

Neutral Citation Number: [2019] EWHC 1286 (QB)

Case No: HQ16P02040

IN THE HIGH COURT OF JUSTICE QUEEN'S BENCH DIVISION

	Strand, London, WC2A 2LL	
	Date: 23/05/2019	
Before :		
MRS JUSTICE CUTTS DBE		
Between:		
FZO - and -	<u>Claimant</u>	
Mr Andrew Adams (1) London Borough of Haringey (2	<u>Defendant</u>	
Robert Seabrook QC and Justin Levinson (instructed by Bolt Burdon Kemp) for the Claimant Catherine Foster (instructed by Hodge Jones and Allen) for the First Defendant Michael Kent QC and Nicholas Fewtrell (instructed by Keoghs LLP) for the Second Defendant		
Hearing dates: 31st Oct, 1st, 2nd, 5th, 6th, 9th Nov, 23rd March		
Approved Judgment I direct that pursuant to CPR PD 39A para 6.1 no official shorth Judgment and that copies of this version as handed down m	and note shall be taken of this	
MRS JUSTICE CUTTS DBE		

Mrs Justice Cutts DBE:

Introduction

- 1. In a judgment handed down on 20th December 2018, following a trial between 31st October and 9th November, I found for the claimant on issues of limitation and liability. I adjourned determination of quantum to give the parties an opportunity for further thought and, if necessary, a chance to make further limited representations on the basis of the findings of fact I had made in the resolution of those issues. I invited the parties to consider whether agreement on damages consequent on my findings could be reached. That has not proved possible.
- 2. In the interim I have received further written submissions on quantum from the claimant and second defendant. I heard further oral submissions from all parties on 21st March 2019.
- 3. This judgment is confined to the question of quantum and should be read in conjunction with my earlier judgment which sets out my findings of fact in detail. I do not propose to rehearse those findings here. In that judgment at paragraph 357 I concluded that the claimant has suffered prolonged and severe mental health difficulties since 2011 when he came to understand that he had been abused. He has complex PTSD as a direct result of the abuse that he suffered at the hands of the first defendant, for which the second defendant is vicariously liable.
- 4. In relation to quantum the issues that I have to determine include the following heads of damage:
 - i) General damages for pain and suffering, to include aggravated damages;
 - ii) The claimant's past losses to include:
 - a) Loss of earnings;

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- b) BUPA subrogated claim;
- c) Medical treatment;
- d) KPMG subrogated claim;
- e) Past travel.
- iii) The claimant's future losses to include:
 - a) Loss of earnings;
 - b) Loss of congenial employment;
 - c) Medical treatment;
 - d) Future travel.
- iv) Interest.

General damages

- 5. The claim for general damages is in the sum of £100,000, to reflect aggravated damages. Mr Seabrook QC submits that general damages must reflect not only the degrading nature of the abuse which included taking the claimant as a young boy to Hampstead Heath and public lavatories to watch other men engaged in sexual activity, but also injury to the claimant's feelings, loss of pride and dignity and his anger, resentment and pain in not achieving what he might otherwise have achieved in life.
- 6. Mr Kent QC, on behalf of the second defendant (whose submissions on all heads of damages are adopted in their entirety by Miss Foster for the first defendant) submits that on the question of general damages I should be guided by the sum awarded for such in *A v Archbishop of Birmingham* [2005] EWHC 1361 (QB) which, he submits,

is a useful analogous case to this. This would, allowing for inflation, result in a sum nearer to £75,000.

