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THE ATTACHED TRANSCRIPT WAS TYPED FROM A RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY IN SOME CASES OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS COMPLETE ACCURACY.

“FILE ON 4”

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O’HALLORAN: More than two hundred and fifty British soldiers have died in the conflicts in Iraq and Afghanistan and over six hundred more have been wounded in action. Thousands have been injured off the field of battle. Medical advances have saved many from death. But how well are the survivors being cared for financially?

MAN: Martin’s one of the most severely injured soldiers that has returned from Afghanistan. It was with absolute horror that we found out how much he had been awarded. A soldier who gives his all to serve his country on the frontline is expected to be looked after.

O’HALLORAN: Three years ago a new armed forces compensation scheme promised injured troops lump sum payments for the first time. The Government may have hoped for plaudits, but the scheme has led to disappointment, disputes, appeals and some damaging publicity. To meet a barrage of protest, the Ministry of Defence raised pay-outs for the most severely wounded. But do the compensation payments really measure up to the human cost in shattered lives, sacrifice and the suffering which has hit so many service families?

SIGNATURE TUNE

COOPER: I was walking back to my tented accommodation, and then the mortars started coming in, the alarms didn't go off at the time. A mortar come in, threw me to the floor. It was just a big blast. I seen my hand and most of it was gone, all the top piece of my hand was gone and the bone and tendons, it was just blood everywhere really.

O'HALLORAN: Rifleman Jamie Cooper was just eighteen and had been in Iraq for only two months when he and his unit came under fierce bombardment early one morning in November 2006. He says after the first mortar wounded him, he raced for hard cover.

COOPER: Another mortar landed right next to me, which actually took out my left bum cheek. And shrapnel went down through my leg, cut my sciatic nerve in my leg. I can't move my left foot. And then another bit of shrapnel went up through my pelvis and ripped my stomach apart.

O'HALLORAN: So stomach, pelvis, left buttock badly injured and all the way down your left leg?

COOPER: Yeah, my left leg's all numb down the left side. I can't move my foot at all.

O'HALLORAN: What were your colleagues doing at this time?

COOPER: They were doing good actually. There was mortars still going off, people coming out to me, giving me first aid, they were there straight away. There was about twelve injured that day and then obviously they gave you morphine.

PHIL COOPER: One Sunday morning we heard a knock at the door. I walked to the door and this guy, who I now know to be a captain in the army, he said, 'Are you Mr Cooper?' and I said, 'Yes'. He said, 'Mr Phil Cooper?' And I collapsed because I knew there and then, I fell down, I just collapsed, I knew there and then that it was about my son. And he said, 'Look, he's not dead, but he is very seriously ill, that's all I can tell you.'

O'HALLORAN: Jamie's father, Phil Cooper, was equally shocked two days later when he first saw the injured soldier. He was in Selly Oak Hospital in Birmingham, lying unconscious in intensive care.

PHIL COOPER: Jamie was just a mass of tubes. There was tubes coming out of every possible part of him, his stomach, and because he had wounds so badly in his stomach and his rear, we saw him and we just broke down again and we just gathered around him and held him, held his hand. Mum was trying to hug him and things. We just hoped and prayed and hoped for the best.

O'HALLORAN: Jamie Cooper spent eight months in acute hospitals, often in great pain. He still stays five days a week in a rehabilitation unit. His injuries have curtailed his work prospects either in the army or outside. However, the new armed forces compensation scheme - with its unprecedented lump sum payments - created high expectations in the Cooper family. They were hoping for Jamie to get a sizeable slice of the maximum pay-out of £285,000 from the Veterans Agency of the MOD, says Phil Cooper.

PHIL COOPER: Everyone, including top medical people, assumed that Jamie would get a very big payout, a compensation payout because of his injuries.

O'HALLORAN: So when the Agency replied, what did they say?

PHIL COOPER: Jamie was being offered in total £57,000.

