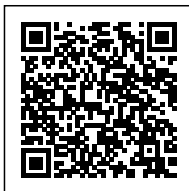


FINANCE-RELATED LITIGATION ON THE RISE IN SPAIN - LENER

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Recent years have seen a substantial increase in finance-related litigation in Spain, which has had the effect of making the market for related legal services much more competitive, according to Jesús Giner, head of Lener's litigation department in Madrid.

"The financial crisis meant there was an increase in cases against financial entities, relating to IPOs and the selling of financial products, for example," he says. "There have also been a significant number of cases concerning the general terms of contracts related to mortgages."

Giner adds that, where individuals are bringing claims against financial institutions, the courts are ruling in favour of individuals in around 95 per cent of the cases. "The consequences of the amazing number of cases is that there has been the emergence of a new type of legal service provider that are representing individuals and offering to help finance the case in return for a share of the sum paid to the client [if successful]," he says. "These firms are competing with smaller traditional firms and they are pushing prices down."

Giner says the legal market for financial litigation services is generally more competitive. "It used to be the case that clients would give most of their work to the same firm, but now clients and financial entities require firms to submit offers and this has an impact on fees," he adds. "This puts pressure on firms, because while fees may decrease, there cannot be a decrease in quality."

However, while litigators may aim to become more efficient, it is not always possible. "Firms can use technology, for example, to become more efficient, but litigators' efficiency is directly related to the efficiency of court officials." Despite court inefficiency, financial litigation is a growing area for law firms and Giner says Lener is likely to increase the size of its litigation team in the near future.