- 1. I have considered the *Archbishop of Birmingham* judgment as well as those relied upon by the claimant in this regard *DE v Leonard Wilson [judgment 9th August 2016]; FKB v Lampitt [2015] EWHC 3368 (QB)* and *RAR v GGC [2012] EWHC 2338 (QB)*. As was pointed out in *Lampitt* the authorities as a whole demonstrate how difficult it can be assessing damages in cases of this nature. Each case must depend on its own facts. No award of money can compensate for the harm done and its scarring effect on a young person's life and wellbeing which often continues through adult life. As others have observed, the Judicial College Guidelines for psychological injury provide some, but in reality very little, real assistance in cases of sexual abuse. In assessing damages for pain, suffering and loss of amenity in such cases it is necessary to take into account not only the psychiatric effects of the abuse on the claimant but also the immediate effects of the abuse at the time that it was perpetrated. I need therefore to consider the immediate effect of the abuse on the claimant when it was occurring and between that time and the onset of his complex PTSD.
- 8. I begin with the Judicial College Guidelines. This is a case which in my view falls within the severe category of psychiatric damage. The claimant suffers from complex PTSD as a direct result of the abuse. The award should be towards the upper end of the bracket.
- 9. I assess damages on the basis of 4 years of abuse whilst the claimant was at school and 4 years thereafter. It thus began when the claimant was 13 years of age and continued until he was aged 21 years, occurring on a frequent, virtually weekly, basis. The abuse involved anal rape almost from the start and included the insertion of implements such as the handle of a cricket bat into the claimant's anus. There was

further degradation in the form of the first defendant attempting on more than one occasion to urinate in the claimant's anus and in the trips to Hampstead Heath and public lavatories to watch other men engaged in sexual activity. The abuse was in breach of trust perpetrated by the head of PE at the claimant's school. The first defendant secured the submission of the claimant to sexual activity by grooming him once he became aware that the claimant had, at the age of 13, been raped by another man. He instilled fear in the claimant that others would loathe and detest him for "being gay", which he told the claimant he was by reason of the rape, and that his parents would force him to leave home if they found out. This led to a feeling of selfloathing from which the claimant has suffered throughout his life. It impacted on his relationship with his parents and has resulted in an inability to sustain or enjoy intimate relationships, even with his longstanding partner. It led to distance between the claimant and peers at school which then led to him being bullied. It had some impact on his schooling. As a result of the abuse the claimant developed and has continued to suffer from serious mental health problems. I take into account these and the effect of them upon his life. His prognosis with appropriate treatment is likely to improve but no one can be confident as to the future.

10. I am satisfied that the award for general damages should also reflect aggravated damages. The first defendant's conduct in this case fully warrants aggravated damages. His actions in exploiting the vulnerability of the claimant who had been raped for his own sexual advantage, the extent of the abuse (in particular the insertion of items into his anus) and the visits to Hampstead Heath and public lavatories had the effect of robbing the claimant of all self-esteem and dignity. I consider in the absence of aggravated damages the claimant would not be properly compensated. I bear in mind that such damages are intended to be compensatory, not punitive and that the total award for pain, suffering and loss of amenity should not exceed what would be a fair award to reflect the totality of the claimant's injuries. I have firmly in mind the risk of double counting.

11. Taking all these factors into account I assess that the appropriate amount for pain, suffering and loss of amenity, to include aggravated damages, should be in the sum of £85,000.

Past losses

Loss of earnings

- 12. At the time of his breakdown the claimant was employed on a one year contract with KPMG which had begun on 14th February 2011 after which an extension of the contract or conversion into an indefinite contract was possible.
- 13. In the original schedule of loss the claim for past loss of earnings included a claim for such and for pension loss prior to his breakdown in September 2011. It was contended that but for the abuse the claimant would have achieved more in his career than he in fact did. As indicated in paragraph 150 of my earlier judgment, the claimant conceded during the trial that, in the absence of evidence from his previous employers, he was unable to prove these heads of damage. The claim for past loss of earnings runs therefore from 15th April 2013, the date upon which his employment with KPMG was terminated.
- 14. The original pleaded claim for past loss of earnings did not include a claim for the earnings he would have received had he taken up the GEMS job offer in August 2013.
- 15. As indicated I adjourned the question of quantum to allow the parties to reconsider the claim in light of the findings I had made. Consequent to that the claimant submitted an amended schedule of loss in which he changed the basis for calculation of his past

lost earnings. In this schedule he has claimed that he would have left KPMG in August 2013 and taken up the offer of employment from Herve Marchet at GEMS [see paragraphs 333-338 of the earlier judgment]. This has had the effect of increasing his post 2011 claim under this head.