O'HALLORAN: What was your reaction?

PHIL COOPER: Well, I was very upset. I thought that was very degrading. I thought that was almost a slap in his face, that they'd only offered him £57,000, especially as he was in hospital again and we nearly lost him again in hospital because he contracted C Diff, C Difficile.

O'HALLORAN: So what did you do about that, with the offer?

PHIL COOPER: We obviously complained and sent out another letter appealing against that decision. We actually spoke to Derek Twigg, one of the ministers involved with Defence, and he said basically what you've been offered is what you're going to get. But I did ask him if he thought it was right or wrong, and he would avoid the question. He would not give me a yes or no answer at all.

O'HALLORAN: The compensation scheme is based on a tariff - a scale which contains fifteen levels of payment, going from the most severe injuries to the least. But most claimants are paid out only for their three most serious injuries. In Jamie Cooper's case, the worst wound - to his leg and foot - carried a tariff value of £46,000. His second injury was priced at £34,500. And the third had a figure on the tariff of £8,250. Totted up, they come to more than £88,000. So why was Jamie Cooper awarded only just over £57,000? A question we put to a barrister specialising in personal injury, Simon Carr.

CARR: What the Government have introduced is the idea that you receive 100% of your damages for the most serious, and lesser amounts for the other damages. For the second injury, the second most serious, you receive 30% of the full award, and for your third injury you only receive 15% of the award. If you're already starting from a very low base, you're going to get the sort of situations that Mr Cooper has experienced - that by the time he got to his third injury, a shattered hand, he's receiving a sum somewhat less than £2,000. And as can clearly be seen from that, you're immediately receiving sums far less than would be recovered if your injuries were judged as a whole.

O'HALLORAN: How did that compare with a civil compensation system?

CARR: That would simply not happen under any common law recovery of damages. If this was assessed in a court, your injuries would be looked at in their totality and awarded the appropriate amount. What's happened in this young man's case is he's received a figure far less than would be awarded by any court, because of arbitrary deductions from the other amounts.

O'HALLORAN:   However, on top of his lump sum payment, Jamie Cooper has been told that when eventually he leaves the army he'll get a guaranteed income payment. That's the other main part of the compensation scheme. It will be linked to his forces pay at the time. But again he won't get the maximum. The level will be scaled back because his injuries have been ruled not to be in the most severe categories. His father, Phil Cooper, is worried that Jamie could be left with well under £10,000 a year – in his view too little to cover his likely loss of earnings.

PHIL COOPER:    If you're a captain or a colonel or even a sergeant major in the forces, then of course your income is a lot higher than the young private soldiers. So if you were a colonel and you're on £52,000 or £60,000 a year and now you're getting an income of £40,000 a year, fine, that's something you could actually live on. But when you're a young soldier and you only get £12,000 a year, then it becomes a total different ball game. That guaranteed income is wrong. It should be the same across the board, regardless of what your rank is. It shouldn't be taken as a percentage of what you're earning at that time; I mean you're all doing the same job.

O'HALLORAN:    However, the Ministry of Defence insists the compensation scheme marks a real improvement for soldiers. It says under the old war pension system, soldiers didn't get lump sum compensation. And Veterans Minister, Derek Twigg, claims that injured troops will now be much better off.

TWIGG:    Anybody who applies for and is successful in the Armed Forces Compensation scheme gets the compensation up front while they're in service. That's the first time that's happened. That didn't happen under the armed forces pension scheme.

O'HALLORAN:    But isn't the problem with cases like that of Jamie Cooper that it's only for one injury that the soldier gets 100% of the tariff value? The other levels are cut back severely.

TWIGG:    Well, as I say, we had to base the scheme on something to start the scheme off, and it was based on what happens in the Criminal Injuries Compensation scheme and what's been decided by the courts. This is still a

TWIGG cont: relatively new scheme and we keep it under review all the time and we learn from experience.

