

IN THE HIGH COURT OF JUSTICE

KING'S BENCH DIVISION

Royal Courts of Justice
Strand
London
WC2A 2LL

Date: 19 February 2026

Before:

THE HONOURABLE MR JUSTICE MOODY

Between:

MOTOR INSURERS' BUREAU
- and -
RAPHAEL DE LIMA SANTIAGO

Appellant

Respondent

MR ROBERT MARVEN KC (instructed by **Keoghs LLP**) for the **Appellant**
MR BENJAMIN WILLIAMS KC (instructed by **Bond Turner**) for the **Respondent**

APPROVED JUDGMENT

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MR JUSTICE MOODY:

1. This is an appeal from the order of his Honour Judge Dight CBE given in the Central London County Court on 21 February 2025 whereby he assessed the quantum of an interpreter's fee at £794.40 including VAT. It may be seen that the sum in dispute is small but the appellant argues that there are issues of principle at stake and the result has wider ramifications. The Judge refused permission to appeal but permission was granted by Sir Stephen Stewart on 4 August 2025.
2. The background facts are set out in the judgment of Judge Dight. They need not be rehearsed in detail here. Briefly, the background is as follows. The claimant, now the respondent, Mr Raphael De Lima Santiago, was injured when riding his motorcycle on 22 May 2018. The first defendant, Mr Joshua Odubolo was uninsured and so the Motor Insurers' Bureau, the MIB, now the appellant, was jointed as the second defendant. Mr Odubolo played no part in the proceedings. For convenience, I will refer to the parties as the claimant and the "MIB".
3. The claim was settled on the first day of the trial for £20,000 plus costs. It was subject to the fixed costs regime. Mr Santiago is a Portuguese speaker and required an interpreter. His solicitors, Bond Turner, served a costs schedule dated 8 August 2022 which claimed £924 for an interpreter at trial. Bond Turner served an advice note dated 9 August 2022 which was an invoice for the interpreter's fee. It was addressed to Bond Turner and rendered in the name of Professional and Legal Services Ltd, or "PALS". It is common ground that PALS and Bond Turner are related companies.
4. On assessment, the MIB took a point that the fees of an interpreter were not recoverable as a disbursement under CPR 45.29I which was then applicable. This rule

is explained at [10] and [11] of the Court of Appeal judgment which I refer to below. The Deputy District Judge accepted that argument but did not go on to assess a reasonable sum in the alternative. The claimant appealed that point on a leapfrog appeal to the Court of Appeal. The Court of Appeal (Stuart-Smith, Snowden and Whipple LJJ) allowed the appeal ([2023] EWCA Civ 838) and, in so doing, they distinguished *Cham v Aldred* [2019] EWCA Civ 1780. The Court of Appeal therefore determined that an interpreter's fee was a recoverable disbursement under the costs rules as they then stood. The rules have subsequently been changed so as to make this express: see CPR 45.59(a)(v). The Court of Appeal remitted to the Judge (as the Designated Civil Judge for London) the assessment of the quantum of the interpreter's fee. In a reserved judgment dated 21 February 2025 he assessed the recoverable figure, as I have indicated, to be £794.40 as opposed to the claimed sum of £924.

5. The Judge had the benefit of a witness statement from Michael Dean, a partner at Keoghs LLP, who act for the MIB. Mr Dean established that the interpreter concerned, Mr Marcos Alvarenga, was registered with the National Registry of Public Services Interpreters and authorised to provide interpretation services at court. He also established that Mr Alvarenga would provide such services directly for an all-inclusive fee of £300 and that he was not VAT registered. The Judge also had a witness statement from Neil Ryder, a costs draftsman and Head of Costs at Bond Turner. He provided evidence of nine alternative quotes for interpreters who could translate oral evidence at trial. They ranged from £1,300 plus VAT down to £440 plus VAT.

6. The MIB had sought a breakdown of the PALS invoice so that the sum actually paid to the interpreter could be identified, but the Judge rejected that application on the basis that the claimant would be “at risk” if it failed to do so voluntarily.
7. Before the Judge the claimant sought to recover the full value of the invoice, namely £924. Mr Marven KC, appearing then, as he does now, for the MIB, submitted first that the PALS invoice included an agency element (also described as an outsourced profit cost) and that only the sum paid to the interpreter was recoverable as a true disbursement. He emphasised that solicitors’ profit costs were subject to the fixed costs regime. He submitted that, in the absence of a breakdown, the court should assess the fee at nil. In the further alternative, he submitted that only a reasonable and proportionate fee could be recovered and, if the fee was not assessed at nil, it should be assessed at less than Mr Alvarenga’s standard rate of £300 since it could be inferred that Bond Turner could have negotiated with Mr Alvarenga and achieved a lower rate.
8. Mr Williams KC, appearing then, as he does now, for the claimant, did not seek to justify the invoice on the basis that it contains an agency component and submitted simply that the fee was reasonable as it was within a reasonable range. The Judge held at [29] that the interpreter’s fee was a disbursement. He noted that the MIB’s real objection, to which he was “not unsympathetic”, was that Bond Turner and PALS were connected and so there was a lack of transparency in the transaction [32], but he was not persuaded that a breakdown had to be provided so that, as he put it, the agency component may be “stripped out” [33].
9. On the question as to whether the sum claimed was a proportionate and reasonable fee, at [42] he asked himself the question: is what was charged overall a reasonable

retail rate? He examined the quotes referred to in Mr Ryder's evidence and assessed a reasonable figure as the mean of those quotations, namely, £662 plus VAT, giving the figure of £794.40.

