

Litigation risk 2026

Responding to the new
wave of global risks

LITIGATION

Contents

| | | |
|----|---|----|
| 01 | Welcome | 3 |
| 02 | Key findings | 4 |
| 03 | Chapter 1: The changing face of litigation risk | 5 |
| 04 | Solomonic's risks to watch | 10 |
| 05 | Chapter 2: Geopolitical shifts reshape the disputes landscape | 12 |
| 06 | Chapter 3: Evolving disputes' costs and strategies | 16 |
| 07 | Recommendations | 22 |
| 08 | Methodology | 23 |
| 11 | Our Litigation, Regulatory & Compliance team | 25 |

Welcome

We are delighted to share the third edition of our essential guide to the fast-evolving world of litigation risk. Drawing on insights from over 360 general counsel and senior in-house lawyers from financial services, automotive, real estate, consumer and retail, clean energy and technology sectors, 'Litigation risk 2026' uncovers the new battlegrounds for business.

This year, our survey respondents reveal that while regulatory disputes, especially in financial services, clean energy and tech, have increased, employment, competition, and environmental claims have eased. Yet, the forecast is far from reaching a plateau: expect a rise in litigation across England and Wales, North America, Asia Pacific, and the EU over the next three years. AI-related litigation has risen to become the top concern, outpacing intellectual property and breach of contract. Add to this the spectre of geopolitical instability, cyber-attacks, and shifting priorities in sustainability and DEI, and it's clear that in-house teams will be scaling up to meet a new wave of challenges.

The report includes actionable intelligence and practical advice: how leading companies are strengthening cybersecurity, rethinking supply chains, and ramping up legal resources. It spotlights why legal merit and reputation now trump cost in litigation decisions and examines how companies are proactively bringing claims for financial gain. If you want to ensure you are prepared for the year ahead and understand how your peers are responding, this report will provide essential insight for 2026 and beyond.



ALEX BISHOP
PARTNER AND HEAD OF LITIGATION, REGULATORY &
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Key findings



Disputes in North America and the EU are on the rise

While litigation has dropped in many jurisdictions, the proportion of respondents engaged in disputes in the EU and the US grew year-on-year and is expected to continue to grow. Three-quarters of organisations expect to engage in disputes in England and Wales over the next 12 months.



Regulatory disputes continue to grow year-on-year

55% of respondents have been involved in a regulatory dispute over the past year, up from 36% in 2023. By contrast, the number reporting employment, competition and environmental disputes is falling.



AI-related litigation risk is now the number one concern for companies

Over the next three years, 55% of respondents expect AI-related litigation risk to increase, putting it ahead of intellectual property, breach of contract and group litigation as the biggest emerging risk.



State-sponsored cyber-attacks have increased litigation risk

State-sponsored cyber-attacks are the geopolitical factor having the most impact on litigation risk, with three-quarters of firms (73%) believing they have increased risk. Most companies (70%) have strengthened cybersecurity and 53% have updated supplier contracts in response to mounting geopolitical tensions.



Firms are scaling back DEI and climate efforts in response to a changing agenda

Of the respondents that are seeing an increase in risk from political opposition to progressive causes, half (49%) plan to terminate or scale back their internal sustainability programmes to minimise litigation risk, while 53% plan to drop or scale back sustainability requirements for suppliers.



Companies plan aggressive expansion of litigation resources

Over the next three years, 74% of respondents intend to increase headcount in their teams and 71% plan to increase spending on disputes, with financial services and automotive among the sectors committing the most additional resource.



Cost is no longer the number one consideration in bringing a claim

When deciding whether to pursue a claim, respondent views have shifted with more weight given to the legal merit of a case, reputational risk and the expected duration of a case than to the cost of litigation. Fewer than half (47%) view cost as one of the three most important factors.



Some companies are proactively pursuing claims for financial gain

While proactively bringing claims for financial gain remains largely untapped territory for most companies, one in five firms have pursued disputes primarily to raise funds.

CHAPTER 1

The changing face of litigation risk

More litigation is expected in the coming years, with respondents increasingly concerned about dispute risks related to regulation and AI.

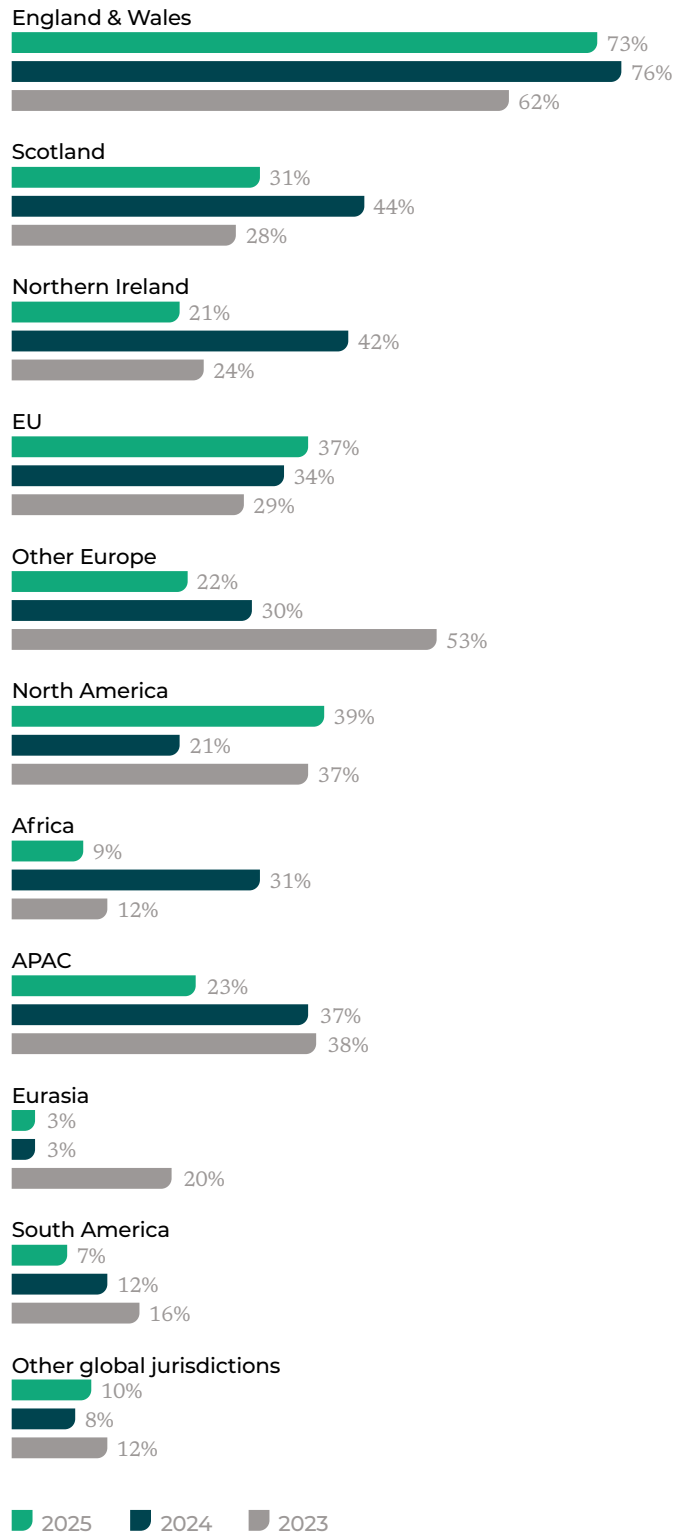
The evolving risk landscape

For many businesses, 2025 was characterised by macroeconomic uncertainty and geopolitical upheaval. After a unique year for democracy in 2024 that saw around 1.5 billion people go to the polls as more than half the world’s population engaged in national elections, last year was one in which a new risk landscape emerged.