O'HALLORAN: But if you have three quite serious injuries, isn't each of those injuries felt as intensely by the sufferer? So where is the logic in awarding 100% for one of the injuries and only a fraction of that amount to the other two?

TWIGG: Well, as I say, in putting the scheme together we looked at what the Criminal Injuries Compensation scheme does and what has been decided by the courts, so we based it on what was known practice at the time. What does tend to get forgotten is this is guaranteed income payment for life, which is tax free and index linked. Now that's worth hundreds of thousands of pounds.

O'HALLORAN: But Jamie Cooper would only get a very small guaranteed income payment when, if and when he leaves the services, wouldn't he?

TWIGG: I can't comment on details of individual cases, but what I can say is that the guaranteed income payment is there for life, it's tax free and index linked.

O'HALLORAN: But the Government's claim that it had created a modern scheme reflecting best practice in civilian life failed to placate some other service families. And last autumn, as details emerged of other compensation awards, discontent grew both in the forces and in Parliament. And that caused the Government to modify the scheme.

#### EXTRACT FROM NEWS BULLETIN

NEWSREADER: The Government is increasing the compensation paid to the most seriously injured members of the armed forces.

O'HALLORAN: The change meant that the worst injured troops would be awarded 100% of the tariff levels for each of their injuries, and all would be counted, not just the worst three. However, the total pay-out was still capped at the old figure of £285,000.

NEWSREADER: The change has been prompted in part by the case of Lance Bombardier Ben Parkinson. He suffered serious injuries in Afghanistan when he was blown up by a landmine. His compensation will go up from ...

O'HALLORAN: Ben Parkinson had lost both legs, suffered brain injury and had more than thirty other wounds. At first he'd been awarded only £152,000 - not much over half the maximum compensation. An offer which was met with vocal protests by his mother, as Jerome Church of the British Limbless Ex Servicemen Association recalls.

CHURCH: The families were the ones who pointed this out so graphically, and we know that in the case of Bombardier Parkinson, of course, it was his family who said, 'Well why is this?' Someone described him as the most injured British soldier in a generation, if not ever.

O'HALLORAN: To what extent did that case put pressure on the Ministry of Defence?

CHURCH: Well I think it put a huge amount of pressure on the Ministry of Defence. This is where they admitted that they hadn't foreseen this kind of injury happening at this level and it put great pressure on ministers, and there's no doubt about it, that the campaign and the press and the public at large moved this matter on and we were party to all this.

O'HALLORAN: So what does the change mean in practical terms for claimants?

CHURCH: Oh it means every single injury that Ben Parkinson suffered is now accounted at 100%. And that means that his compensation package has gone up to the £285,000 maximum. Now this will only affect a very few people who have that level of multiple injury.

O'HALLORAN: Indeed Government figures suggest that only about two dozen soldiers so far stand to benefit from the change. The friends and family of Lance Corporal Martyn Compton firmly believed he should be one of them.



COMPTON: The bomb that had been set in the middle of the road disabled my wagon, which took everyone out that was in the wagon. Everyone was killed.

O'HALLORAN: Helmand Province, August 2006. A British Army team were trying to supply food to Danish troops. As they entered a remote village, they ran into an ambush. Lance Corporal Compton of the Household Cavalry was at the wheel of one of the British trucks. He quickly tried to reverse out of trouble.

COMPTON: They then fired rocket grenades at me that blew the engine up. I was covered in flames, all my clothes were set on fire. I then jumped out of the wagon and put myself out in cover that I found. I got into cover and in doing so got shot in my right leg as well.

O'HALLORAN: Was your clothing still on fire while all this was going on?

COMPTON: I put it out as soon as I could, as soon as I got out of the wagon, but obviously by then most of it had been burned away or like my body armour was stuck to me.

O'HALLORAN: Your body armour was stuck to you because it was so hot, it was melting basically, was it?