- 16. It is clear from the claimant's response to the second defendant's supplementary closing submissions on quantum that the claimant has misunderstood my findings in relation to the claimant's job offer with GEMS. Paragraphs 336-338 of my earlier judgment simply set out the evidential position with regards to the GEMS offer as further evidence of the claimant's inability to work since his breakdown. I did not find that the claimant would have worked for GEMS in a permanent capacity but for the abuse. It may be that he would have taken up the employment for a short time but I am not of the opinion, given his employment history, that there is sufficient evidence that he would have remained there for any appreciable period.
- 17. In those circumstances I approach the claim for past loss of earnings post February 2013 without consideration of the GEMS offer which I later consider under the head of loss of future earnings.

The method of calculation

18. The means of calculating the past loss of earnings in this case is not a straightforward one. Whilst the claimant was working at KPMG at the time of the breakdown he had only been there for seven months. This was the first time that he had ever been employed in a senior management position. Prior to February 2011 he had worked for many different companies [see paragraphs 71-96 of the earlier judgment]. The claimant said in evidence that most of his employment over the years had been on a self-employed contractual basis.

- 19. The second defendant submits that this, together with the claimant's failure to disclose any income tax, VAT or accounting records for the crucial period prior to his breakdown in 2011 and his failure to mitigate his loss by obtaining the treatment recommended by Dr O'Neill since receipt of her report in 2016, makes it inappropriate to attempt a mathematical calculation of any past loss of earnings. Mr Kent submits that when combined with the problem of exchange rates, there are too many imponderables for the court to make an accurate assessment of the claimant's loss. He invites me to make a global assessment and award a lump sum in accordance with the Court of Appeal's decision in *Blamire v South Cumbria Health Authority* [1993] PIQR Q1.
- 20. The claimant submits that it is not open to the second defendant to rely on the erratic nature of the claimant's previous employment as this was, on his evidence and that of Dr O'Neill, a feature of the abuse. Mr Seabrook submits that it would be wrong to resort to a *Blamire* approach as it is possible to use a conventional multiplier and multiplicand basis for calculation. He relies on the dicta in *Ward v Allies and Morrison Architects* [2012] EWCA Civ 1287 and Bullock v Atlas Ward Structures Ltd [2008] EWCA Civ 194 to the effect that a judge should adopt the latter approach unless there is really no alternative.

Conclusions on past loss earnings.

21. This is not a straightforward case, the circumstances of which do not lend themselves to a precise calculation. I recognise how difficult it must be for the claimant who will not know what, but for the abuse, might have been but I have to make a calculation the best way I can on the information that I have. I remind myself that the burden is on the claimant to establish each head of loss.

- 22. I do not accept the submissions of the second defendant to the effect that the claimant has failed to mitigate his loss by terminating his treatment by Dr Rackow and commencing immediately the treatment proposed by Dr O'Neill in her 2016 report. I consider it reasonable for him to have continued with his treatment, which Dr O'Neill said was of benefit to him, until the conclusion of these proceedings.
- 23. I consider that the better approach in this case is to attempt a calculation on a multiplier/multiplicand basis. This cannot however be a matter of precise arithmetic as there are too many imponderables. The task involves judgment as to what is reasonable and that must inevitably be an approximation. In approaching this task I have not been assisted by any figures put forward by the defence. Neither defendant has proposed alternative figures to those of the claimant, relying instead solely upon Mr Kent's submission that the court should adopt a Blamire approach.
- 24. The claimant's employment history is peppered with many and often short periods of employment with a large number of companies. Whilst the abuse may have been a contributory factor in this regard, I cannot find that such is probable as there is insufficient evidence relating to each employment or contract and the reason it was terminated for me to come to that view. The claimant was right to abandon his claims for pension loss and past loss of earnings before 2011 for precisely that reason. His application with regard to the limitation period would have been significantly more difficult had he not made such a concession.
- 25. The claim for past loss of earnings is based on the assumption that the claimant would have continued to work with KPMG. Whilst it is possible I cannot accept, looking at his past, that it is probable that he would have done so for long and certainly not for the entirety of this time period. There is no evidence from KPMG about his progress in the early months with the company nor about their views as to his likely future with

them before the breakdown. This was the first time the claimant had been employed in such a role. There is evidence from his partner, FZOR, that before his breakdown the claimant was feeling lonely and isolated in what was a high-pressure job, the like of which he had not had before. Therefore, whilst it is possible that the claimant could have continued to earn at this level, I do not consider it probable.