We cannot underestimate the impact that the new Trump administration had on businesses globally in 2025, and not just on those in the US or doing business in the US. Likewise, in the UK, the new Labour government introduced tax changes and a series of other policies that had a broad impact. Often these disruptions served to put the brakes on transactional activity, at least temporarily, as business leaders pursued a wait-and-see approach in the face of uncertainty.

In many jurisdictions, including the UK, the result is a smaller proportion of respondents engaged in disputes. In England and Wales, 73% of respondents engaged in litigation, versus 78% the year before, while the figures for Scotland and Northern Ireland dropped from 44% to 31% and from 42% to 21% respectively. It is North America and the EU that had the most disputes last year, up from 21% to 39% and from 34% to 37% respectively. Nearly half of all the tech and telco businesses we surveyed are engaged in disputes in the US. And looking forward over the next three years, more respondents expect to be involved in cases in England and Wales, the EU, North America and Asia Pacific.

Figure 1: Disputes rise in Europe and North America.



Q. In which jurisdictions have you engaged in disputes over the past 12 months? Select all that apply.

Regulatory disputes continue to rise

More than half of the 360 respondents to our survey were engaged in some kind of regulatory dispute last year. Such disputes continue to grow year-on-year and have seen a meaningful increase over the past three years, with 55% of respondents engaged in cases in 2025, compared with 36% in our first survey in 2023. Boards are particularly concerned about regulation, with the number citing it as a top concern, doubling year-on-year.

It is perhaps little surprise to see the growth of regulatory risk given the pace of regulatory change in recent years, and the enhanced focus on enforcement. “In the UK, we are seeing hints that the regulators are starting to take a tougher stance on things,” says Andrew Whalley, a Litigation Partner at Shoosmiths specialising in the technology sector. “They face scrutiny from the Treasury and are under pressure to be seen to be taking action against wrongdoing.”

In the survey, 63% of financial services respondents and 60% of those working in clean tech were involved in regulatory disputes over the past year, highlighting the exposures in those sectors. Technology and telecoms is also above the 55% industry average, with 58% of firms involved in cases.

Many businesses have found themselves vulnerable to intensifying environmental regulation. In the EU, the new Packaging and Packaging Waste Regulation bans certain single use plastics and mandates waste reduction, more recycling and better labelling, for example.

The Digital Services Act and the EU AI Act are being introduced to govern online platforms and the use of AI, while new environmental rules such as the Environmental Crime Directive and the Ambient Air Quality Directive impact the automotive industry and beyond.

In the UK, the Digital Markets, Competition and Consumers Act has overhauled competition and consumer protection, enhancing the powers of the Competition and Markets Authority and establishing a new regulatory regime for large tech firms.

For the financial services industry there are numerous regulatory shifts to navigate, with the UK’s Financial Conduct Authority continuing to publish guidance on the Consumer Duty rules that came into effect in 2023. Financial crime is also a big focus for the UK regulator, which issues regular penalties against firms for failing to have in place proper anti money laundering systems and controls.

A new corporate criminal offence of ‘failure to prevent fraud’ came into force in September 2025, holding organisations criminally liable if an employee, agent or subsidiary commits a fraud intending to benefit the organisation. Examples might include dishonest sales practices, the hiding of important information from consumers or investors, or dishonest practices in financial markets.

Shazad Yasser, In-House Counsel at Haydock Finance, says: “The new failure to prevent fraud offence applies to our business and is a key focus in staff training. We are actively assessing its impact, identifying risk areas, and ensuring employees are equipped to mitigate those risks. Our priority is to implement robust safeguarding mechanisms to prevent any breach.”

Daren Allen, a Litigation Partner at Shoosmiths, who acts for a large number of financial institutions, says: “The other area that UK regulators are looking closely at is governance at board level and whether non-executive directors are challenging the executive and delivering sufficient scrutiny. We see quite a lot of cases, where regulatory supervisors are looking at board effectiveness.”

Figure 2: Regulatory disputes are typically the most common, across sectors.



- Technology and/or telecoms
- Automotive
- Financial services
- Real estate
- Consumer goods & retail
- Clean energy

Q: What types of dispute has your organisation been involved in over the past year?
Select all that apply.

Employment, competition and environmental disputes fall

This year's survey also highlights a drop-off in the number of employment, competition and environmental cases. Some 31% of respondents are engaged in competition disputes, for example, versus 42% in 2024.

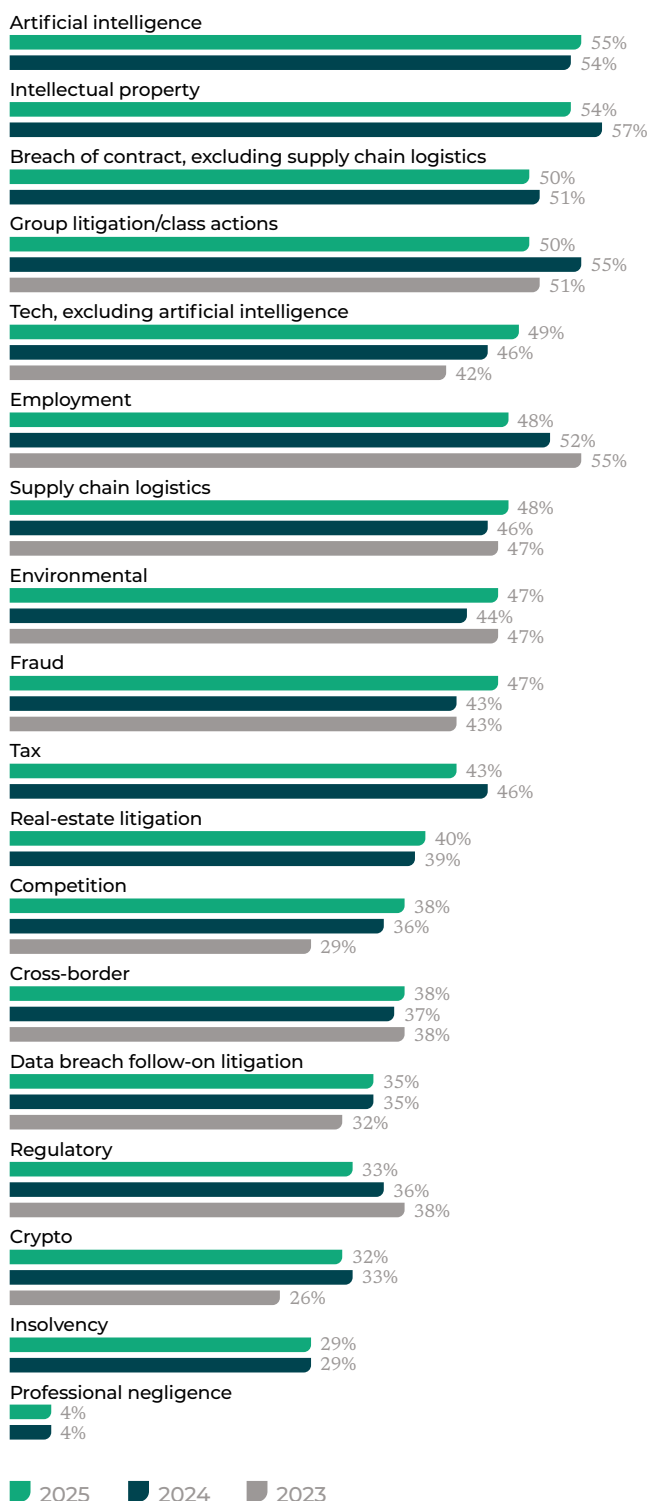
Andrea Murray, Director of Competition, Litigation and Compliance at Virgin Media O2, says: "Recent years have seen a real growth in competition-based actions, which I personally think had partially to do with a perception that regulatory proceedings were either too slow, too cautious or ineffective."