COMPTON: That's right. Yes. Two people then came back through the fire fight. Eventually after approximately twenty minutes they found me.

O'HALLORAN: Were you still conscious at that point?

COMPTON: I was in and out of it. I could see what was going on or I could hear what was going on. Obviously I was in a lot of pain but just more, get me out of here basically. I was thankful that they eventually turned up.

O'HALLORAN: Martyn Compton came close to death as he was evacuated by helicopter to a military camp and then flown to Britain. He was in a coma for three months.

COMPTON: 70% of my body was burnt. They used 'integra' which is a fake skin they use nowadays to cover my body basically from sort of my waist upwards. Obviously I've totally lost all my ears and I've still got injuries on my head that haven't healed. I lost a lot of fat and it's all the fat and muscle on my nose has gone. Beforehand the only burns that I'd seen was people like Simon Weston from the Falklands who suffered 40%, so having 70% was quite an extreme amount. I'd obviously never heard of anyone that had been burnt so severely.

O'HALLORAN: Do you know what the months ahead hold in terms of further treatment and surgery?

COMPTON: I've still got a nose and ears and main parts of my face to be reconstructed, so a lot of surgery in the future. I had my top lip reconstructed not long ago, which they took from my stomach, which was a painful operation.

O'HALLORAN: It's an amazing job they've done.

COMPTON: That's right. They've done an amazing job. The surgeons are second to none. I couldn't thank them enough. Well kept me alive to start with.

O'HALLORAN: During his long ordeal, Lance Corporal Compton had been helped by a former cavalry colleague, Captain Alistair Galloway. He's been trying to get his friend a compensation deal that lives up to the severity of his injuries and suffering. He says that, when the lump sum award came through early last year, many in the regiment expected it would be close to the maximum figure of £285,000. But that was not to be.

GALLOWAY: It was with absolute horror that we found out how much he'd been awarded initially. As Martin was recovering he received a letter from

GALLOWAY cont:                         the Veterans Agency and that awarded him approximately £98,000 as a lump sum payout for his injuries. We were absolutely shocked. We just thought that for someone who suffered 70% burns from the waist upwards, had lost his ears, his nose and his whole life as he was looking forward, we thought that it would be substantially more.

O'HALLORAN:                         Even before the Government altered the compensation scheme, Captain Galloway and others helping the Lance Corporal were arguing the case for assessing all his injuries, not just the first three.

GALLOWAY:                         We've looked at the MOD scheme and been through the tables of tariffs for each injury and we've looked at the eleven most serious injuries that include his full thickness burns, his loss of his ears and nose and his injuries to his elbows, his gunshot wound to his leg and associated injuries that include nerve damage and repair, and we've worked out that those tariffs total £366,000, which is in excess of the cap laid down by the new legislation for the armed forces compensation scheme.

O'HALLORAN:                         And when people like Martyn Compton get a compensation offer which is a lot lower than they expect and that their fellow soldiers expect, what effect does that all have on morale, do you think?

GALLOWAY:                         I think morale would die. A soldier who gives his all to serve his country on the frontline is expected to be looked after. If he hears that a fellow soldier wasn't paid as much for his injuries, he might wonder what it's all for.

O'HALLORAN:                         Now to be fair to the Veterans Agency and the Ministry of Defence, it's true, isn't it, that he will eventually get a guaranteed income of some kind?

GALLOWAY:                         If Martyn continues in the armed forces, he won't receive that for a long time.

O'HALLORAN:                         So what do you know, if anything, at the moment about what sort of guaranteed income payment he might eventually get?

GALLOWAY: Well, the Veterans Agency have played their cards close to their chest, they're not going to give that information out to an individual until they leave the armed forces. At the moment he's in no position to plan for the future, and certainly he does not know what to expect from his guaranteed income payment.

