

Mediation Saves Businesses Time and Money, says Ms. Justice Macken

Sunday Business Post by Nicola Cooke - 18 December 2011

Mediation is a "no-brainer" for business and is particularly relevant for legal disputes in the banking and insurance sectors, according to a Supreme Court judge.

Ms. Justice Fidelma Macken made her comments at the Irish Commercial Mediation Association (ICMA) DVD Launch. She said that a significant amount of money was being spent unnecessarily on litigation in cases where mediation may be a more appropriate and effective option.

The cost of commercial litigation in Ireland is over twice as high as in other jurisdictions. An average of €53,800 (or 27 per cent) is spent on a €200,000 claim, compared to €25,337 (13 per cent) on the same claim in the rest of Europe.

By comparison, the average cost of bringing a dispute to resolution in Ireland through the process of mediation is €7,000, a saving of €46,000 on a €200,000 claim compared to going to court.

Ms. Justice Macken also emphasised the large amount of time that business people involved in court cases are required to invest.

"A significant amount of time is spent on not only the time in court, but the preparation that needs to go into litigation. Anything that can prevent people spending time away from their business at the moment needs to be taken seriously," she said.

The protracted nature of litigation is demonstrated by the fact that the average legal business wrangle in Ireland takes 515 days to resolve through the courts, whereas according to the ICMA, cases which go to mediation are resolved in an average of 40 days.

ICMA chairperson Austin Kenny said certain sectors needed to become more aware of the benefits of opting for mediation over litigation. "Sectors such as insurance, construction and public service, where litigation is a significant feature of business life, have considerable potential to becoming 'dispute-wise' and, as a result, save money and time," he said.