She adds: "Whether the trend we have seen in competition class actions continues for all sectors remains to be seen, and a lot will come down to what arises from the judgments coming through. The government is also consulting on how successful the regime has been and its costs to businesses, so we might expect some changes."

While employment cases were down, in-house counsel report an increasing weaponisation of data subject access requests (DSARs). Kofi Paris, Head of Legal at Group Lotus, says: "The only time we have seen an uptick in employment issues is around reorganisations or reducing the size of a team. We might be on the receiving end of a DSAR as people try to make that as painful and expensive for us as possible."

Looking forward, our respondents are most concerned about an increase in disputes related to AI, intellectual property and breach of contract cases. AI is a bigger concern now than it was a year ago, whereas the number of firms worried about growing IP and class action risks has fallen slightly.

Figure 3: AI rises from third highest to number one concern over the next three years



Q: How do you expect the risks of the following disputes to change over the next three years? (Respondents selecting 'Increase significantly' / 'Increase somewhat').

The impact of AI: A new suite of risks

AI-related litigation risks rise to become the number one concern for respondents over the next three years, with more than half expecting more disputes. Some 43% of companies plan to implement restrictions on AI use.

Businesses continue to view AI as both a gateway to efficiency savings and a litigation minefield. More than 80% of respondents point to the risk of employment disputes resulting from the impact of AI on jobs and roles, and the risk of discrimination claims resulting from AI-powered decision-making, as their biggest fears.

Figure 4: AI-related employment disputes and discrimination claims continue to cause most concern.



Q. How high is the risk of the following types of litigation against your company as a result of its use of AI in the next 12 months? (Respondents selecting 'High' or 'Moderate' risk).

Ian Blackwell, Legal and Compliance Director at retailer Next says: “We’re encouraging the use of AI in the business because unless you do that, you’re going to get left behind. But equally, trying to keep your arms around that is very difficult, because as much as you can have policies, working groups and training documents, that doesn’t completely stop things from slipping through the gaps.”

He adds: “If you want to use an AI tool which isn’t already approved at Next, then you have to go through our data protection impact assessment, a legal contractual approval and our information security process to make sure that before we start using them, we understand where the data is going, what the security position is and who will own

anything that is generated using those tools. If, for example, one of our designers were to design a tremendous range using an AI tool, but by doing that they don’t own any of the IP and it could then be copied by a third party and their work would be of very little value to us.”

Virgin Media O2’s Murray points out that AI also makes it easier for claimants to bring cases: “We do see a challenge in AI democratising access to litigation,” she says. “It is now very easy for individuals to use AI to write DSARs, for example, so we need to be prepared to respond to that. Plus, in group actions, claimant law firms use AI to look back at previous statements that companies have made and that increases the entry points for litigation.”

Solomonic's risks to watch

Shoosmiths has again partnered with Solomonic to illuminate some of the key themes in this year's report, drawing on litigation data from the High Courts of England and Wales and the Competition Appeal Tribunal (CAT).

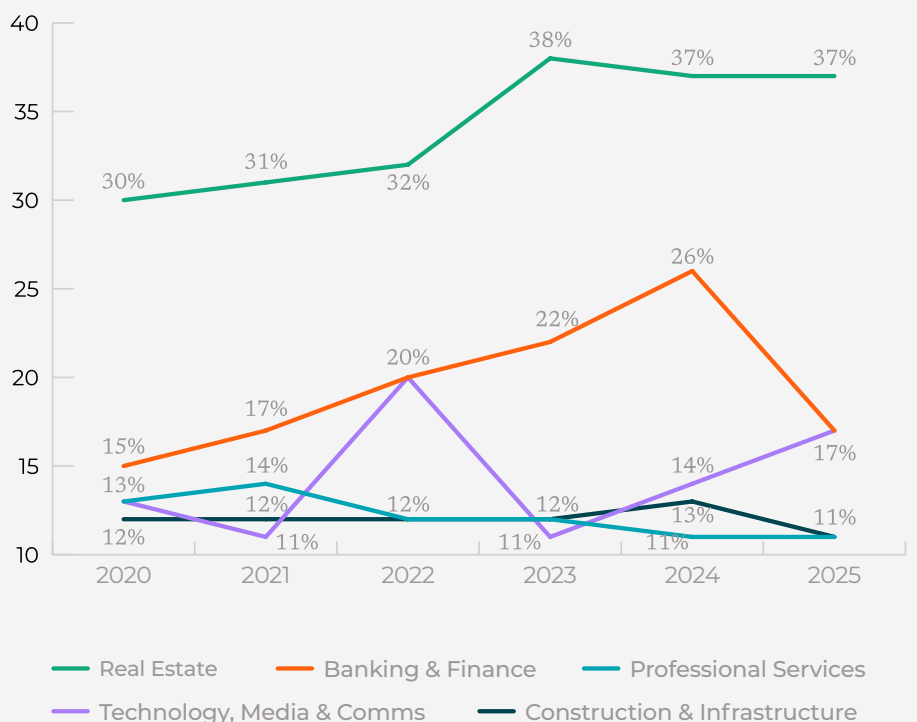
Solomonic is a market leading litigation data and analytics provider. Drawing on proprietary machine learning and expert input from qualified practitioners, Solomonic analyses thousands of High Court claims, documents and court hearings to deliver data that helps stakeholders identify risks, assess case prospects and duration and improve the quality of litigation decisions and forecasts.

Claims landscape: Real estate rising, financial services dip

Solomonic monitors for a standard set of factual subject matters (FSM), identifying whether disputes stem from company law issues such as breaches of directors' duties, financial issues, real estate or other causes. The data reveals a rise in real estate/property matters, up from 30% of claims with a known FSM in 2020 to 38% in 2023, stabilising at 37% in 2024 and 2025. Property-related assets are under greater economic pressure, and this growth is driven partly by higher volumes and an uptick in Property, Trusts and Probate List claims.

Disputes with a banking or financial element followed a similar upward trajectory through a period of economic uncertainty. However, in 2025, this dropped back to 17% – the same level recorded in 2021. Even with this drop, they remain a major feature of the landscape given how often financial institutions and transactions sit at the centre of civil claims.

Technology, media and telecoms (TMT) disputes have seen the most volatility – rising from 13% in 2020 to a peak of 20% in 2022, then dipping before increasing again to 17% in 2025 – suggesting that technology is becoming more involved in disputes over time, even if year-on-year volumes shift. Professional services related cases declined slightly, from 13% to 11% over the same period, while construction issues have remained one of the most stable at around 12%.



