

indicated that he would settle for £250,000 plus costs. If the offer is increased to that level, he may take it. If he does not, NGN is no worse off than it is now. If Mr Taylor changes his mind later and wishes to accept the increased offer, then we can negotiate the terms and the problem will have gone away. If he does not, then the claim will have to be litigated to some extent, subject to what follows, just as it will now. The alternative of leaving the offer as it stands exposes NGN to the risk that the court will ultimately settle on a higher figure. Whilst this may be relatively unlikely, I can see very little downside (save an additional exposure of £100,000) to protect itself from that risk.

20 When I first read my instructions, my immediate reaction was that NGN should submit to judgment on liability (except possibly in relation to the Data Protection Act claim as to which I do not at present have enough information to assess its merits). On reading the Amended Particulars of Claim, however, it seemed to me that total acceptance of the allegations made was likely to be difficult. It may therefore be the case that NGN can only make limited admissions. It seems to me that it is obvious that this should be done at the earliest opportunity if only to minimise the extent to which allegations which are obviously going to be accepted by the court are challenged by NGN.

21 In the limited time available I have not been able to form a clear view as to the extent of the admissions that can reasonably be made. My approach, however, would be to endeavour to make sufficient admissions to ground liability and to offer to submit to judgment on the basis of such admissions. That would place Mr Taylor in the position of having to decide whether to press on with the more extensive allegations or to accept that liability is established on the basis of the admissions made. If he chooses to press on his costs will be increased. If a larger offer has been made, he is then at even greater risk on costs because he will have to establish not only liability but also the truth of the more extensive factual allegations and that they increase the extent of liability to justify a claim to costs from now on.

22 I would therefore strongly recommend that NGN amends its defence in response to the Amended Particulars of Claim to make sufficient admissions to enable it to admit liability and offer to submit to judgment on those admissions. The precise extent of the admissions will need very careful consideration.

23 There will also be significant further tactical decisions to be taken very shortly. I consider that to address these until a basic approach has been decided is premature and complex. For example, one will need to consider further disclosure and the appropriate approach to evidence in the light of the admissions. That cannot realistically be done until the extent of the admissions has been determined.

24 I trust that this advice is sufficient to enable my instructing solicitors and client to decide how best to proceed. I appreciate that this advice requires a number of difficult decisions to be taken and that the correctness of those decisions may be very difficult to determine. I am more than happy to discuss any points arising from