- 26. Given the imponderables I consider it reasonable to take the middle ground between the claimant's earnings before his employment with KPMG and the average of what he would have earned there had he stayed for a two year period. That in my judgment takes account of the reality of his employment history including the few occasions it would be reasonable to assume he would have been between jobs and not working.
- 27. Exhibit 1 attached to the claimant's schedule of loss is a table of the claimant's employment history and gross earnings from 1985/6 until 2012/13. As set out in my earlier judgment he has worked in many jobs in a number of different countries over the years. Any award for past earnings has to take account of tax deductions. I would have been assisted in this regard by seeing the net figures. The pay slips from KPMG produced in the trial do not contain any tax deductions. The letter offering him the job states that he would be responsible for all personal income tax and social security contributions in the Netherlands to the extent due. He was of course resident in France at this time.
- 28. There is no evidence before me of the rate of taxation in other countries. The claimant contends that he would have been working in Dubai from the end of July 2013 and not liable for tax. On the other hand some European countries would have a greater tax liability than the United Kingdom. I have decided that the best I can do in all the circumstances is to adopt the tax equivalent in the United Kingdom to the claimant's past lost earnings as I calculate them to have been which I take from the tables in

"Facts and Figures". This results in a deduction of 1/3. As there is no pension claim I make no deduction for pension contributions.

29. Taking this broad brush approach I have concluded that that the claimant's past lost earnings would not have been less than £56,000 net per year. From the total figure, which is comprised of the past loss of earnings for 5 years and 10 months up to the 1st June 2019, I deduct £194,617.08 which is the amount paid to the claimant in benefits over the relevant period. On this basis I consider an appropriate sum for loss of past earnings for approximately 5 years and 10 months to be £132,052.

KPMG subrogated claim

30. I award the KPMG subrogated claim of £105,613.50 in full.

BUPA subrogated claim

31. The claim for £120,860.86 represents psychiatric treatment the claimant has received since his breakdown in 2011. As set out in my earlier judgment this has been necessarily frequent. It includes a claim for the claimant's stay whilst participating in the trial. I consider such treatment to have been necessary and reasonable. As already indicated I do not accept the second defendant's contention that the claimant failed to mitigate his loss in this regard. I award this sum in full.

Medical treatment

32. This claim is for additional medical treatment not funded by BUPA. It predominantly concerns treatment by Dr Rackow not covered by BUPA as the claimant has reached the limit of such sessions which the organisation will fund. I consider such to have been necessary and reasonable. I am not however persuaded, in the absence of detail and invoices relating to previous treatment, that such was necessary or attributable to the abuse. I therefore allow past medical treatment in the sum of £6,148.43.

Past travel

I consider it necessary and reasonable for the claimant to have travelled to England from his home in Paris for the purpose of treatment. It is understandable that his treatment would be of greater effect if conducted in his native language. I also consider it reasonable for the claimant to claim for travelling to his sessions with Dr Rackow and for travelling to London for his meeting with the second defendant's expert. I am unpersuaded in relation to the claim for travel for past medical treatment prior to 2011 for the reasons given above. I therefore award £4,285.00 for past travel.

Future loss

Loss of earnings

Uninjured earnings

- 34. For the same reasons as those given at paragraph 23 and with similar caveats I approach this calculation on the multiplier/multiplicand basis.
- 35. The claimant has approached his loss of future earnings on the basis of his retirement at the age of 67 years. This is in my view reasonable given that people are retiring later. There is no reason to suppose, as the second defendant contends, that he would have retired earlier because he has no dependents. At trial the claimant was 52 years of age. As it is not disputed by the defendants I take the multiplier for future loss of earnings to pension age 67 from the schedule of loss. Using a discount rate of -0.75 this is 15.175.
- 36. The claimant has produced little evidence as to his future employment prospects. I recognise that employment reports are not always necessary when considering future employment but in this case expert evidence may have been helpful. In its absence I

have to do the best I can with the evidence I have got. I remind myself it is for the claimant to prove the basis for the damages he seeks.

