *Mazur v Charles Russell Speechlys LLP* [2026] EWCA Civ 369.

As for valuers, the main case of the year concerned whether it was enough for a claimant merely to prove that the valuation was outside the bracket (*Bratt v Jones*)⁹ whilst the case law on brokers focused on loss of a chance (*Norman Hay v Marsh*,¹⁰ *Watford Community Centre*¹¹). The one core case on auditors (*Coulter*)¹² reviewed assumption of duties to parties other than the audited entity. Meanwhile, construction professionals made it to the Supreme Court in 2025 – with a significant judgment dealing with limitation and contribution claims in *URS v BDW*.¹³

Last but not least; given its financial importance to claimants and professionals alike, there were two main cases considering coverage. Both dealt with topics overlapping with issues identified above, namely the impact of liabilities novating to an LLP (*Leggett*)¹⁴ and the unintended consequences of liquidation (*Desai*).¹⁵

In this review of the year, the authors explain in more detail what issues have emerged from the 2025 authorities, and what is likely to be in store in the next twelve months.

⁹ [2025] EWCA Civ 562; [2025] 4 WLR 59.

¹⁰ [2025] EWCA Civ 58; [2025] PNL 14.

¹¹ *Watford Community Housing Trust v Arthur J Gallagher Insurance Brokers Ltd* [2025] EWHC 743 (Comm) ; [2025] PNL 23.

¹² *Coulter v Anderson Anderson & Brown LLP* [2025] CSOH 32 ; [2025] PNL 26.

¹³ *URS Corporation Ltd v BDW Trading Ltd* [2025] UKSC 21; [2025] 2 WLR 1095, [2026] AC 409.

¹⁴ *Leggett v American International Group UK Ltd* [2025] EWHC 278 (Comm) ; [2025] PNL 16.

¹⁵ *Desai v Wood* [2025] EWCA Civ 906 ; [2026] PNL 3.