### Mercedes Client Update 31<sup>st</sup> March 2021

## A. General Claim Update

- 1. In our February update, which you can find on the <u>Leigh Day Client Hub</u>, we reported that we and the Steering Committee of firms had sent to Herbert Smith Freehills (HSF), the lawyers acting for the Daimler group defendants, a formal Letter Before Action on behalf of our clients and those of the majority of firms representing claimants.
- 2. The Letter Before Action will shortly also be sent to the Daimler-authorised dealerships on behalf of clients who purchased their vehicle from one of them. These dealerships are not part of the Daimler group and are not currently epresented by HSF. When sending the LBA we will make it clear that
- whilst he dealerships are all separate companies independent of each other
- we expect them to coordinate their legal representation in response to the claims in the interests of costs and efficient case management.
- 3. We anticipate receiving a response from the defendants to the Letter Before Action in May.
- 4. The next big step will be to draft the claimants' "Particulars of Claim". The Particulars of Claim is a formal Court document, setting out the details of the case. The defendants will have to file a formal response known as a "Defence" which responds to each point made in the Particulars of Claim. Working with the Steering Committee of other claimant firms, we have instructed our barrister team to begin preparing this document.

# B. Issuing proceedings for clients with claims at risk of expiry

#### **Issuing proceedings**

- 5. As set out in our client care letter, we are pursuing several types of legal claim to seek compensation for our clients. Each claim has a different "limitation period" in which proceedings must be issued at Court. For some claims (namely breach of contract and arguably claims under the Consumer Protection from Unfair Trading Regulations, or 'CPUT'), this period is six years from the date of the agreement to purchase/finance the vehicle. If you do not issue proceedings within the applicable limitation period, you can no longer rely on that type of claim. You can still pursue the other claims available which have not yet expired.
- 6. As explained in previous client updates, we have been issuing proceedings at Court for a small number of clients who are approaching the end of their six-year limitation period since date of purchase/payments made under their Mercedes-Benz Finance agreement. So far, we have largely been doing this by adding these claims by way of an amendment to an already-issued Claim Form. This is a long established practice in group litigation. Each Claim Form incurs a Court fee and triggers the start of a Court timetable adding claimants to an existing Claim Form is cost-effective, proportionate to the magnitude of the claims, and manages the number of Court fees being incurred, so as to ensure access to justice.
- 7. However, a recent judgment in another case (Various Claimants v G4S plc) has found that additional claimants cannot be added to existing Claim Forms in this way. We have obtained advice from the barrister team and in their view, the G4S case has been wrongly decided on this point. Following this case, we have written as a Steering Committee to HSF (and will also write to the authorised dealerships) to propose in the interest of saving costs, time and Court fees that they agree we can continue to add further claimants in the same manner in the Mercedes litigation. We explained that, should they not agree, we would consider our options including seeking to intervene in support of an appeal in the G4S case. We understand the G4S claimants have now obtained permission to appeal.
- 8. We (Leigh Day) discussed the G4S case with our Claimant Committee at our meeting on 30 March 2021. The Committee confirmed their instructions that we should seek to intervene in the G4S appeal. As a

- Steering Committee of claimant firms, we are preparing this intervention in the appeal process with the barrister team.
- 9. However, unless and until the Steering Committee has an agreement from the defendants in this case, or the case of G4S is overturned on appeal, we must adapt our approach to issuing proceedings and will no longer be able to add claimants to existing Claim Forms. As discussed with the Claimant Committee at our meeting on 30 March 2021, this means, for the time being:
  - a. We are still only going to issue proceedings for the limited number of clients who are approaching the end of their six-year limitation period. This will be assessed on a rolling basis, but means we are currently focused on clients who have informed us they purchased their vehicle using Mercedes-Benz Finance or from a Mercedes-authorised dealership between June-December 2015 (the '2015 clients').
  - b. To manage the new approach efficiently and proportionately, **we will issue a new Claim Form each month** for those 2015 clients at risk of claims expiring in the following month. As always, we will only be able to issue proceedings for clients who have provided sufficient documentation in support of their claims.
  - c. If you fall into the category of a '2015 client', please note: In the coming days we will be reviewing your file. If you have already received a client questionnaire, we will assess if we have all the necessary information about your claim and will be in touch if we need anything more. If you have not yet received a questionnaire, you will receive one shortly. If this applies to you, please reply to any requests for information and/or complete the questionnaire promptly. This will help to ensure we update your file and issue proceedings (as necessary) on your behalf at the appropriate stage.
- 10. For all other clients, you will also receive the client questionnaire in due course. Given the need to focus on 2015 clients for the purpose of issuing proceedings, we are starting with those clients and will be moving on to clients with later purchase dates once that review has been completed. Please do not send your documents to us over email unless you have been contacted and/or asked to do so.

## C. Additional points and next steps

- 11. Other law firms will also be sending out requests for information to their clients. As a reminder, you are only able to instruct one law firm to act for you in this case. If you receive a questionnaire or emails from another firm, you may have registered your claim with them as well as Leigh Day. If you have been contacted by another firm, please do not ignore it. If you still wish to instruct Leigh Day, you will need to cancel your retainer with the other firm and then confirm this has been done by emailing us at <a href="mailto:em
- 12. We also take this opportunity to remind you of the <u>Leigh Day Client Hub.</u> Along with previous client updates and details of the Claimant Committee, this has now been updated with the ATE insurance policy documents.
- 13. Over the coming weeks, along with the Steering Committee we will be working with the barrister team to ensure the Particulars of Claim present the strongest case possible on your behalf. In terms of issuing proceedings we (Leigh Day) currently anticipate we will issue the next Claim Form on or around 14 April 2021, and as noted above we will be in touch with you if we require any further information in relation to your claim as part of that process. As always, if you have any questions please do get in touch.