- Marchet and his job offer to the claimant in 2013 with GEMS in Dubai. [See earlier judgment paragraphs 336-338 and 356.] There is no doubt that this was a genuine offer with excellent career prospects and an impressive remuneration package. The claim for loss of future earnings is based on the assumption that the claimant would remain in this employment for 15 years before retirement. Although, but for the abuse, the claimant may have taken up this employment I am far from persuaded that he would have remained there for any significant period of time and certainly not for 15 years. Whilst I accept that this is possible I cannot find on the evidence that it is probable. As I have already indicated, there are too many imponderables. The claimant had not held such a position nor earned at this level before. His history of employment and difficulty in being away from home do not suggest that he would have remained in such a high powered position for long, let alone 15 years.
- Adopting the same approach as for past lost earnings I calculate the future loss of earnings on the basis again that the claimant, uninjured, could be expected to earn no less that £56,000 net per year up until his retirement, having allowed for taxation at 1/3. I make a deduction for contingencies other than mortality of 19% in line with Table A of the Ogden Tables for a 52 year old male on the basis that but for the abuse the claimant would not be disabled. I consider it reasonable to make allowance for the fact that, but for the abuse, the claimant would have started employment with GEMS and reflect that fact by rounding up the total uninjured future loss of earnings to a figure of £850,000.

Injured earnings

- 39. At paragraphs 357 and 358 of my earlier judgment I found it highly unlikely that the claimant would find future employment at the level he enjoyed before his breakdown. However I found him to be an intelligent and capable man who is likely to find employment above the minimum wage. I recognised that he would be likely to relapse from time to time, although not as frequently as once every two years for six months at a time.
- 40. I consider the claimant realistic to assume that he will never be able to earn more than £37,500 net per year. This figure is taken as the median average wage for a male full-time employee doing computer consultancy activities in accordance with Table 16.7a of ASHE 2018.
- 41. The claimant in his schedule of loss has allowed for a deduction of 10% from future injured earnings to account for contingencies other than mortality. This is somewhat difficult to understand as it is less than the discount claimed for uninjured earnings. The rationale given in paragraph 83 of the schedule of loss is that the lower figure accords with my judgment that the claimant will relapse psychologically from time to time but that there is a degree of uncertainty over how often that will be. Again it seems to me that the claimant has not fully understood my earlier judgment. I found in paragraphs 357 and 358 that the claimant would be likely to suffer further psychiatric difficulties after treatment although I was unpersuaded that it would be as frequently and as severe as Dr O'Neill contended. I consider therefore that more than 10% should be deducted from the claimant's future earnings to account for contingencies other than mortality. Looking at future risk of relapse as best I can, given the uncertainty, it seems to me that the appropriate deduction should be one of 25%. This produces an injured earnings figure of £426,797

Total future loss of earnings

42. I therefore award the claimant £423,203 for his future loss of earnings.

Loss of congenial employment

43. I make no separate award for loss of congenial employment in this case. I take into account the impact of the claimant not taking up the GEMS offer in general damages.

Medical treatment

- I have already found Dr O'Neill's psychiatric prognosis and treatment to be correct. I consider it reasonable for the claimant to take one of her recommended treatment routes of 10-12 months residential treatment in a psychotherapeutic setting such as the Cassell Hospital. Whilst her alternative possible route is cheaper it seems to me that this route affords the claimant the best chance of improving his health in the shortest possible time period. Taking the midpoint of 11 months at a cost of £184,272 seems to me to be reasonable and I award this sum in full.
- 45. I accept that the claimant will require therapy for some time with Dr Rackow after his time in hospital. I am not persuaded that this will be for a period of 10 years. I consider fortnightly sessions for a period of 5 years after inpatient treatment to be reasonable. Applying the exchange rate at exhibit 5 of the schedule of loss I award £42,162 for such treatment.
- I have already indicated that, whilst I consider it likely that the claimant will relapse from time to time following his treatment, I am not persuaded that this will be every 2 years for 6 months at a time. I allow £2,500 for such eventuality.
- 47. I therefore allow a total of £228,934 for future medical costs.

Future travel

- 48. I have already indicated that it is reasonable for the claimant to obtain inpatient treatment in this country where he will receive the help he needs in his native tongue. He lives, however, in Paris. I consider his claim for travel to and from the hospital and for him to return home once per month during treatment to be reasonable and award £4,943.91 for this purpose.
- 49. I allow £1,170 for future travel to appointments with Dr Rackow.
- 50. I allow £180 for travel for treatment following relapses in the future.
- 51. I therefore award a total of £6,293.91 for future travel.