O'HALLORAN: In the past thousands of soldiers and veterans trying to obtain service benefits and pensions have been helped by the Royal British Legion. It's greatly concerned by the case of Martyn Compton. The Legion's Pensions and Benefits manager, James Bond, believes that under the old war pension system, the assessment of injuries was more sophisticated than it is under the new compensation scheme.

BOND: On the basis of the injuries you describe for Lance Corporal Compton, he is under-assessed, but it's the tariff again. If somebody looks at all the various injuries and then goes down the table, finds a relevant injury, ticks the box and that will read across to an amount and that's where he is. Under the old scheme, there was a large team of doctors up at Norcross, Blackpool whose job it was to make all these detailed assessments of somebody's injury, but that now is not the case.

O'HALLORAN: So you're saying a large team of doctors who used to make these judgements have been replaced by what – clerks?

BOND: Not clerks, decision makers. They'll be administrators of the appropriate grade in accordance with what the Secretary of State for Defence wants. The whole ethos of the scheme is that medical back-up would not be required unless for exceptional circumstances.

O'HALLORAN: However, Veterans Minister, Derek Twigg, denies that the scheme is inflexible.

A former officer in Lance Corporal Compton's unit, who has been helping him, says he and others in the regiment, who have been in regiment, were absolutely shocked by the amount of £98,000 he was first offered. Do you understand why?

TWIGG: Well, I can only re-iterate that the scheme is based on good practice and we're paying the compensation for the first time. There may be other state help available, for instance, in terms of benefits. And as you may be aware, we're

TWIGG cont:                                looking currently via a command paper about how we can improve the support for our armed forces personnel, including those who are injured. That's cross-Government. So there may be other help available as well.

O'HALLORAN:                                But here is a man who was terribly and horribly injured and he was seeing himself being offered less than two-fifths of the maximum.

TWIGG:                                        I know he's been horrifically injured and suffered greatly and there's no one more than me recognises what our armed force personnel go through. I keep having to reiterate the point, I think it's important to do this, is that the scheme before 2005 did not pay out compensation in service and you had to wait until you left to get a pension.

O'HALLORAN:                                But is it possible that this scheme is not sophisticated enough to deal with something like severe burns and disfigurement?

TWIGG:                                        Well, I think we've already demonstrated by the recent review, where we've managed to make changes so that the more serious injuries get the maximum amount of up to £285,000, that we are willing to look at the scheme and learn from experience. I think the key thing here is that people are surviving injuries that they might not have done two or three years ago because of the body armour, medical care, etc. But we are keeping this scheme under review and if there are further changes that need to be made, we will make them.

O'HALLORAN:                                Just before we completed this programme, we learned from the Ministry of Defence that Martyn Compton's pay-out has now been increased to £163,000. An increase of about £65,000, though still more than £100,000 below the maximum. However, the majority of injured troops will have to live with an unchanged tariff system. A system in which a brain injury altering a personality and causing problems with thinking and memory can lead to an award of well under half the maximum payout to the victim and his family.

ACTUALITY OF SARAH EDWARDS AND SON

CHILD: Tractor!

EDWARDS: Tractor.

CHILD: Miss.

EDWARDS: Mr.

CHILD: Car.

EDWARDS: Motorcar. What's this one?

CHILD: ... daddy.

EDWARDS: Daddy.

O'HALLORAN: Sarah Edwards cares for her two year old son at home in Ripon, Yorkshire. But behind this scene lies a tragedy. Sarah's husband, Lance Corporal Martin Edwards, is in hospital in Birmingham with brain damage. The 25 year old infantryman was on his third tour of duty in Iraq last year when he was hit in the head by shrapnel. Sarah Edwards says she didn't take in the severity of his injury until the first time she tried to communicate with him.

EDWARDS: It wasn't until he got to Birmingham and he was in the intensive care, and he couldn't speak, all he could do was roll his eyes, and to start with he used to sort of, it were like he were baring his teeth, because he had a tracheotomy in his throat, so the only sort of movements he could make to acknowledge us were just facial, obviously no other part of his body would move.

