IN THE HIGH COURTS OF JUSTICE

LIVERPOOL DISTRICT REGISTRY

Case No. KB-2025-LIV-000012

Courtroom No. 24

35 Vernon Street
Liverpool
L2 2BX

Friday, 17th October 2025

Before:
HIS HONOUR JUDGE WOOD KC

B E T W E E N:

ROYAL MAIL GROUP

and

GAMARO & ORS

MS THOMPSON appeared on behalf of the Claimant
NO APPEARANCE by or on behalf of the Defendants

JUDGMENT
(Approved)

HHJ WOOD KC:

1. This is a claim in the tort of deceit and conspiracy against 14 separate defendants, all of whom were alleged to have brought contrived or non-existent accident claims against the Claimant, the Royal Mail Group, in respect of collisions with vehicles driven by their workforce. Judgment has been entered against all 14 defendants by default for damages to be assessed, and the matter has come before me to carry out that assessment exercise. All but one of the defendants has chosen to play no part in the proceedings.
2. The fifth defendant, Mr De Silva turned up today but regrettably did not have access to an interpreter. He has insufficient understanding of the English language to grasp these proceedings and, therefore, with the agreement of counsel for the Claimant, I adjourned his case off to a date in November, with an interpreter to be arranged. He is entitled to participate and make representations, and clearly could not do that today.
3. Because the Court is not required to make any determinations of liability, there is no need for me to drill down into the detail of the conspiracy which has been unearthed by the Claimant, or the nature of the individual claims. However, some understanding is necessary because it impacts on the level of exemplary damages which this Court is empowered to award. I have been greatly assisted by a significant bundle of documents and the skeleton argument prepared by Ms Thompson of counsel. I have not found it necessary to read this bundle in its entirety, it being over 900 pages altogether, but I have been able to glean sufficient information as to the background and to deal with this assessment.
4. There was a commonality between all of the defendants in the original claims against the Royal Mail. Most, it would appear, came from Brazil. All were riding motor scooters of relatively modest value. In all the claims, there was an alleged collision of some sort or another with a Royal Mail van. In 11 out of the 14 claims, the engineer instructed was Dan Osborne of Evans Harding. In all the claims, recovery and storage charges were incurred. In 13 out of 14 of those claims, the recovery garage was Millennium Motorcycles, who would pay a referral commission to the scooter rider who used their services.
5. In all but one of the potential claims, the solicitors instructed were Bond Turner. In all but three of the claims, the scooters were said to be written off. In all the claims, there were substantial credit hire charges incurred, many times the total value of the damaged vehicle, because of the alleged impecuniosity of the defendants. A hire vehicle was provided in all but four of the claims by McCams. Several of the claims included personal injury allegations with the involvement of medical experts. All of the claims have either been struck out, discontinued or otherwise not pursued.
6. There is a table provided on page 48 of the bundle, which provides, at a glance, the features in relation to each of these claims. As the Claimant has indicated, these Courts are very familiar with the concept of the fraudulent or contrived claim. Sadly, whilst undoubtedly there are many genuine vehicle accidents, even those at low velocity, in recent years, many instances have emerged of individuals or groups of individuals who spot an opportunity to make a bit of money by claiming that they were injured when they were not, when essentially, the type of soft tissue injury sustained in a car crash was very difficult to disprove and often carried with it a sizeable award.
7. The injury aspect was addressed by whiplash reforms with the introduction of tariff damages, but, of course, these do not apply to motorcyclists. Claiming a fabricated injury or even exaggerating it is only one way of deceitfully pursuing compensation. With the increasing availability of credit hire, where vehicles can be obtained theoretically at no cost to the potential Claimant but with huge profits to the credit hire company, the repairing garage and others involved in the chain, valuable incentives have been created by the agencies involved.

In this case, that would have involved commission paid to any rider who introduced to the garage his or her potential claim.

