

SCHEDULE 1

Section 15.

INTEREST ON DEBTS AND DAMAGES

PART I

SECTION INSERTED IN SUPREME COURT ACT 1981

“35A Power of High Court to award interest on debts and damages.

- (1) Subject to rules of court, in proceedings (whenever instituted) before the High Court for the recovery of a debt or damages there may be included in any sum for which judgment is given simple interest, at such rate as the court thinks fit or as rules of court may provide, on all or any part of the debt or damages in respect of which judgment is given, or payment is made before judgment, for all or any part of the period between the date when the cause of action arose and—
 - (a) in the case of any sum paid before judgment, the date of the payment; and
 - (b) in the case of the sum for which judgment is given, the date of the judgment.
- (2) In relation to a judgment given for damages for personal injuries or death which exceed £200 subsection (1) shall have effect—
 - (a) with the substitution of " shall be included " for " may be included " ; and
 - (b) with the addition of " unless the court is satisfied that there are special reasons to the contrary " after " given ", where first occurring.
- (3) Subject to rules of court, where—
 - (a) there are proceedings (whenever instituted) before the High Court for the recovery of a debt; and
 - (b) the defendant pays the whole debt to the plaintiff (otherwise than in pursuance of a judgment in the proceedings),the defendant shall be liable to pay the plaintiff simple interest at such rate as the court thinks fit or as rules of court may provide on all or any part of the debt for all or any part of the period between the date when the cause of action arose and the date of the payment.
- (4) Interest in respect of a debt shall not be awarded under this section for a period during which, for whatever reason, interest on the debt already runs.
- (5) Without prejudice to the generality of section 84, rules of court may provide for a rate of interest by reference to the rate specified in section 17 of the Judgments Act 1838 as that section has effect from time to time or by reference to a rate for which any other enactment provides.
- (6) Interest under this section may be calculated at different rates in respect of different periods.
- (7) In this section "plaintiff" means the person seeking the debt or damages and " defendant" means the person from whom the plaintiff seeks the debt or damages and " personal injuries" includes any disease and any impairment of a person's physical or mental condition.
- (8) Nothing in this section affects the damages recoverable for the dishonour of a bill of exchange.”

Status: This is the original version (as it was originally enacted).

PART II

SECTION INSERTED IN COUNTY COURTS ACT 1959

“97A Interest on debts and damages Power of county courts to award interest on debts and damages.

- (1) Subject to county court rules, in proceedings (whenever instituted) before a county court for the recovery of a debt or damages there may be included in any sum for which judgment is given simple interest, at such rate as the court thinks fit or as county court rules may provide, on all or any part of the debt or damages in respect of which judgment is given, or payment is made before judgment, for all or any part of the period between the date when the cause of action arose and—
 - (a) in the case of any sum paid before judgment, the date of the payment; and
 - (b) in the case of the sum for which judgment is given, the date of the judgment.
- (2) In relation to a judgment given for damages for personal injuries or death which exceed £200 subsection (1) above shall have effect—
 - (a) with the substitution of " shall be included " for may be included " ; and
 - (b) with the addition of " unless the court is satisfied that there are special reasons to the contrary " after " given ", where first occurring.
- (3) Subject to county court rules, where—
 - (a) there are proceedings (whenever instituted) before a county court for the recovery of a debt; and
 - (b) the defendant pays the whole debt to the plaintiff (otherwise than in pursuance of a judgment in the proceedings),the defendant shall be liable to pay the plaintiff simple interest at such rate as the court thinks fit or as county court rules may provide on all or any part of the debt for all or any part of the period between the date when the cause of action arose and the date of the payment.
- (4) Interest in respect of a debt shall not be awarded under this section for a period during which, for whatever reason, interest on the debt already runs.
- (5) Interest under this section may be calculated at different rates in respect of different periods.
- (6) In this section " plaintiff " means the person seeking the debt or damages and " defendant " means the person from whom the plaintiff seeks the debt or damages and " personal injuries " includes any disease and any impairment of a person's physical or mental condition.
- (7) Nothing in this section affects the damages recoverable for the dishonour of a bill of exchange.
- (8) In determining whether an amount exceeds—
 - (a) the county court limit; or
 - (b) an amount specified in any provision of this Act,no account shall be taken of the provisions of this section or of anything done under it.”

PART III

CONSEQUENTIAL AMENDMENT OF CROWN PROCEEDINGS ACT 1947

“In section 24(3) of the Crown Proceedings Act 1947 for the words from the beginning to "damages)" there shall be substituted the words " Section 35A of the Supreme Court Act 1981 and section 97A of the County Courts Act 1959 (which respectively empower the High Court and county courts to award interest on debts and damages) and section 3 of the Law Reform (Miscellaneous Provisions) Act 1934 (which empowers other courts of record to do so)”.

PART IV

SECTION INSERTED IN ARBITRATION ACT 1950

“19A Power of arbitrator to award interest.

- (1) Unless a contrary intention is expressed therein, every arbitration agreement shall, where such a provision is applicable to the reference, be deemed to contain a provision that the arbitrator or umpire may, if he thinks fit, award simple interest at such rate as he thinks fit—
 - (a) on any sum which is the subject of the reference but which is paid before the award, for such period ending not later than the date of the payment as he thinks fit; and
 - (b) on any sum which he awards, for such period ending not later than the date of the award as he thinks fit.
- (2) The power to award interest conferred on an arbitrator or umpire by subsection (1) above is without prejudice to any other power of an arbitrator or umpire to award interest.”