O'HALLORAN: What were the doctors telling you about what had happened to his head and to his brain?

EDWARDS: Just that it was obviously serious brain injuries, but they did say he were going to be severely affected by it and that the likeliest was not going to be the same person again. They said there's too much damage and it would have affected a lot of other things with him. You know, everyone were heartbroken. I think everyone's still really shocked when they get there and actually speak to him and really see how bad it is, sort of thing.

O'HALLORAN: What have you been told about the kind of care and treatment he'll need?

EDWARDS: No one sort of says anything set in stone, but from what I've been led to believe, it's going to be pretty much 24 hour care for the rest of his life.

O'HALLORAN: It's that bad ?

EDWARDS: Yes, it's that bad.

O'HALLORAN: She says he needs help with almost everything, even eating, and that he drifts off during conversations or can't remember them the next day. She was expecting him to get close to the maximum lump sum payout of £285,000. But in the event his award came to just £114,000.

EDWARDS: When I think about it now and think about sort of future-wise for Martin, I don't think that that's going to cover anything really. It's like quality of life now as well. He can't even, unless we get transport and it's got to be something that can take him while he's sat in his wheelchair, because of obviously, you know, the severity of his injuries, he can't do nothing. You know, Martin changes, you know, from one day to another and his moods go up and down the whole time, so when can you start putting in compensation for like depression, lack of social life? There's the physical things of not being able to move his left side or when he does he can't control it, it spasms. It's like they said that, he's not going to be same person, so that in my eyes, my husband didn't come home from Iraq, because he is not the same person.

O'HALLORAN: James Bond of the Royal British Legion believes this case reveals another serious gap in the compensation scheme.

BOND: Martin Edwards is in the difficult situation he is because the tariff scheme available for such injuries is lower than for physical injuries and he is suffering because of that.

O'HALLORAN: So you mean the tariff scheme may not be responsive enough in your eyes to a very serious brain injury, may not deal well with it?

BOND: Yes. As far as we're concerned, the whole spectrum of mental health issues is not well covered within the tariff scheme.

O'HALLORAN: So do you think there needs to be possibly a reassessment of how damage to mental faculties and brain damage is dealt with by the scheme?

BOND: Definitely yes. We've said from the outset that the tariff system undervalues mental health issues, because a mental health injury or a brain injury can have a terrific impact on somebody's life, in some cases more than an amputation of a limb does. You see many enough people around with amputated limbs who cope quite well with life, yet people with brain injuries can't catch buses, can't do sums and can't care for themselves in that same way, so they are really disadvantaged and yet that isn't fully taken into account in my opinion in the tariff.

O'HALLORAN: But in response, Veterans Minister Derek Twigg claims that the system has been modelled on injury schemes outside the armed forces, notably Criminal Injuries Compensation, and that the lump sum payout shouldn't be seen in isolation.

Here is a man who cannot do things for himself. He needs help with eating, he forgets conversations he had the day before. Does £114,000 – much under half of the maximum – really meet the extent of the damage to his life?



TWIGG: Well, there will be support for him and his family and I think it's important to remember that he will not just be left, he will get support and this compensation payment is important, but also the guaranteed income payment is important as well.

O'HALLORAN: But does that lump sum of under half the maximum really meet the full damage to a man like Corporal Martin Edwards?

TWIGG: Well, Martin's getting the care that he needs and deserves ....

O'HALLORAN: No, that's care, that's different. We're talking about the lump sums here.

TWIGG: Well in that case, we're coming back to the original point I make, is that we looked at the Criminal Injuries Compensation Scheme and precedents in terms of what's been made in judgements in courts etc, and we built the scheme from that.

O'HALLORAN: So how do you answer the Royal British Legion, who says the whole tariff system, in their view, is not responsive to something like a brain injury, which causes such damage to a human being?

