

Risk ID	Category / Element	Risk Short Title	Description	Desired Outcome	Current Situation	Proposed Strategy
C00490 □	C1 Feasibility/ Business Case	CFA / ATE Structure Could Erode Member Recovery and Create Misaligned Incentives	The group is considering a Conditional Fee Agreement (CFA / "no win, no fee") supported by After-The-Event (ATE) insurance to pursue claims related to the Croyde Bay Holiday Club dispute. While this can reduce upfront cost exposure, the combined impact of success fees, ATE premiums, and disbursements may materially reduce the net recovery received by members. There is also a risk that agreement terms (including withdrawal clauses) could unintentionally lock members into commitments that reduce flexibility during negotiations or settlement.	Members have a litigation option that is financially transparent, proportionate, and aligned with member interests, with clear net-to-member expectations, strong protections against adverse costs, and no "accidental lock-in" that prevents individuals from accepting fair settlement offers. What Could Go Wrong? 1. Net recovery to members becomes heavily diluted by success fees, ATE premiums, and disbursements. 2. Members sign agreements without understanding key terms (especially withdrawal / individual settlement clauses), leading to unexpected liabilities. 3. The group loses negotiating leverage if trustees believe members will receive little (or are unlikely to proceed). 4. The dispute becomes prolonged and procedural, increasing legal and insurance costs relative to the benefit delivered to members. 5. Confidence fractures within the group due to perceived unfairness or lack of	Preliminary legal views suggest there is a credible basis for claims (e.g., fiduciary duty / negligence). A CFA/ATE route is being explored to avoid upfront funding. However, indicative ranges have been discussed in which a substantial portion of recovery could be allocated to success fees and insurance, and members have asked for clarity on net outcomes and on any liability risk if someone withdraws after signing.	1. Obtain from any shortlisted firm a one-page "deal sheet" showing: success fee %, ATE premium basis, disbursements, and worked examples of net-to-member outcomes (e.g., recovery of £20k / £50k / £100k). 2. Require plain-language confirmation of: (a) whether members can accept an individual settlement without penalty, (b) the exact withdrawal liabilities, and (c) what triggers ATE costs (and when payable). 3. Treat litigation as a gated decision: pre-action protocol + settlement attempt first; litigation only if terms are understood and acceptable. 4. Maintain a PHC Port evidence trail (communications, valuations, confirmations) to strengthen negotiating leverage and reduce "legal discovery thrash".

Risk (three-part) Statement			Current Risk			Response Type	Manageability	Residual Risk	Risk Owner	Due Date	Close Date	Last Review Date Notes
Cause	Risk Event [uncertainty]	Consequence	Probability	Impact	Score (PxI)							

Group members are seeking low-upfront-cost legal routes and are considering CFA/ATE structures, but the economics and contract terms can be complex and may not be consistently understood by all participants.	Members sign CFA/ATE agreements (or progress too far down that route) without complete clarity on net outcomes, withdrawal conditions, or settlement flexibility.	Members receive a materially reduced net recovery (or incur unintended liabilities), group cohesion deteriorates, negotiating leverage weakens, and the overall dispute resolution becomes more costly and drawn out than necessary.		H- C- Q- S-		Mitigate				11Dec26	Open	18Feb26
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Mitigating Actions / Response						
ID	Actions			Action Owner	Due Date	Close Date

Last 10 RM Events (Meetings/Interviews/Workshops).

Mtg.	Date	Title / Person / Department	Objective	(0 Events held.)

Comments

History

Top Risk

Summary

Top Risk Mitigation