8. Thus, a motor scooter potentially written off, recovered and stored in a garage would, in theory, entitle the rider to credit hire with a garage obtaining relatively high recovery and storage charges. This Court deals with hundreds of these claims every year, most of which are resolved without any suggestion of deception. However sadly there are many, and I do not just mean those in this conspiracy, that have features of dishonesty.
9. It should be pointed out that although claims in deceit have been brought against other motor engineers, it is not suggested in the present case that anyone other than the riders of the alleged damaged motor scooters have been involved in the conspiracy; in other words, these are those at the bottom of the chain. It is certainly not the Claimant's case that Bond Turner, who handle thousands of low-value motor claims every year up and down the country, are implicated. In fact, these particular solicitors instructed in most of the claims in this matrix withdrew their representation virtually as soon as the alleged conspiracy came to light.
10. Insofar as the fabricated claims are concerned, it is the Claimant's case that these involved a mixture of different scenarios. There would either be non-existent accidents where no collision actually took place or, in some instances, contrived accidents where the rider deliberately rode his motor scooter into collision with a reversing Royal Mail van. An explanation has been provided as to how the conspiracy was unearthed. It is said that the Royal Mail vans were particularly vulnerable because they do not have an internal rearview mirror, and the driver cannot see whether they are being tailgated by a motor scooter.
11. As the common features which I have identified emerged, the Claimants, who are effectively self-insured for claims of this nature, began to look more closely at those features, and investigated a number of further links through shared addresses and social media, where it was clear that not only individual riders but also those running the garage were known to each other. The most significant feature to emerge concerned Mr Simon Bennett, one of the van drivers who had been involved, allegedly, in two accidents; that is those relating to the fifth and the ninth defendant.
12. However, when dashcam footage said to be taken in the 11th accident was forwarded by the rider's solicitors to the Royal Mail, it was apparent that it was the same footage that had been used in the fifth accident. Further, Mr Bennett had insisted that he had not been involved in the third accident. The same thing happened in relation to footage that was disclosed in respect of the final accident, that involving the 14th defendant, who was represented by different solicitors. They disclosed the same dashcam footage that had been used in the sixth accident. This has been described by Ms Thompson as "the smoking gun", and, indeed, that is what it is, and thus, the conspiracy was revealed. This was a case of more than coincidence, and the involvement of a number of individuals who had set out to deceive what was considered to be an easy target, the Royal Mail van, was beginning to emerge.
13. Because none of the defendants have put forward any defence or provided any explanation which might have explained away the extreme coincidences or possible mistakes in relation to the dashcam footage, the tort of deceit and conspiracy has been established by default, and this Court is now in a position to deal with the damages to which the Claimant is entitled. The principal evidence relied upon by the Claimant is contained in the testimony of Sarah Hill and the statement provided. She is a partner in Clyde & Company and exhibits numerous documents to her statement. Reference is made to the specific costs of each individual claim. I will come back to those in a moment.
14. Before dealing with the assessment, I should address some general principles. There is no doubt that the Claimant is entitled in respect of each claim where judgment has been entered to compensatory damages which, in all cases, will represent the in-house costs incurred. The

Royal Mail is a corporate entity and cannot recover general compensatory damages for matters such as stress or inconvenience in a deceit claim, but the impact which the fraud has had on the Claimant can be reflected in other ways.

15. It is here where the Court has been asked to consider the incidence of exemplary damages, which is usually the principal head of loss where a deceit has been established; a head of loss which is related to the conduct of the defendants, namely a calculated deceit to cheat the alleged tortfeasor or other party out of its money. Cases such as *Rookes v Barnard (No 1)* [1964] UKHL 1 have confirmed the principle that exemplary damages are awarded to teach a wrongdoer that tort does not pay.
16. However, as *Rookes v Barnard* makes clear, the Court would usually consider exemplary damages only in what has been described as "the second category of exemplary damages". That is when the defendant's conduct has been calculated to make a profit for himself, which would otherwise exceed the compensation payable to the Claimant. In the context of this case, the sums to be awarded by way of compensatory damages are relatively modest, reflected against the overall award which might have been made to each defendant had these claims continued, the credit hire charges in many instances approaching or exceeding £20,000. Thus, it is a relatively straightforward process which brings an award of exemplary damages in this case into play.
17. The Court is further helped by the decision of the Court of Appeal in *Axa Insurance UK Plc v Financial Claims Solutions Ltd* [2018] EWCA Civ 1330 where in a "cash for crash" situation, as it is colloquially called, it was held that it was appropriate to make such an award where the potential profit which would have accrued to the fraudulent drivers easily exceeded the compensatory sums. A number of recent first instance decisions have reaffirmed the approach in this kind of deceit.
18. I will come back to exemplary damages shortly, but first, I deal with the basic compensatory element, essentially the special damages relating to each defendant. I am satisfied on the evidence that this can be awarded on the basis of the identified losses described in Ms Hill's statement. Principally, this is a fixed fee in each individual case, together with the appropriate VAT charged by Strata Solicitors, the sum paid out for pre-accident value in good faith, the cost of taking witness statements, any engineer's fee and a proportion of the costs of the in-house lawyer.
19. I have been greatly assisted by the table provided over the lunchtime adjournment by Ms Thompson of counsel, in which some corrections to Ms Hill's figures have been provided. The corrections are relatively minor but concern the amount of VAT that is recoverable, which explains why the figures are slightly different. I do not intend to break these down in this judgment, but I need to deal with the respective totals relating to each claim. What I would propose to do is to have appended to this judgment the table that has been prepared by Ms Thompson for the purposes of future reference, so that it can be seen how each of the various claims is made up.
20. The totals are as follows: in relation to defendant one, Gamerro, £4,249.67. Defendant two, Galvo Junior, £2,569.34. Gomez, defendant three, £2,858.43. Dos Santos Junior, defendant four, £2,858.52. Of course, the fifth defendant is not dealt with in this exercise because he wants to participate in the assessment which will take place, I believe, on 10 November by video link. The sixth defendant, Mesquita, £2,858.43. The seventh defendant, Miranda £351.53. The eight defendant, Kito, £1,629.72. The ninth defendant, Simoa, £2,883.68. The 10th defendant, Fisirou, £207.53. The 11th defendant, £351.53. The 12th defendant, £351.53. The 13th defendant, £351.53. The 14th defendant, £447.66. The breakdown of those figures, which I have accepted from the statement of Ms Hill, will be in the schedule as an appendix to my judgment.