TWIGG: Well, we've looked at this, as I say, in terms of what's being paid in terms of the Criminal Injuries Compensation scheme and I will keep it under review and if we need to make changes we will look at that. I'm not going to predict what we may or may not do, because we'll keep it under constant review.

O'HALLORAN: However, barrister Simon Carr questions the parallel made by the minister with payments by the Criminal Injuries Compensation Board. He says that scheme contains a vital element which is missing in armed forces compensation.

CARR: I'm at something of a loss to see how that's a fair comparison. The position is that the Criminal Injuries Compensation Board allows for claims in areas such as care and accommodation. It also allows for medical expenses to be paid. In effect, those elements of any claim of a seriously injured individual could represent 50-60% of their claim had it been brought in a civil court. None of that appears within the present Government scheme for the services. And in effect, for that entire amount, the Government is saying to these seriously injured servicemen, 'You have to rely on the good wishes of your local authority, NHS Trust or charity.'

O'HALLORAN: Lance Corporal Martin Edwards was hit in the head by shrapnel. He suffered a brain injury which has left him utterly dependent on care at the moment, and yet he only got £114,000. How do you view that?

CARR: I have to say, I find it almost impossible to justify. Had that young man been assessed by the civil courts, he would have received an award in many millions of pounds.

O'HALLORAN: However, the Ministry of Defence challenged that view. It said the reference to multi-million pound awards in the civil courts did not compare like with like. For an armed forces compensation award, a claimant need not prove negligence. And on the lack of a care element in armed forces payouts it said:

READER IN STUDIO: The Guaranteed Income Payment is not capped, which can lift the award above the £500,000 cap that exists under the Criminal Injuries Compensation scheme. Armed forces personnel receive exceptional treatment while in service. Once they are veterans, they are entitled to priority treatment on the NHS.

O'HALLORAN: While the armed forces scheme compensation scheme certainly makes new payments to those wounded on the field of battle, the Royal British Legion claims this change has been made at a heavy price. Because to finance these lump sum deals, it argues, the Veterans Agency has had to cut down on awards to others who fall ill during service. Under the old war pension scheme, it says, for the Ministry to reject a claim, it had to prove the condition had not been caused by a soldier's service. Now, says James Bond, the burden of proof has been unfairly shifted. He claims the MOD, while giving with one hand, is taking away with the other.

BOND: Under the new compensation scheme, the situation was dramatically reversed. Suddenly the individual has to prove that all that they claim for was actually caused or made worse by service.

O'HALLORAN: So what sort of cases is it now difficult to bring which would have succeeded before?

BOND: Many types of illness and tumour are difficult to bring, which we expect would have succeeded before.

O'HALLORAN: So what was the percentage success rate, do you think, of applicants under the old war pension scheme?

BOND: From the Royal British Legion's point of view, the percentage success rate was in excess of 70% of claimants.

O'HALLORAN: When the Government reviewed the new scheme after its first year, its own figures showed that under half of all claims in that period had succeeded. And new figures just given to File on 4 by the MOD confirm that trend. They showed that in the last year only 47% of claimants obtained compensation. Among those who were medically discharged, the success rate dropped to just 23%. And for those who'd already left the forces for other reasons, it went as low as 18%. James Bond of the Royal British Legion blames all this on the MOD shifting the burden of proof onto the individual soldier. But why was that done?

BOND: Well, bluntly, it can only be to save money. They knew of the success rates within the old war pension scheme and had they respected the covenant that they had with the service community, they would have retained the burden of proof from the old scheme. The reason not to do that, of course, was to enable them to refuse more claims. There can be no other reason, I think.

O'HALLORAN: But did they not perhaps do that for the best of motives, namely in order to compensate people severely injured in what amounts to battle, you know, in Iraq, Afghanistan and other conflict zones?