Winding-up risk: Construction and infrastructure most exposed

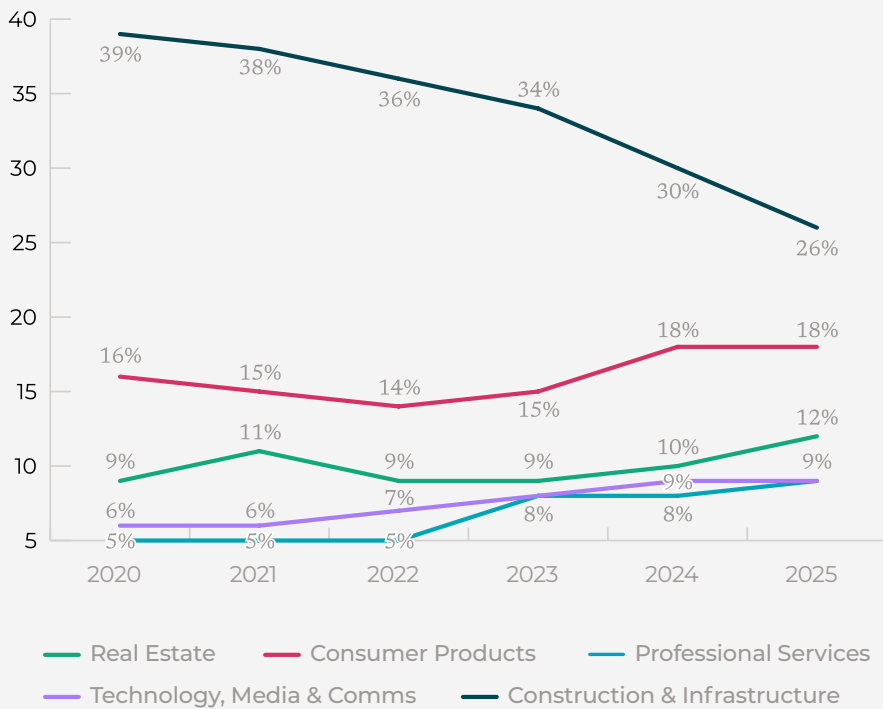
Solomonic has been monitoring winding-up activity closely as volumes have risen year-on-year and this highlights the five sectors that see the most liquidations each year.

The total number of wound-up entities across every major sector continues to rise. Winding-up petition volumes have increased 258% since 2020, from 1,747 to 6,254 (end of Q3 2025).

Although construction and infrastructure organisations remain the most vulnerable, their share of all parties being wound up has declined – from nearly 40% in 2020 to 26% in 2025.

Nevertheless, construction firms being wound up increased 228% from 594 in 2020 to 1,953 in 2024 and are tracked to surpass this by year-end 2025.

Respondents share concerns about insolvency risk for real estate firms, which have had a similar surge, from just 130 in 2020 to 638 in 2024. The proportion of real estate firms among all wound-up companies has also steadily risen, reaching 12% in 2025.



CHAPTER 2

Geopolitical shifts reshape the disputes landscape

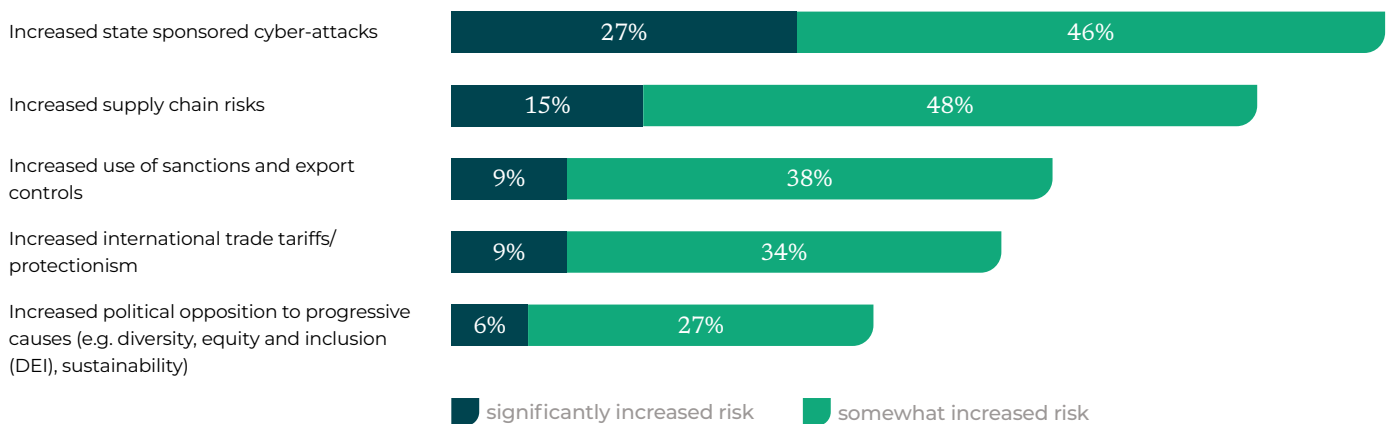
A new era of geopolitical instability is impacting corporate litigation risk, with tariffs and state-sponsored cyber-attacks forcing companies to act.

The shifting political agenda at a global, national and local level is changing the risk environment for companies, which must navigate the evolving priorities of their staff, customers, investors and other stakeholders.

Cyber-attacks front of mind

A series of high-profile examples of heavily disruptive cyber-attacks has concentrated the minds of corporate leaders on the risks associated with cyber-crime. Some 73% of firms believe that state-sponsored cyber-attacks have increased litigation risk, with 27% saying those risks have increased significantly.

Figure 5: State-sponsored cyber-attacks are the greatest form of geopolitical risk.



Q. To what extent have the following geopolitical trends changed the risk of litigation against your company over the past year?

Most companies have strengthened cybersecurity, with 70% having added greater resilience to their cybersecurity in the past year and a further 26% planning to do so. That investment comes in the context of the debilitating attacks on several high street names that occurred in 2025, all of which cost the respective businesses huge amounts to resolve.

Jonathan Smart, a Litigation Partner at Shoosmiths, says: “There have been several high-profile examples that have created concern for businesses and emphasised the need for IT rigour. The reality is this is going to be a bigger and bigger issue, and not necessarily just an internal issue – we have seen how attacks can impact entire supply chains.”

Next’s Blackwell says: “We have spent a lot of money over the last five to seven years on our cybersecurity position and we’ll continue to do that, because as hard as we work to make ourselves secure, the threat actors are working just as hard to get around the things that we put in place. It’s an arms race. You will never be fully secure. You have to be as secure as possible and more secure than other businesses they attack so you’re not an attractive target.”

Alex Bishop, National Head of Litigation, Regulatory & Compliance team at Shoosmiths, says: “There is a customer relations angle to risk mitigation for consumer-facing businesses, with some of these attacks motivated not by money but by the fact that a company has really upset someone. Being cognisant of brand management on social media can help prevent a disgruntled hacker trying to bring down your business.”

DEI and climate programmes come under fire

With political opposition to progressive causes mounting, particularly in the US, firms are revisiting DEI initiatives and reconsidering their climate commitments as they worry about litigation risk.

