



Family mediation extended family dispute case study

Family mediation, the claimants sued the defendant (their former sister in law) for £70,000 for a series of loans given to her for her to complete her studies; the claim was instigated as they claimed no monies had been repaid in accordance to the repayment schedules. The defendant claimed that only £20,000 had been borrowed which had been repaid, and any other money that had been borrowed was on the request of the claimant's brother, used for his purposes and to benefit him, and therefore she owed them nothing.

This was a typical example of a highly charged family dispute whereby emotions were fuelling the core dispute. The borrowing of £20,000 was clearly evidenced and had appeared to have been paid back in unequal and erratic instalments totalling £6,000, some of which had been paid back out of a joint account of the defendant and her ex husband.

The claimant claimed they should not have come out of a joint account they should have solely come from the defendant, however there was paperwork evidencing that the claimant's brother had agreed for these payments to come out of the joint account.

When breaking down the defendant's education costs, it appeared that the most that she could have put towards her studies was £40,000, £20,000 which had been borrowed and £6,000 repaid, another £20,000 which she claimed she had funded herself.

Out of this alleged remaining £64,000 in dispute, from the claimants documents only £28,000 of it could be proved that had been given to both the defendant and or her ex husband. The rest apparently had been given in cash and was verbally agreed at various stages, therefore with oral agreements and payments in cash, the claimants quickly realised they would be on very shaky ground trying to prove this; equally a number of discrepancies did not assist their position.

Out of the £28,000 that could be evidenced it was ascertained this went towards a deposit on a house, furniture, both of which were now in the sole ownership of the claimants brother and of which he was benefitting, approximately £5,000 out of the £28,000 went towards a family holiday.

The defendant's position was simple, if anything she owed the claimants £2,500 towards her share of that holiday and possibly £14,000 towards the loan of £20,000, which she claimed she had paid back in cash. Again without any paper trail it would have been difficult to prove what had been loaned and

indeed what had been repaid. The parties settled for £15,000 based on what the defendant's liability could have been, if they wanted anymore, that was an issue for the claimant to take up with his brother.

Facts & figures

- **The mediation took 1 day compared to the 13 months this family dispute had already gone on.**
- **The mediation cost each party £650.00 each compared to the thousands they had already spent on legal fees and the thousands they would have had to spend had they continued with Court action.**