BOND: Well, given the restriction that they placed upon themselves - ie this is going to be a cost neutral scheme - then yes, I suppose what you say is correct, but they had no reason to make it a cost neutral scheme. They could have introduced this scheme under the old rules and then paid both those more seriously injured and those less seriously injured. Those people who are injured to a lesser extent do have needs as well and can't just be written off with a paltry sum.

O'HALLORAN: So how does Veterans Minister, Derek Twigg, answer the central charge levelled at the Government by the Royal British Legion? Has the new compensation scheme been paid for, essentially, by denying war pensions to a lot of deserving people who, up to 2005 would have been awarded them?

TWIGG: No, not at all. I think you're referring to the change in terms of burden of proof and balance of probabilities. Now given the insinuation that our people are not getting compensation or a pension because of this new scheme, I have no evidence to suggest that's the case. Now the Royal British Legion have raised this with me, I've asked them to provide any cases of evidence. To date I've not had any cases.

O'HALLORAN: It's the statistics that will prove this, not the individual cases. The Royal British Legion say in the old days you were 75% or more likely to get a war pension if you applied. Today they believe that figure is down to 50% - and in some categories less, much less.

TWIGG: Well, those in service, around 70% are successful. As I say, I've not received ...

O'HALLORAN: But those, if I can add the other two categories, which you haven't mentioned, the medically discharged and the people who have already left the services, the figures are down to about 20% success rate.

TWIGG: There's no evidence that someone who should qualify, who's got an injury or illness as a result of their service in the armed forces is not getting compensation or payment under this scheme.

O'HALLORAN: But you wouldn't argue that the success rates for applications have really plummeted in the last three years?

TWIGG: This is still a relatively new scheme, but as I say we can dance on the head of a pin here. I mean ...

O'HALLORAN: It's not dancing on the head of a pin. These are very big cuts. You're talking about 25% of people who would have got war pensions in the past and are now not getting them.

TWIGG: There's no evidence that I'm aware of or you have provided me or the Royal British Legion have provided me which shows there are individuals who have had an injury or illness as a result of their service in armed forces are not getting the necessary pension payments. Now if you ...

O'HALLORAN: The figures tell another story. The figures tell a story of it being much much more difficult now to get that war pension.

TWIGG: Well I've no evidence that people are not getting a pension or payment due to an injury or illness. Now, I base it on evidence, we keep this under review all the time. I keep saying to you it's a relative new scheme still, we'll learn from experience. If the Royal British Legion can provide me with evidence, which I've asked them to do, I will look at it.

O'HALLORAN: As service charities pore over further compensation awards in the future, it seems unlikely their complaints will end any time soon. Even an organisation which largely supports the scheme, the British Limbless ex Servicemen's Association, confesses to persistent misgivings. Its Chief Executive, Jerome Church, who himself lost a leg on active army service, suggests the doubts may not be dispelled until there's a complete re-think of the scheme.

CHURCH: Whatever the Ministry of Defence tries to do in this respect, I think they're on a losing wicket. However logical their scheme is, it seems to have lost the battle of acceptance in its present state, and to my mind, there is a simple way

CHURCH cont: the Ministry of Defence can deal with this. And what I and my other ex service colleagues in various organisations like the British Legion, SAFA and Combat Stress, what we want is the Minister to bring in a thoroughly independent review chaired perhaps by a judge. And the reason for that is that it would once and for all give confidence to all concerned that the scheme is correct, or if it is not correct, how it should be corrected.

O'HALLORAN: But I'm told the Ministry of Defence has set its face against an independent review, it's totally against it.

CHURCH: I think the Ministry of Defence is extremely short-sighted, I don't see any way that they can do this, that they can take this matter forward without an independent review.

O'HALLORAN: The big problem with armed forces compensation is that it raises high hopes that, very often, can't be met on a limited budget. With no early end in sight to operations in Iraq and Afghanistan, the list of casualties is likely to grow. And as more people challenge their payouts, the compensation scheme will remain a source of discontent.

SIGNATURE TUNE