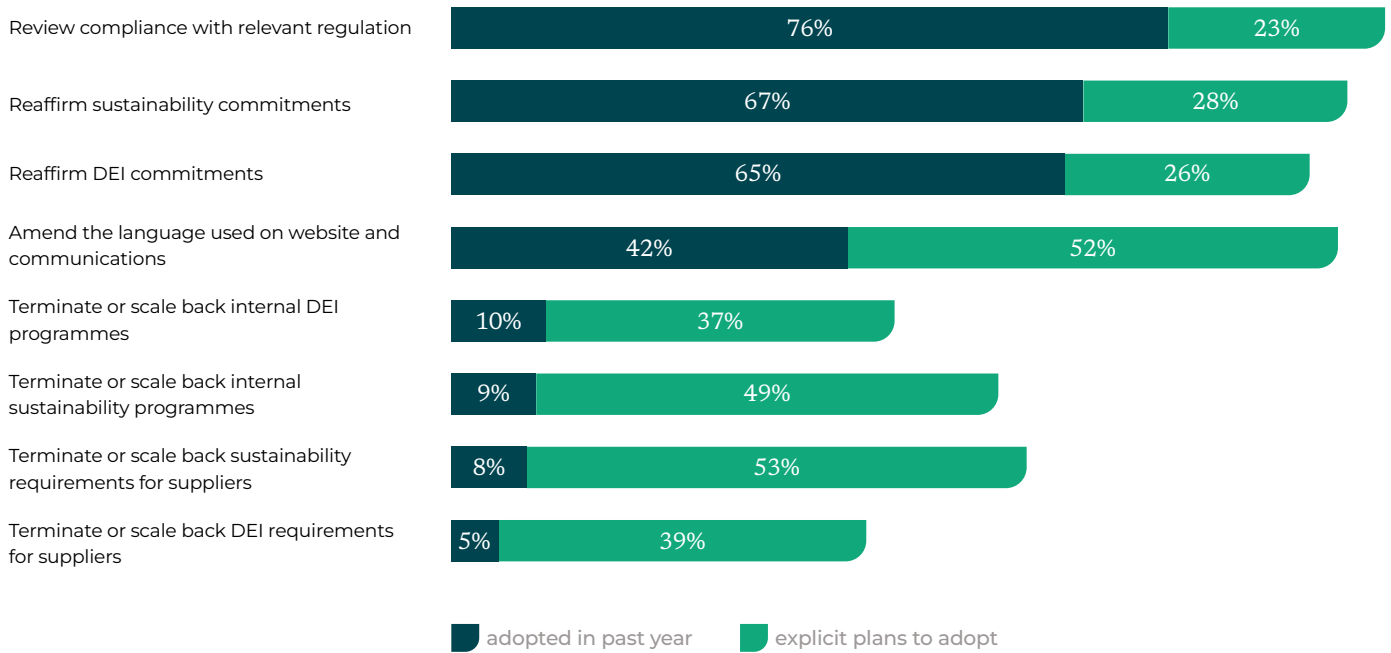
Of the respondents that are seeing an increase in risk from political opposition to progressive causes, half (49%) plan to terminate or scale back their internal sustainability programmes to minimise litigation risk, while 53% plan to drop or scale back sustainability requirements for suppliers. Conversely, 67% say they have opted to reaffirm their sustainability commitments despite the shifting sands, highlighting the contradictory responses being made.

Likewise on DEI, 37% of firms plan to terminate or scale back their DEI initiatives and 39% are scaling back the requirements they place on suppliers, with 65% reaffirming their commitments. Crucially, 76% of businesses have reviewed their compliance with existing regulation to make sure their policies and programmes are appropriate.

Yasser at Haydock Finance adds: “We closely monitor regulatory developments that could impact our DEI and sustainability commitments. These programmes are regularly reviewed to ensure they remain aligned with legal obligations and reputational risk considerations.”



Figure 6: Half of firms plan to scale back sustainability programmes to minimise litigation risk.



Q. What measures has your company adopted in the past year – or does it plan to adopt – to mitigate the increased risk of litigation from political opposition to progressive causes? Base: The 33% of firms seeing increased risk of litigation from political opposition to progressive causes.

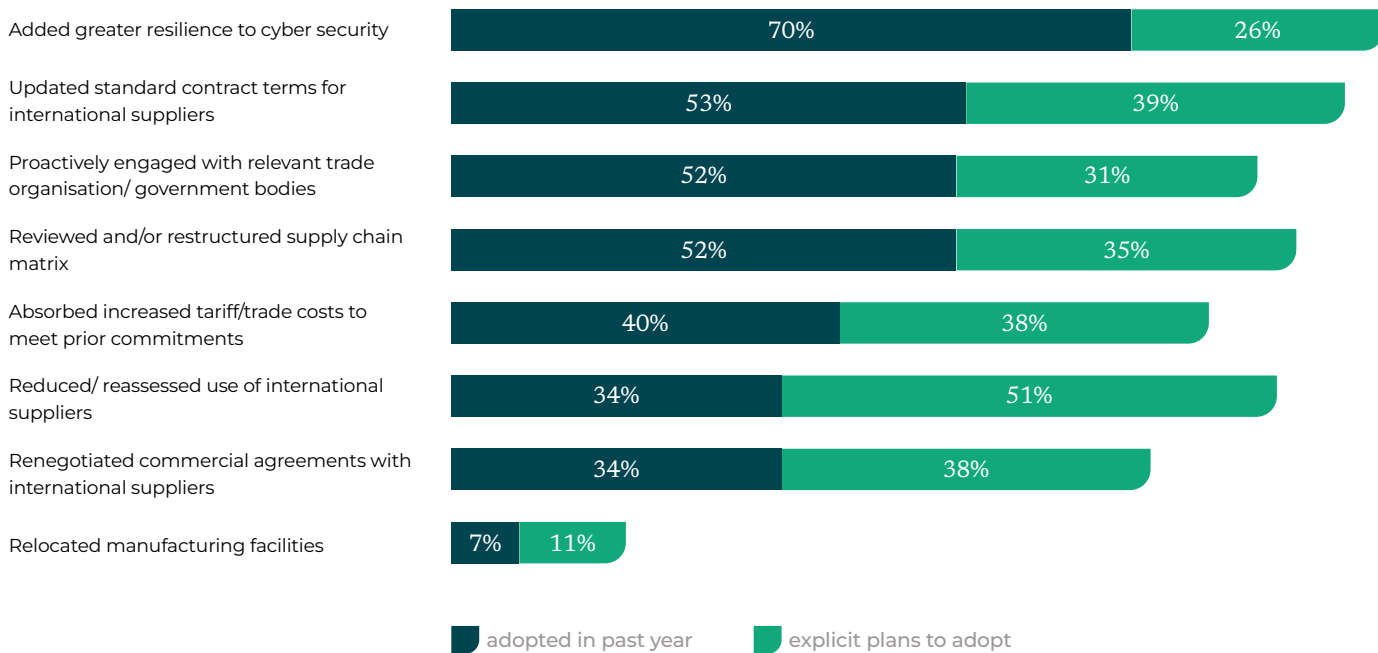
Supply chains and sanctions heighten risk

Other geopolitical trends are also having an impact on litigation risk. Some 63% of respondents say they are concerned by increased supply chain risks, while 47% point to new risks resulting from the greater use of sanctions and export controls.

A substantial 85% of firms have reassessed, or plan to reassess, their use of international suppliers as a result of geopolitical risk factors, suggesting a trend towards localisation, shifting to ‘friendlier’ countries, or shortening supply chains.

More than half of respondents say their businesses have either reviewed or restructured their supply chain matrices over the past year, while 34% have already renegotiated commercial agreements with international suppliers. Nearly one in five have either already relocated manufacturing facilities or have explicit plans to do so.

Figure 7: Measures taken to mitigate geopolitical risk.



Q. What measures has your company adopted in the past year – or does it plan to adopt – to mitigate the increased risk of litigation from geopolitical factors? Base: The 97% of firms seeing increased risk of litigation against their company over the past year.

