



Courts and Tribunals Judiciary

SUMMARY

Various Claimants -v- Associated Newspapers Limited
[2026] EWHC 2207 (KB): Mr Justice Nicklin
21 August 2026

NOTE: This summary is provided to help in understanding the Court's decision. It does not form part of the judgment. The full judgment of the Court is the only authoritative document. Judgments are public documents and are available at: www.judiciary.uk, <https://caselaw.nationalarchives.gov.uk> and www.bailii.org

[References in square brackets are to paragraphs in the judgment of the Court]

1. On 7 July 2026, the Court dismissed the claims brought against Associated Newspapers Limited (“Associated”) by Baroness Lawrence of Clarendon OBE, Elizabeth Hurley, Sir Elton John CH CBE, David Furnish, Sir Simon Hughes, Prince Harry, The Duke of Sussex, and Sadie Frost Law. The Claimants accepted that, having lost the litigation, they must pay Associated’s costs. The present judgment deals principally with the basis on which those costs should be assessed and the interim payment to be made by the Claimants.

The principal issue: indemnity costs

2. The principal dispute was whether those costs should be assessed on the standard basis (the usual basis of assessment) or on the indemnity basis [2], [4].
3. The Court explained the practical difference between the two bases of assessment at [7]. On a standard basis assessment, the receiving party can recover only costs that were reasonably incurred, reasonable in amount and proportionate to the matters in issue. Any doubt is resolved in favour of the paying party. By contrast, on an indemnity basis assessment, proportionality does not operate as a limit on recovery and any doubt as to reasonableness is resolved in favour of the receiving party. As the Court emphasised [7]:

“That does not mean that the receiving party is entitled to recover all the costs it has incurred. Costs incurred unreasonably, or which are unreasonable in amount, will be disallowed.”

4. An indemnity costs order is therefore unusual. The Court explained that there must be conduct or circumstances that take the case “*out of the norm*” before such an order is justified [8].

The Court’s decision

5. The Court concluded that Associated’s costs should be assessed on the indemnity basis, save where costs orders have already been made [105]–[150].

6. The Court stressed that its decision was not based simply on the fact that the Claimants had lost at trial. Nor did the Court make findings that any of the Claimants had acted dishonestly [140], [149].
7. Rather, the Court concluded that the litigation had been pursued in a way that took it “*well outside the norm*” [150]. In particular, the Court identified a combination of factors including: the exceptional breadth of the pleaded case; the gravity of the allegations advanced against many named individuals; the continued pursuit of serious allegations that lacked an adequate evidential foundation; the failure to withdraw allegations that could no longer properly be maintained; reliance upon the Burrows material; the way in which the “Leveson Lies” allegations were advanced; and the putting of unpleaded allegations to witnesses in cross-examination during the trial [109].
8. The Court summarised its conclusion in these terms [107]:

“The claims, and the manner in which they were brought, pleaded, pursued, maintained and publicly advanced, involved a combination of circumstances and conduct which took the litigation outside the ordinary and reasonable conduct of civil proceedings.”

Later in the judgment, the Court stated [150]:

“The cumulative effect of these matters takes the case well outside the norm. The conduct was unreasonable to a high degree.”

The effect of the indemnity costs order

9. The Court has not determined how much of Associated’s costs the Claimants must ultimately pay. The issue before the Court was the basis on which costs should be assessed, not the amount recoverable. If the amount is not agreed, that question will be determined separately by a Costs Judge.
10. The indemnity costs order also has an important consequence for the costs budgets previously approved by the Court. If costs had been assessed on the standard basis, Associated’s approved budget would ordinarily have restricted the amount it could recover unless there were good reasons to depart from it. Because costs are to be assessed on the indemnity basis, that restriction no longer applies, and Associated may therefore seek to recover costs exceeding its approved budget. This does not mean that those additional costs will automatically be allowed: if the amount is not agreed, the Costs Judge must still determine whether the costs claimed were reasonably incurred and are reasonable in amount [92]–[104], [144], [152], [165(2)], [179]–[182].

The Court declines to impose a cap

11. Associated stated that, by 9 July 2026, its total costs of defending the proceedings were approximately £34.5 million. The Court described that figure as “*striking*” and “*exceptionally high*”, observing also that costs “*of this order are unprecedented in the Media & Communications List*” [169]–[170].
12. The Claimants asked the Court to impose a limit or cap on the amount that Associated could recover under any indemnity costs order [151]–[157].
13. The Court held that it has power, in principle, to impose such a cap [158]–[164]. However, it declined to do so in this case.

14. The Court held that it did not have the detailed evidence that would be required fairly to decide what an appropriate ceiling should be [172].
15. The Court concluded that any cap would risk being arbitrary and that questions regarding the recoverability of costs should instead be decided through the detailed assessment process [173]–[182]. As the Court explained: “*Whether, and to what extent, those costs are recoverable will be a matter for the Costs Judge if the costs are not agreed*” [170].

What happens next?

16. If the parties cannot agree the amount payable, Associated’s costs will be assessed in separate proceedings before a specialist Costs Judge. The Costs Judge will scrutinise the work undertaken, the time spent, the level of fee earners used, any duplication, and whether the sums claimed are reasonable [179]–[182].
17. The Court emphasised that an indemnity costs order is not a “*blank cheque*” [100]. Although doubts as to reasonableness will be resolved in Associated’s favour, it cannot recover costs that were incurred unreasonably or are unreasonable in amount [7], [165(2)], [179].

Interim payment

18. The Court also ordered the Claimants to make an interim payment on account of costs. This is a first instalment pending any final agreement or detailed assessment; it is not itself an assessment of the amount of Associated’s recoverable costs [184]–[190].
19. The Court ordered the Claimants make an interim payment of **£9,544,355** by 4pm on 28 August 2026 [185], [191].

Permission to appeal

20. The Court has set a timetable for any application(s) for permission to appeal in respect of the decisions of 7 July 2026 and today. Any request for permission to appeal must be filed by 2 October 2026. Unless the Court considers that a hearing is required, any application for permission to appeal will be determined by the Judge on the written papers. The deadline for filing any Appellant’s Notice with the Court of Appeal has been extended to 6 November 2026.