Total award

52. The award of damages is:

Pain, suffering and loss of amenity	£85,000
(to include aggravated damages)	

Past losses:

Total past losses	£368,959.79
Past travel	£4,285.00
KPMG subrogated claim	£105,613.50
Medical treatment	£6,148.43
BUPA subrogated claim	£120,860.86
Past loss of earnings	£132,052

Future losses

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Loss of earnings	+ 1/73 / 1/13
LUSS OF CALIFIES	£423.203

Medical treatment £228,934

Future travel £6,293.91

Total future losses £658,430.91

The total award of damages is £1,112,390.70

Disposition

- 53. I have found that the claimant is entitled to recover damages assessed in the sum of £1,112,390.70. Provision will need to be made for interest. I invite the parties to seek to agree the interest calculation.
- 54. I see no reason to grant the order sought by those representing the claimant that the costs incurred in the unanticipated period of the litigation from the handing down of judgment on liability on 20th December 2018 to the conclusion of these proceedings be dealt with outside of costs budgeting. The claimant can apply for these additional costs under the "good reason" test pursuant to CPR 3.18(b).
- On the first defendant's concession and pursuant to the Civil Liability (Contribution)

 Act 1978 he shall indemnify the second defendant in full in respect of all damages,
 interest and costs payable to the claimant, the second defendant's own costs in
 defending the claimant's claim and its costs in bringing the claim for contribution.

Interest

At paragraph 53 above I invited the parties to agree the interest in this case. This they have done save for one issue which requires resolution. There having been a Part 36 offer in this case for less than the sum I have awarded, the parties are agreed that the defendants should pay £75,000 in compliance with CPR 36.17(4)(d). The question arises as to whether interest is payable on this sum.

- **Approved Judgment**
- 57. CPR 36.17(4)(a) provides for interest to be paid "on the whole or part of any sum of money (excluding interest) awarded at a rate not exceeding 10% above base rate for some or all of the period starting at the relevant date". In this case the parties have agreed a rate of 4.75% and the period has been agreed.
- 58. CPR 36.17(4)(d) provides for payment of "an additional amount which shall not exceed £75,000." The defendants agree that this is payable.
- 59. The claimant contends that 36.17(4)(a) is widely drawn and plainly encompasses not only the basic judgment sum but also the additional payment. If it was intended that interest should be excluded from this payment the rule would say so. This interpretation would be consistent with the spirit of CPR 36 which was intended to encourage claimants to make offers to settle. On the claimant's interpretation the reward is increased for a claimant who makes an earlier offer to settle which is only right.
- 60. The defendants contend that the additional amount is not a "sum awarded" as it does not feature in the court's judgment. Further the words "additional" and "amount" clearly convey that this is yet a further financial sanction to be paid by the unsuccessful defendant in addition to the enhanced interest on the damages, costs on the indemnity basis and enhanced interest on costs to which the claimant is also entitled. To award enhanced interest on this sum would be to impose a sanction on a sanction. If this were right the rule would have been drafted to make it clear.
- 61. In my judgment the defendants' interpretation of the rule is the correct one. The words "additional" and "amount" seem to me to confer that this is in addition to the award and interest set out in subsection (4)(a) and that if interest were payable on this

sum the rule would have said to. I note that where interest is payable consequent to any other paragraph of rule 36.17(4) on any amount it is specifically stated.

Application for permission to appeal

- 62. The defendants' application for permission to appeal is refused.
- 63. I grant the defendants' request for an extension of time to appeal to 4 PM on 17th June 2019.
- order pursuant to CPR 52.16 until the determination of the application to appeal or until further order. In my view there should be such a stay until the determination of the application to appeal. I recognise that this will delay the claimant's medical treatment and that this is undesirable but also recognise that there is a risk, were the judgment to be enforced prior to the decision on appeal, that the defendants would be unable to recover the amount paid. In these circumstances where the claimant is receiving some psychiatric assistance from Dr Rackow in the interim I consider a stay to be appropriate. I am however of the view that insofar as is possible this application to appeal, if pursued, should be expedited.