Alex Bishop at Shoosmiths says: “There are practical things that people are doing to manage risk, like heat-mapping their supply chains, de-risking supply chains, diversifying, even onshoring, or withdrawing from certain markets like the US because of the increased uncertainty and challenges that was creating.”

Virgin Media O2’s Murray adds: “The macro environment is creating cost constraints within our supply chain and with our customers. All companies are looking for opportunities to extract value in their contracts, and whilst this may not necessarily lead to litigation, in-house teams are being kept busy leading dispute strategy.”



CHAPTER 3

Evolving disputes' costs and strategies

Disputes are costly and firms are looking closely at resource allocation and risk mitigation strategies.

The average spend on litigation cases with a claim value in excess of £1 million remained steady in 2025, with most companies spending an average of £600,000 on high-value disputes. But rising costs are a concern for in-house lawyers.

“The rising cost of litigation is a huge issue for us and brings unpredictability in budgeting,” says Murray at Virgin Media O2. She uses outsourcing to ensure her in-house resources are deployed effectively, with a focus on the costs of the underlying claim.

“We have an outsourced function that deals with the lower-value claims (e.g. consumer or network damages claims), and our centrally based team focusses their time on complex, strategic disputes and litigation,” she says.

Figure 8: Average litigation spend on high-value cases remains steady.



Q. What is your average spend on litigation cases with a claim value more than £1 million? Consider both internal and external legal costs.

■ 2025 ■ 2024

Expansion of litigation resources

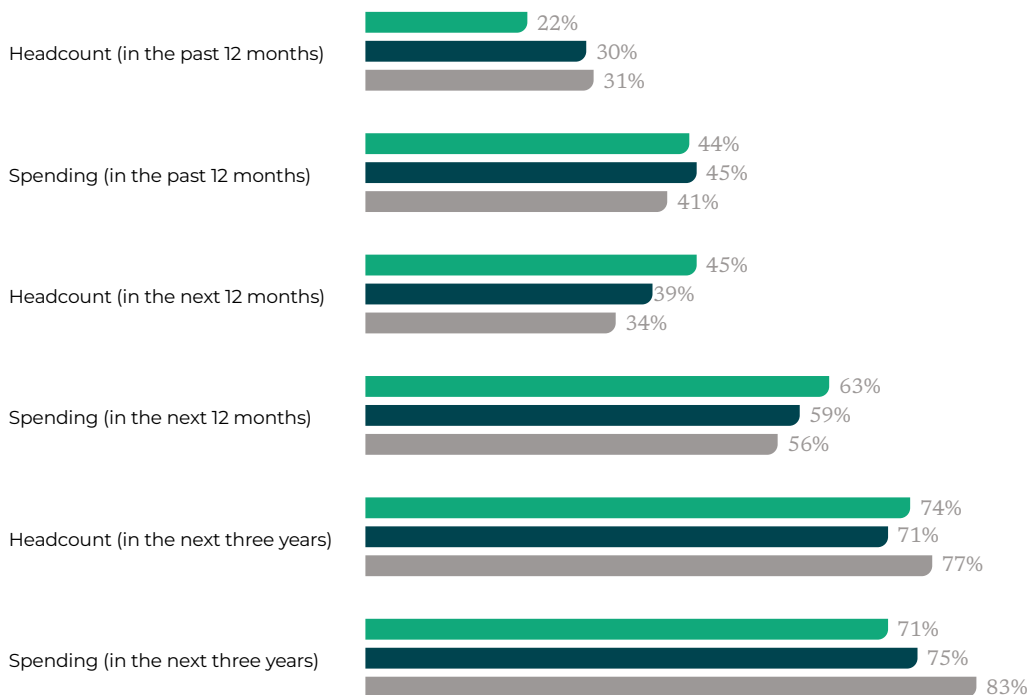
The majority of businesses increase spending to support their in-house teams in managing disputes. Of those, some 22% have increased headcount in the past 12 months and 44% have increased spending in the past year.

Looking further ahead, over the next three years, three out of four firms (74%) intend to increase headcount in their in-house teams and 71% plan to increase spending on dispute resolution. Financial services and automotive are among the sectors committing the most additional resource.

“You have to build a really strong case of sustained need for headcount to be able to justify that. You can’t just resource for your peaks,” says Murray.

“The rising cost of litigation is a significant concern,” agrees Yasser at Haydock Finance. “We anticipate increasing headcount and investment in our legal team to ensure we have the necessary expertise to manage a growing volume of disputes effectively.”

Figure 9: Plans to increase headcount and spending on litigation.



Q. How have the following resources for dispute resolution changed in the past 12 months, in the next 12 months and in the next three years? (Respondents that have increased significantly/somewhat)

■ 2025 ■ 2024 ■ 2023

Legal merit now trumps cost in decision-making

Cost is no longer the number one consideration for in-house teams deciding whether to bring a claim. Instead, respondents now give more weight to the legal merit of a case, reputational risk and the expected duration of a case than they do to the cost of litigation. Fewer than half (47%) view costs as one of the three most important factors.

“Cost is not always the primary consideration when deciding whether to pursue a claim,” says Yasser. “We focus on the nature and validity of the dispute, its significance, and any customer service implications. Our assessment includes potential outcomes, reputational risk, and the impact on existing supplier relationships and contractual obligations.”

“It has to be a commercial decision,” says Blackwell from Next. “How much time and effort is it going to take? How much of a distraction will it be, taking people away from doing their day jobs and is it worth us pursuing? Reputation is very important, but there hasn’t been a piece of litigation we’ve had to pursue to defend our reputation. Any litigation so far has been where we’ve been forced to defend ourselves or risk-reward-based decisions where we are the Claimant.”

Figure 10: Cost of pursuing litigation is no longer the top determining factor for pursuing a claim.



Q. Which of the following factors are most important to your organisation when deciding whether or not to pursue a litigation claim against another party? (% of respondents, top three responses).



Monetising litigation

While proactively bringing claims for financial gain remains largely untapped territory for most companies, one in five firms say they have pursued disputes primarily to raise funds.

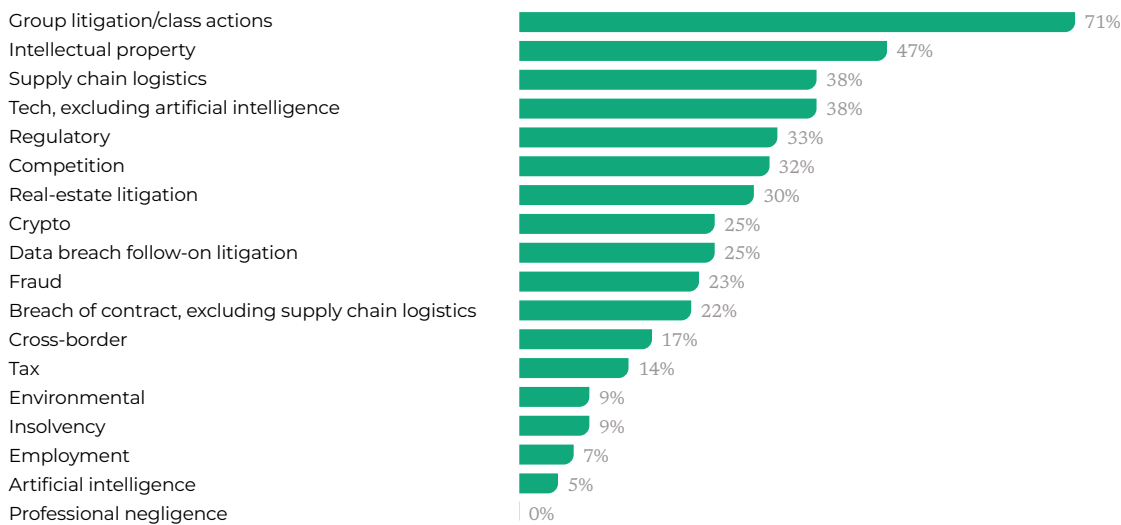
Hannah Field, a Disputes Partner at Shoosmiths, says: “As things become more economically challenging, there is pressure on in-house functions to pursue litigation where there is a potential upside. There is more focus on possible claims that might not otherwise be pursued, to maximise revenue where possible. Litigation is money – if you have a claim with a 75% chance of success, that is an investment worth looking at.”

