

To: Members of the Media

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MEDIA RELEASE:

WARNING!!! UNSCRUPULOUS ATTORNEYS ARE GIVING GROCERIES AND TRANSPORT MONEY TO CLAIMANTS, A SCHEME AIMED AT SWINDLING THEM OF THEIR RAF CLAIMS

The Road Accident Fund (RAF) has received complaints about attorneys who pay claimants they represent amounts that are significantly lower than the amounts paid to them by the Fund. This is an illegal scheme that benefits the law firms rather than the claimant. The scheme includes borrowing monies to cover living expenses such as buying groceries and paying for transport while the claim is being finalised, then claiming back the money with exorbitant interest from the claimant's RAF compensation.

South Africa has exceptionally high levels of inequality. Desperate road crash survivors and their families are often lured into these illegal schemes, then often coerced by attorneys into signing agreements that prevent them from questioning their RAF pay-out amounts.

In Mpumalanga Province, law firms are forcing their represented claimants to apply for their monies to be paid in instalments. Claimants across the country narrate stories of not hearing from their attorneys, being forced to sign documents that are not explained to them, are not informed about the Undertaking that they may use for medical needs while waiting for compensation, and/or not having access to their funds for about five years after compensation has been paid.

Recently, the Fund reported Spruyt Incorporated Attorneys to the Legal Practice Council (LPC) and assisted several claimants to lay charges against the law firm with the South African Police Service (SAPS). The Fund also lodged a complaint of misconduct against Spruyt Attorneys with the Gauteng LPC. In the matter, the RAF paid the claimant's legal representative Spruyt Inc Attorneys R241K, but they paid the claimant a measly R10 400. The discrepancy was justified by the attorney as necessary due to high administrative costs, a malpractice that is misleading and in clear contravention of the Contingency Fees Act 66 of 1997, which limits the total fee to a maximum of 25% of the compensation.

RAF Chief Executive Officer, Collins Letsoalo, said: "We urge claimants who have been subjected to such unethical practices to contact the Fund immediately. The Fund's contact centre capacity was increased last year to deliver more transparent and fair services to the claimants. It is imperative that these issues are addressed, and that the integrity of the claims process be upheld."

Further, RAF claimants also have the right to information about party-and-party costs. Party-and-party costs are legal costs that a court may order the Defendant (RAF) to pay to the plaintiff (Claimant) in a RAF claim where summons was served. Party-and-party costs are those costs which were necessarily incurred while prosecuting or defending the claim. They do not include attorney-and-client costs related to attendances between a claimant and the attorney.

The Fund encourages all claimants to contact the RAF's Contact Centre for more information about the claim process, the status quo of their claims and the amounts paid to their attorneys on **087 820 1 111**, from **Monday to Friday, 07h45 to 16h00**. The RAF can also be reached through its offices countrywide, details of which are available on its website on www.raf.co.za.

For additional information and updates, follow the RAF on social media:
@RAF_SA or Facebook @Road Accident Fund

Issued by the Road Accident Fund