



Case Study 1 - Professional Football Compensation Committee

What should a football club do when faced with losing a talented player aged under 24 and the player signs for a new club who offer a derisory sum as training compensation? Where a professional player has been offered a new contract by his club (subject to specific criteria that the offer must meet under Rule 64.3 of the Football League Rules) and the player then rejects that offer and goes on to sign for another club (in either the Football League or the Premier League) compensation shall be payable.

In most cases the clubs agree the fee but what happens when they disagree on the appropriate fee? Our client a League 2 football club faced this dilemma when an ambitious League 1 club approached their leading goal scorer at the end of a campaign and he turned down a new improved contract to join another club. The clubs spoke directly and an offer of £25,000 was made for a proven goal scorer who was young, talented and could clearly enhance a team in a division higher.

Partner, Paul Bennett, acted and reviewed the recent decisions from the Professional Football Compensation Committee (PFCC) and devised a strategy to maximise the fee to be awarded. The PFCC was chaired by His Honour Judge James Robert Reid QC an experienced sports law judge who has sat in the Court of Arbitration for Sport including on leading international cases. Judge Reid was joined by 6 former managers and players to decide on compensation.

Paul prepared the following:

- Written submissions on the principles of compensation;
- Evidence from a manager with over 1600 games across the leagues;
- Evidence from the club of the value of comparable players;
- A financial breakdown of the academy costs showing the costs of developing you talent for the club.

On the day the League 1 club doubled their offer of settlement from £25,000 to £50,000 before the Arbitration hearing which was held in London near the offices of the Football League.



After a hearing lasting almost 2 hours with submissions from a specialist sports law firm and our Paul Bennett, the PFCC found firmly in favour of our League 2 club. The PFCC awarded:

- An immediate sum of £140,000
- Additionally, further payments of £20,000 after 15, 30, 45 and 60 appearances (totalling up to £80,000) would be due;
- 20% of any profit it makes from selling the player to another club at any point in the future.

The decision was a success for our client and they secured appearance and transfer fee profits over the next two seasons. The documents and our advocacy secured the appropriate level of compensation cost effectively.

The legal costs? £7500 plus VAT. This highlights the importance of taking early legal advice to ensure the club position is robust.

If you have a Professional Football Compensation Committee coming up then contact Paul Bennett on 01743 453 685 or email paul.bennett@aaronandpartners.com

