

Legal Disputes and Risk Awareness of Europeans

Ipsos – RIAD Survey

A majority of Europeans are prepared to pay for legal protection insurance in order to provide for the risk of being exposed to a legal dispute.

Conducted by Ipsos at the request of the International Association of Legal Protection Insurance (RIAD) on a sample of 8,000 Europeans (Belgium, Czech Republic, France, Germany, Hungary, Ireland, the Netherlands, and Switzerland) the aim of this survey is to provide information regarding how consumers perceive legal risks and how they want to solve their legal disputes. In this context the survey also asks who consumers want to turn to and which qualities they find important when seeking legal advice. A particular point of interest is the question whether millennials stand out from the general population in regard to their particular fears or preferences. The 2017/2018 survey was carried out online, using selected random samples of 1,000 individuals per country that are representative of the general population aged 18 and over (using the quota method: age, gender, region).

More than 25% of Europeans have been involved in a legal dispute within the past 5 years.

On average, every third to fourth person has had a legal dispute within the past 5 years. An exception is Switzerland where people appear to be more litigious with almost 50% of the population, i.e. every second person, having recently experienced a legal clash.

When asked about the areas of life in which disputes occur, we see that most disputes are about the workplace (between 7% and 19% of cases, average: 10.25%), followed by housing (4% to 16% of cases, average: 8.5%), family matters (4% to 16% of cases, average: 8.38%) and cars (6% to 11% of cases, average: 8.13%). In the Czech Republic the number of disputes in family matters is exceptionally high (16%) compared to other countries while for issues with regard to housing the frequency of disputes is very low in the Netherlands (4%).

Most Europeans do not think that they are exposed to the risk of legal disputes while a larger share of Germans, Swiss and Czech people feel at risk.

Generally, Europeans consider the biggest risks for legal disputes in the areas of finance, banking, insurance and telephony.

Regarding their personal situation, however, people evaluate the level of being involved in a legal dispute as generally low. Exceptions are Germany, Switzerland, and the Czech Republic where people feel more exposed to legal risks across all areas of life. Their biggest concerns are cars (39% of Czechs, 47% of Swiss, 52% of Germans; 9% to 25% in the other countries) and mobility issues (28% of Czechs, 39% of Swiss, 40% of Germans; 11% to 18% in the other countries).

Overall, the judgment of millennials regarding the level of risk of a legal dispute in the different areas of life concurs with the general population. Exceptions are for housing where millennials see a higher risk for legal disputes than the rest of the population.

While the general population estimates that the risk of a legal dispute developing in the area of housing is rather low with 6% (the Netherlands) to 36% (Switzerland), across all countries, housing is the only area where millennials see a considerably higher risk (levels between 11% (the Netherlands) and 49% (Switzerland)). France is an exception: the general population and millennials estimate the level of risk similarly low (15% of millennials and 14% of the general population estimate that there is a risk).

For housing, the risk level of a legal dispute is estimated particularly high in Switzerland (36%), Germany (33%) and the Czech Republic (25%); millennials in these countries estimate the level of risks even higher: Switzerland (49%), Germany (43%) and the Czech Republic (32%).

When it comes to legal disputes, in all countries people most fear the costs and the Dutch and French are particularly concerned about the waste of time and energy. At the same time, particularly in France and Belgium, people feel that they are not sufficiently informed regarding legal matters.

Access to justice is essential because legal disputes often concern vital aspects of people's lives such as being able to keep one's apartment, continuing to earn one's living or receiving compensation for an injury to cover medical treatment. Consequently, many Europeans fear the costs incurred by a legal dispute; this anxiety is particularly high in the Czech Republic (53%) and Ireland (50%). Dutch people are more afraid of wasting their time and energy (33%) than fearing the costs (30%) and for French people the fear of costs (29%) and of wasting time and energy (28%) are almost the same.

Germans (27%) are the only nationals who are extremely scared that they are deprived of their rights; for Germans this is a bigger threat than the time and energy they have to invest in a dispute (19%); only topped by concerns regarding the costs (38%). Being deprived of rights is significantly less important for other nationals: 18% in Ireland, 17% in Switzerland, 15% in Hungary and 10% or less in the other countries.

While Europeans have obvious fears when exposed to legal disputes, they also feel that they lack information. Across all countries, people feel the least informed about the costs of disputes, second comes the steps to take in order to defend themselves. In third place, people think that they are not informed about their rights and, fourth, they do not know who to turn to in case of a legal dispute.

The feeling of not being sufficiently informed is especially high in France and Belgium. Only 14% of the French people and 18% of the Belgians think that they have enough information about the costs necessary to settle legal disputes. This varies between 24% and 30% in the other countries. Only 23% French and 30% Belgians feel that they are sufficiently informed about the measures to be taken to defend themselves while 45% of the Dutch and 44% of the Hungarian people feel sufficiently informed about this (41% in German, 34% in Ireland, 27% in the Czech Republic, 40% in Switzerland). 26% of French and 33% of Belgian people know their rights (between 38% and 50% of the population in the other countries). 27% of the French and 36% of the Belgians know who to address if they have legal issues (in Germany and the Netherlands 57%, 53% in Switzerland, 49% in Hungary, 46% in Ireland and 42% in the Czech Republic know who to turn to).