10. Sir Stephen Stewart granted unrestricted permission to appeal. In so doing he noted that the highest quote, £1,300 plus VAT, appeared to be "a complete outlier" and he observed that the quotes were all obtained in April 2024 whereas the PALS invoice was dated August 2022. He further noted that inflation in that period was 11.53% under the RPI or 8.45% under the CPI. Mr Marven disclaims any reliance on inflation since he did not take that point below.
11. The submissions before this court followed a similar course to those traced before the Judge. For the MIB Mr Marven took three points. First, he submitted that the claimant was entitled only to recover the sum which constituted a genuine disbursement and the element of the fee retained by PALS is irrecoverable in principle. He submitted that a breakdown was required so as to enable the court to determine what could be recovered. Secondly, he submitted that a breakdown was required in any event so that a fair assessment could be carried out, and thirdly, he submitted that the Judge's assessment was too high.
12. For the claimant, Mr Williams submitted that there was no rule requiring a breakdown and in any event the Judge's assessment was reasonable.
13. I take Mr Marven's submissions in turn. First, I address the question as to whether this is a disbursement and a breakdown is required. Solicitors' costs are the subject of the fixed costs regime. Disbursements are recovered separately and so the court must be astute to establish that sums claimed as disbursements are genuine disbursements and not disguised profit costs. The sum recovered for a disbursement depends upon

reasonableness and proportionality: CPR 44.3. The distinction between solicitors' profit costs and disbursements was well explained by May J, as he then was, in *Crane v Cannons Leisure Centre* [2007] EWCA Civ 1352 at [9] where he held:

“A characteristic of whether charges of a person engaged by solicitors are profit costs or disbursements is whether the solicitors have personal responsibility to the client for the work done.”

14. The MIB's argument is that the PALS invoice includes a disguised element of solicitors' profit costs or an agency element and so therefore a breakdown was required. In agreement with the Judge below, I reject this submission. Interpretation services are (per *Crane*) not services for which a solicitor carries personal responsibility to the client. In my judgment, there is nothing wrong with interpreter services being provided via a company. Indeed, I can see that there may be some advantages in the provision of services in this way. For example, the company may provide cover for illness or the provision of a “stable” of interpreters of differing levels of expertise and experience. It is clear from the evidence of Mr Ryder that there is a number of companies that provide interpreter services. It is inevitable that only part of the sum paid to the company will end up in the pocket of the interpreter. That does not mean that the sum not paid to the interpreter is an outsourced profit cost or impermissible agency element.
15. Mr Williams submitted that an analogy could be drawn with a fee charged for an expert report by a consultancy such as Burgoyne's for example. I consider that the analogy is helpful. Whether or not the expert is engaged by the consultancy as an employee or as a self-employed consultant the fee charged would, in my judgment, be a disbursement and there could be no reason for seeking a breakdown of the actual fee or wage paid to the expert.

16. The MIB's concern that there could be a disguised profit cost in this case arises from the fact that PALS and Bond Turner are in common ownership. I accept Mr Williams's submission that here is nothing unlawful about procuring the services from a related company. He pointed out that the *Legal Services Act 2007* expressly permits this. If there had been no common ownership then it seems unlikely that a breakdown would have been requested and I can see no reason why one would have been necessary.
17. There may be cases where an abuse is suspected, or indeed where it is necessary to establish the reasonableness of the fee charged, where a breakdown should be required and provided. My attention has been drawn to County Court cases where a breakdown has been required for invoices rendered by medical agencies and my attention has also been drawn to the previous (2025) edition of *Cook on Costs* at [28.15] where that practice was deprecated. (The comment has not been carried through to the 2026 edition.)
18. In my judgment, there is no rule of law or practice that requires a breakdown in every case where a litigation service is provided through a company. The court's task is to assess reasonableness and proportionality. It is a question of fact in any particular case as to whether a breakdown is required in order to enable the court to perform its task.
19. In this case the evidence of Mr Dean and Mr Ryder provided all the information the Judge needed in order to assess the reasonableness of the fee claimed, and accordingly I reject the submission that a breakdown should have been provided and I reject the submission that the costs should have been assessed at nil in the absence of a breakdown.

20. I turn then to consider the assessment of the reasonable and proportionate cost. The Judge was required to assess a reasonable and proportionate fee. At [36] he reminded himself of the rules relating to the assessment of costs on the standard basis in CPR 44.3, namely that the court will only allow costs which are proportionate to the matters in issue and resolve any doubt which it may have as to whether costs were reasonably and proportionately incurred or were reasonable and proportionate in amount in favour of the paying party. At [42] of his judgment, he reminded himself of Lord Hoffmann's speech in *Callery v Gray* [2002] UKHL at [32] and, in light of that guidance, he concluded that in deciding whether the interpreter's fee was reasonable he should have regard to the market. He went on to consider Mr Ryder's witness statement which contained a selection of quotes and the Judge concluded that the fee claimed was at the high end of the range and so he should trim it slightly to arrive at a reasonable figure. He noted also that, when considering proportionality, a figure of £924 was slightly high when compared to a claim worth only £20,000. He concluded that in all the circumstances he should assess the interpreter's fee at the mean figure derived from Mr Ryder's quotations, namely, £662 plus VAT, a total of £794.40.
21. I can detect no error of law in the Judge's approach to this assessment. This was an evaluative judgment reached by an experienced judge who will himself no doubt have conducted summary assessments after trials in London and which included claims for interpreters' charges. Indeed, it was no doubt for precisely that reason that the Court of Appeal remitted this issue to the Designated Civil Judge. He reached a conclusion which was plainly open to him on the facts. As it appears to me, this is a paradigm case where appellate restraint should be exercised and I can see no proper grounds for interfering with the Judge's assessment of a proportionate and reasonable fee.

22. It follows that the appeal will be dismissed.
23. I am grateful to both counsel for their succinct and well-directed submissions.

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