

In the House of Lords

Alright v Black

Alan Alright is a teacher. For some time he has been interested in property development. He has been very successful at finding run down properties and quickly developing them for sale at a substantial profit. In February 2001 Alan found what he believed to be a property ripe for developing. He decided to employ Brian Black, a local builder, to help with the restoration of the property. Brian told Alan that the work would cost £18,000, this included labour and materials. Alan accepted Brian's quote on the proviso that the building works would be finished by 5th April. Alan told Brian that the property had to be ready by that date because rather than sell the property he was going to let it to a business as a 'corporate let'. He was expecting to get £1,200 per week rent for the newly furnished luxury flat.

Brian started work mid February. Unfortunately due to bad weather and his plasterer, Chris, having to go into hospital for an operation, Brian realised that it would be unlikely that he would finish the job by 5th April. He informed Alan that in order to finish the work on time he would have to pay his existing men overtime and employ a new plasterer to replace Chris. In all he would have to raise the contract price by £5,000. Although Alan could see his profit dwindling he was more concerned that the flat would not be ready for his first tenant to move in and so he reluctantly agreed.

Brian completed the project by the 2nd April and sent Alan his bill for £23,000. Alan said that due to financial difficulties he could only afford to pay £20,000. Brian thought he better accept the £20,000 in case he ended up with nothing at all. Alan sent Brian a cheque for the £20,000 together with a bottle of wine as a thank-you.

In July 2001 Brian heard that in May 2001 Alan had taken all his family to Florida for a three-week holiday. Brian asked Alan for the £3,000 balance plus interest to date. Alan refused to pay the outstanding £3,000. Brian decided to sue Alan for the outstanding amount plus interest.

At first instance, Deed J held that Alan should pay the £3,000 to Brian plus interest. Alan appealed to the Court of Appeal (Civil Division) on the basis that Deed J erred by (1) not applying the authority of *Pinnel's Case (1602)* correctly and (2) by not applying the doctrine of equitable promissory estoppel to the instant facts correctly.

The Court of Appeal held that the court of first instance had not erred in its judgement. Alan has decided to appeal to the House of Lords.

The following two grounds of appeal will be argued by the appellant:

1. That at common law the payment of a lesser sum together with some additional goods, in this case a bottle of wine, is sufficient consideration for a creditor's promise to forego the balance;
2. That the doctrine of promissory estoppel should operate to prevent the respondent recovering the rest of the money.

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