21. I now deal with exemplary damages. Ms Thompson points out in her skeleton argument that there is no universally applied criteria for assessing exemplary damages which are punitive. It is right that this should be the case because clearly, every case must be dealt with on its own merits. However, she has suggested several factors which might be relevant. These include, and I draw them from paragraph 28 of her skeleton, the potential profit to the fraudster, the difficulty in detecting the fraud, whether it was a standalone fraud or larger conspiracy, the impact on the insurer or innocent party, the need for deterrence, the means of the paying party and whether criminal proceedings had been issued or were contemplated.
22. It seems to me that of this list of seven factors, the most significant is the fifth, that is, the need to deter others. An award of exemplary damages clearly sends out a message not only to the fraudster but to those who might be tempted to cheat their way into some easy cash, that the consequences could be severe. Reference has been made to one or two exemplar cases, including the *Tesco* cases recently before HHJ Baucher in Central London County Court, which indicated awards between £15,000 and £20,000 generally in respect of each defendant. There, in the *Tesco* cases, the judge was persuaded that an important factor was the nature of the conspiracy and that a fraud ring was behind the false claims, and it was not an isolated case of a handful of accidents by a couple of individuals.
23. In my judgment, that is, of course, a factor here. It is also relevant the defendants have sought to implicate professionals in their fraud. This might be an eighth factor in the list provided, in all cases, using established and reputable solicitors. Bond Turner, a very well-known local firm in Liverpool who practice throughout the country, not only pursuing RTA claims but also dealing with bulk issue work, dropped these claims as if they were hot coals the moment the deceit came to light. While they remain beyond reproach, there will always be the potential for professional reputational damage, even to be innocently associated with a claim in deceit.
24. I have given all the factors in this case careful consideration. I note the suggestion that the sum of £25,000 per defendant would properly reflect an award of exemplary damages. In my judgment, that is significantly higher than the norm, but then again, this is an exceptional case. I do propose to make an award that is higher than the usual and that which is seen in some of the cases referred to, but not as high as £25,000. The appropriate figure per defendant, in my judgment, should be £22,500. This is less than the highest of the credit hire claims but higher than some of the smaller ones, but it is not just the value of the credit hire which I have taken into account.
25. One particularly thorny and potentially controversial issue remains. Whilst it is easy to calculate the award of damages which should be made against each of these 13 defendants who are the subject of my assessment today, it has been submitted that all these defendants should be jointly and severally liable for the total. Ms Thompson has referred the Court to paragraph 155 of the particulars of claim in which this is flagged up and she has pursued the argument before me that because this is a claim in conspiracy as well as in deceit, and the situation is not simply one of individuals choosing to defraud the Post Office, but a real sharing of information and evidence to make false claims, then this Court should take the exceptional step of making all the defendants jointly liable for the total. She makes the frank concession that this is unprecedented, and there is no authority which supports or even negates this course of action. However, in the tort of conspiracy, it is submitted that it would be open to the Court to make all the conspirators jointly liable.
26. I accept that there has been a judgment entered against these defendants and that conspiracy is established by default. However, after giving this very careful thought, I have come to the conclusion that it would be inappropriate to visit on the defendants a joint liability as opposed to their respective individual liabilities. There are two reasons for this: first of all, the Court has very little information as to the *modus operandi* of the conspiracy. It might have been

different if evidence had been given and findings had been made on the liability question, for instance, where there had been compelling evidence of collective conspiracy with all standing to gain equally from a shared profit, there may be some sense in rendering them all liable on a joint basis, even if the burden falls on the pecunious and not the impecunious.

27. Secondly, the absence of any precedent for such a course of action is relevant. Although it is only a first instance decision and does not bind this Court, it is noted that HHJ Baucher, despite robust findings of a fraud ring, did not go down the road of making a joint and several liability. The fact that it is not referred to in the *Axa* case suggests that it was not a matter that was before the Court, and I cannot find any examples in the other cases which have been referred to, including the case of *Direct Line v Akramzadeh* [2016] unreported, before Flaux J.

28. In the circumstances, despite the powerful argument that Ms Thompson has advanced, I have declined to make this a joint and several liability case, and the judgments will be against the individual defendants.

End of Judgment.

Transcript of a recording by Acolad UK Ltd
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This transcript has been approved by the judge.