Competence, quality of services and comprehensibility of information are the skills Europeans look for when they seek legal advice and they turn to lawyers and legal protection insurers to find them. The majority of the French, however, prefer to look for legal solutions on the internet.

In most countries citizens turn primarily to lawyers when they need help in a legal dispute. Numbers are particularly high in Germany (83%), the Czech Republic (82%) and Ireland (72%).

The situation is different in the Netherlands, Switzerland and France. In the Netherlands 59% turn to legal protection insurers and only 43% name lawyers as their reference in a legal dispute. In Switzerland legal protection insurers and lawyers are on the same level with 55% of the people quoting them as the most important resource for legal advice. However, 35% of Swiss people contact legal protection insurers first and only 25% contact lawyers first.

The French appear to be innovative and daring considering that more people look for advice on the internet (44%) than contacting a lawyer (38%). Also, France is the only country where a significant proportion of people (33%) seek counsel from consumer associations (the proportion is considerably lower in all other countries: between 5% in Germany and 23% in Ireland) and where legal protection insurers are equally consulted. However, the share of people considering legal protection insurers as their first source of information is with 17% higher than the 12% share turning first to consumer associations.

Evaluation of resources: lawyers and legal protection insurers perform well on the competence dimension but across Europe performances are assessed very differently: Germans, Swiss, Belgians and Dutch esteem legal protection insurers rather high whilst Czech, French, Hungarian and Irish people tend to rank their services on the lower end of the scale.

In Germany and Switzerland legal protection insurers score best with second positions after lawyers on all dimensions, in the value-for-money category legal protection insurers score first before lawyers who are ranked second.

Belgians conclude that the performance of lawyers is best in all categories except when it comes to delivering value for money where lawyers rank the lowest and legal protection insurers second after consumer associations. In the Netherlands, where legal protection insurers are the most important resource for legal assistance, lawyers clearly lead the field when it comes to competence in legal disputes and quality of services (legal protection insurers rank second on both dimensions). Legal protection insurers score, however, better regarding the understandability of information and their availability. They clearly outrank lawyers in the Netherlands when it comes to offering value for money: insurers rank first and lawyers last.

In the Czech Republic, France, Hungary and Ireland legal protection insurers rank lower than lawyers on all dimensions. The only exception is in France where legal protection insurers (third) outrank lawyers (last) on the value for money dimension (consumer associations take first rank). The way French people evaluate the performance of consumer associations (ranking first or second on all dimensions) reflects the fact that France is the only country where consumer associations play a significant role as resource for legal counsel.

Type of services: in most countries people prefer providing for legal risks by paying for a legal protection insurance instead of paying ad hoc for legal advice when a legal dispute arises.

People in the Czech Republic, Hungary and Ireland prefer to pay for legal advice once a legal dispute arises while in the other countries a majority of consumers consider legal protection insurance as a viable solution to cover legal risks: In Belgium, the Netherlands and Switzerland, every second person feels that way, in Germany 47% and in France 44% of the people rather pay for legal protection insurance than ad hoc for legal services.

In terms of importance attributed to the different services offered by legal protection insurance, it is difficult to establish a clear trend across Europe. It is obvious, however, that people in Hungary and Ireland attach more importance to the accessibility and the quality of information than other nationals. 61% of Hungarians and 65% of Irish people prioritise accessibility of information in contrast to only 40% of other nationals, and 70% of Hungarians and 71% of Irish people attach importance to the quality of information offered by legal protection insurance, as opposed to only 41% of other nationals.

While the recommendation of competent lawyers is somewhat important in most countries (not in the Netherlands) it is remarkable that receiving financial restitutions of legal expenses is only a top priority in Germany and Belgium.

Face to face vs social networks? All generations, including millennials, want to speak either on the phone or face-to-face with a person when they have a legal problem.

The overwhelming majority of Europeans prefer to interact with a real person on the phone or face-to-face when they have to deal with health, legal, financial, connectivity and energy issues. However, half or more of the population prefer to connect with energy providers online (Germany 58%, the Netherlands 62%, Ireland 65%, Switzerland 56%, Hungary 56%, Belgium 50%) and in Belgium the majority also prefers to communicate online with telephone companies.

Though millennials are slightly less inclined than the overall population to connect face-to-face or via the telephone with providers in the health, legal, insurance and bank sector, on the whole they share the preferences of the general population and overall prefer face-to-face or telephone interactions. However, in all countries, millennials would rather communicate with telephone companies and energy providers online.

The same applies to relationships with legal protection insurers: all generations prefer to talk directly to a person on the telephone or face to face rather than to interact online. Using email is in all countries the third choice for communications with legal protection insurers.

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This survey was conducted online between August 2017 and March 2018 in accordance with the quota method (gender, age, region).

It is available at: www.riad-online.eu