She adds: “We’ve seen companies becoming more proactive in the past few years at identifying opportunities. For example, if suppliers are not fulfilling their contractual obligations.”

Virgin Media O2’s Murray says: “We have publicly joined some big class actions or sought to reach bilateral settlements with companies found to have been in breach of competition law. We have recovered money to benefit the business and reset the harm it has suffered and that helps demonstrate the value of the internal team.”

Some firms are using third-party funding to finance these claims, in exchange for a share of the financial recovery. Group litigation and class actions are the cases most likely to have this arrangement (71%), followed by intellectual property cases (47%).

Figure 11: Group litigation has the highest likelihood of attracting third-party funding for proactive claims.



Q. Are the costs of pursuing this litigation likely to be funded through a third party, in exchange for a share of any financial recovery (litigation funding/legal financing)? Respondents answering ‘Yes’.

Identifying, mitigating and managing risk

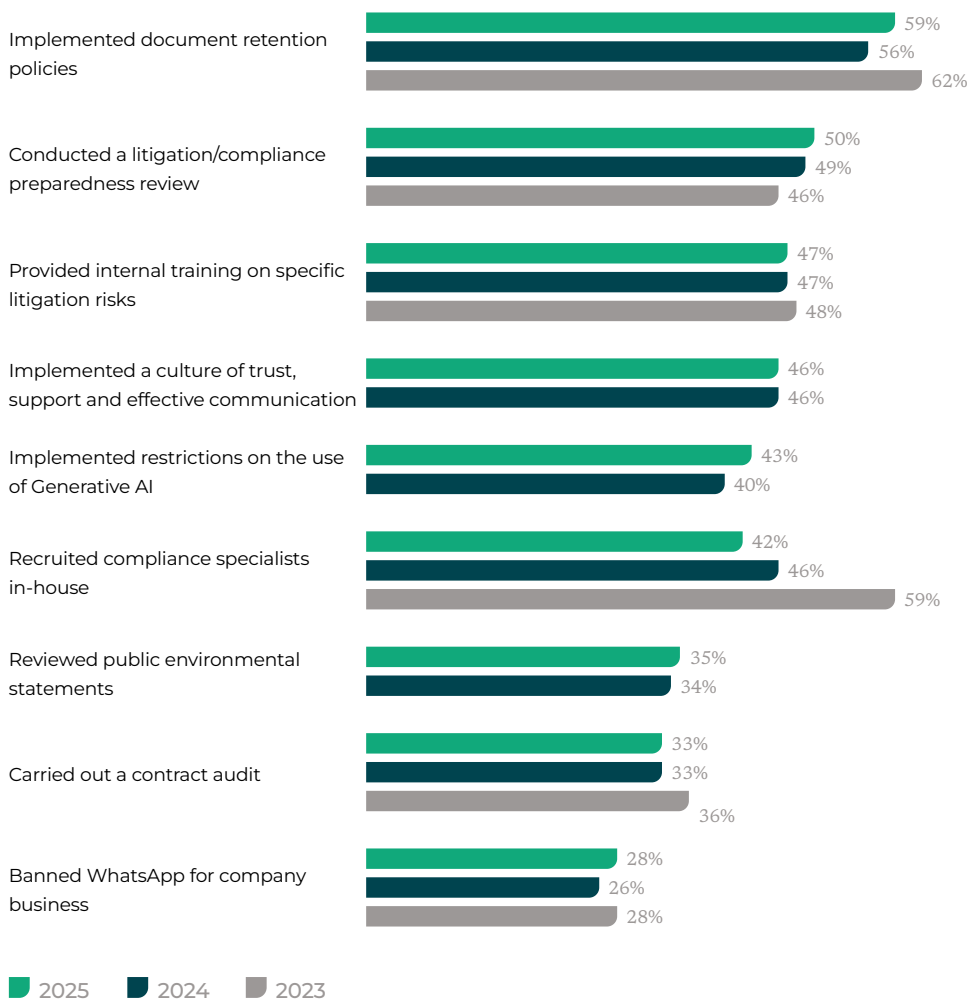
Most companies have dedicated resources to litigation risk analysis, though adoption has slowed year-on-year. More than half of respondents have invested in litigation risk analysis technology, while 49% have employed third-party litigation risk assessment services.

When it comes to risk mitigation, document retention policies and compliance preparedness reviews are the most popular tools, followed by internal training programmes and prioritising a culture of trust, support and effective communication. Document retention is viewed as the most effective risk mitigation tool, outpacing newer approaches like AI restrictions.

More than one in four firms (28%) have banned the use of WhatsApp for company business in an effort to mitigate risk, with that proportion rising to 42% in financial services. “We have banned WhatsApp use locally,” says Paris at Group Lotus. “We ran a consultation looking at who in the business was using it and for what, and it was a small cohort. MS Teams gives us more control.”

Next, however, has taken a more relaxed stance. “It’s not our primary method of business communication, but it is used across the business and at this point in time, it isn’t banned,” says Blackwell. “We haven’t yet found it to be problematic. The reality is it’s quite a useful tool for specific teams to have groups to stay in touch.”

Figure 12: Measures taken to mitigate litigation risk.

