

NEWS – ECIPE PRESS RELEASE – NEW OCCASIONAL PAPER

Mass Litigation and the Future of Litigation Funding in Ireland and Europe

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Brussels, 16 October 2025 - Across Europe, collective actions are increasing rapidly, supported by broader liability regimes and the growth of third-party litigation funding (TPLF). Until recently, Ireland was shielded by long-standing restrictions on collective actions and on litigation funding.

That protection is now weakening. The EU's Representative Action Directive (RAD) has created new avenues for collective redress. In May 2025, the High Court of Ireland granted the Irish Council for Civil Liberties permission to bring the first representative action under the RAD.

Ireland's enforcement system has traditionally relied on strong public regulators. This model has worked well: consumers feel protected, regulators deliver effective redress, and companies benefit from legal certainty. Irish households are among the most active in Europe in seeking remedies through out-of-court dispute resolution.

The unchecked rise of mass litigation poses a serious economic risk to ICT and life sciences, the pillars of Ireland's economy and magnets for US investment. A relaxation of the rules around collective actions or litigation funding could expose companies based in Ireland to significant litigation costs, with wider consequences for jobs, investment, and innovation.

"Ireland should promote and take the lead in regulating third-party litigation funding at the EU level. This is necessary to safeguard both the Irish and European economies from the negative impacts of mass litigation. The UK has already begun this process. Ireland, as incoming holder of the EU Council

Presidency in 2026, is uniquely positioned to guide the EU towards rules that prevent the abuses of mass litigation and litigation funding,” said Oscar Guinea, Senior Economist and co-author of the study.

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