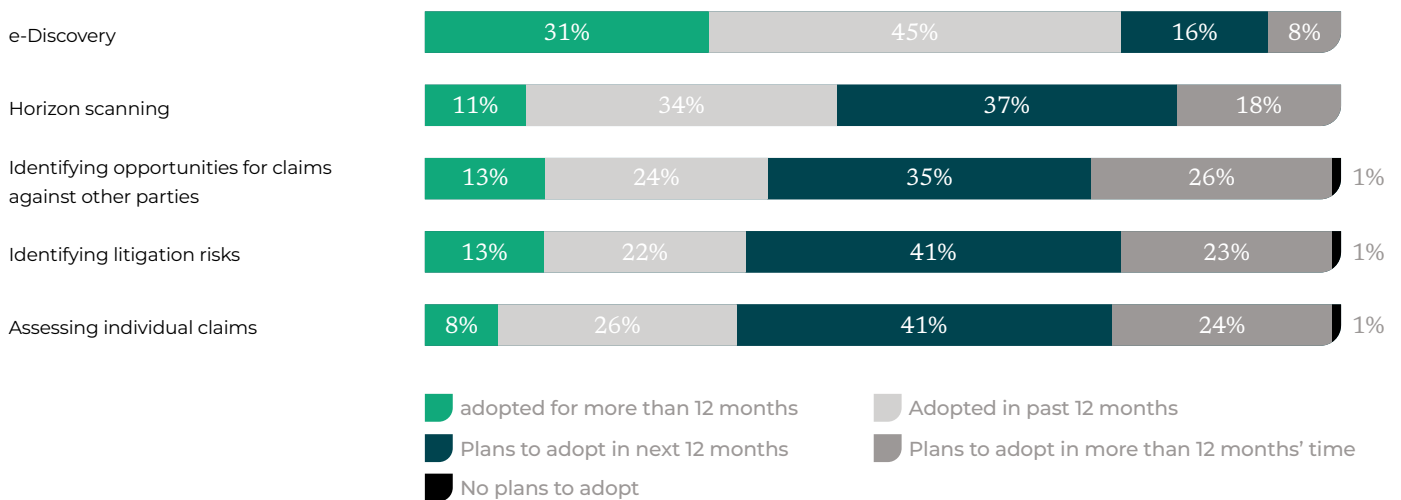


Q. Which of the following measures have you adopted to mitigate litigation risk? Select all that apply.

The impact of AI: Embracing new tools for dispute management

Organisations increasingly adopt AI tools to support their dispute management strategies. More than three in four firms now use AI for e-Discovery (76%), with a further 16% planning to do so this year. Further, 45% use AI for horizon scanning, 37% use it to identify opportunities for claims against other parties, and 35% employ it to identify litigation risks.

Figure 13: E-Discovery is the leading use case for AI in dispute management.



Q. To what extent has your organisation adopted, or plans to adopt, AI tools to support the following?

There remains a lot of caution around use cases in legal, however.

“AI is still not better than humans at some things,” says Blackwell from Next. “If you ask ChatGPT if it is a reliable source of legal advice, it tells you no, because it is not a lawyer, laws vary, change and it can misunderstand the facts.”

Paris shares different concerns: “We are not using AI at the moment in legal or exploring it. We have concerns about privilege and how that gets protected. We don’t need to be a first mover.”

Shoosmiths Partner Bishop says: “The lawyers that will thrive in the future are the ones that ask better questions, not necessarily the ones that use AI to get the fastest answers. The critical piece is continuing to explore and integrate the outputs from new tools while maintaining a degree of cynicism – we cannot assume AI is always right.”

Recommendations

In 2025, businesses continued to find themselves engaged in disputes, navigating an ever-more complex risk environment and planning for more litigation and rising costs. In-house legal teams must navigate new and emerging challenges in areas such as AI and regulatory risk, while staying close to ever-present dispute exposures around employment, competition, IP and supply chains.

Corporates continue to invest heavily in risk identification, mitigation and response, committing more headcount and resources on and investing in risk analysis tools, compliance reviews and AI. Still, there is more that can be done – the following recommendations aim to help your team respond thoughtfully in the face of a changing threat landscape.

- ## 1 Include the use of AI in any compliance preparedness review

Conduct a litigation preparedness review to highlight areas of potential exposure to inform mitigation and response planning. Integrate the business's use of AI across that exercise to sense-check reliance on AI outputs and fully understand associated weaknesses.
- ## 2 Prioritise reputation management across decision-making

To mitigate against the threat of class actions, maintain constant vigilance across all brand communications, being alive to the fact that AI is being deployed to sweep the internet for past messaging. Ill-advised statements can heighten risks of cyber-attacks as well as increasing the risk of litigation motivated by class action protagonists.
- ## 3 Implement an ethical culture of trust, support and openness

Set a tone from the top that prioritises doing the right thing, raising concerns and asking for help. Think about unintended consequences and consider the views of all stakeholders in decision-making; being seen to be acting morally mitigates many litigation risks.
- ## 4 Take action around geopolitical risk

The threat landscape is changing and no one can afford to be complacent. Invest in strengthening cyber resilience, update supplier contracts and review sustainability and DEI statements to mitigate risks.
- ## 5 Bring the business with you

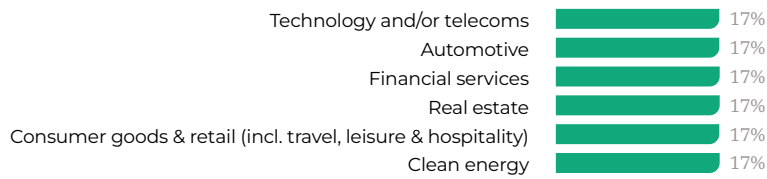
However alive the board and in-house counsel are to legal and regulatory obligations and risks, it is essential that knowledge is transferred to the wider business. Make sure teams at all levels are trained, aware of their obligations and know how to respond when an issue arises.
- ## 6 Be proactive as well as responsive

The changing litigation landscape presents opportunities as well as threats. Embrace technology as a tool for identifying untapped potential claims and look out for new means to generate value.

Methodology

In August 2025, Shoosmiths conducted a phone-to-web survey of 360 respondents working in technology and telecoms, automotive, financial services, real estate, consumer goods and retail and clean energy. All inhouse respondents were based in the UK and worked for companies with revenues in excess of £100 million, many of which operate globally.

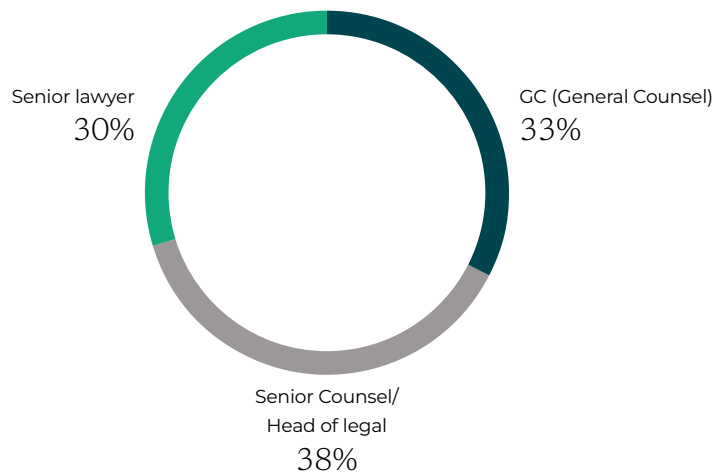
Sector



Revenue



Role



Responsibility





Solomonic's risks to watch: Methodology

Solomonic data captured is from 1 January 2020 to 31 September 2025.

Solomonic's analysis includes all publicly available King's Bench and Chancery Division claims, such as (but not limited to) the electronic court filing service or published judgments. This does not include claims that are not publicly available. Solomonic has not yet extended its analysis to include appeals heard in the King's Bench and Chancery divisions.

Factual subject matter analysis excludes claims without a factual subject matter. The Insolvency and Companies List and serious injury cases (Personal Injury, Clinical Negligence, Asbestos List) have been excluded from the first chart.

Our Litigation, Regulatory & Compliance team

In today's fast-moving business environment, disputes are inevitable – but they don't have to be disruptive. Shoosmiths' litigation team works with clients to manage risk, avoid escalation and resolve issues with precision. Whether it's a shareholder dispute, injunction, regulatory investigation, or cross-border arbitration, we bring together sector specialists and legal strategists to deliver commercially sound outcomes.

Our team works in the UK and internationally, offering deep expertise across financial services, technology and AI, mobility, logistics and manufacturing, energy and infrastructure and consumer and retail and more. We advise on the full spectrum of contentious matters – from contract breaches, shareholder disputes or employment tribunals to IP, tax, competition and professional negligence claims. With a focus on early resolution and reputation management, we help clients stay in control, reduce cost exposure and achieve results that align with their wider business strategy.

Contact us to discuss your litigation challenges



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