

In the Court of Appeal

Lucy v. Drew

Drew and Lucy were long standing acquaintances who regularly had business dealings with one another. On 1st November, Drew, from his home address in Northampton, wrote to Lucy at her address in Bristol, offering to sell her his customised Renault Clio motor car, (which she has long admired), for £7,000, the offer to remain open until 5th November. On receiving the offer on 2nd November, Lucy left Bristol on a business trip to Liverpool. On the 2nd November Drew sold the car to Kelly and posted to Lucy a revocation of his offer. This was delivered to Lucy's Bristol address on 3rd November. On 4th November, Lucy posted an acceptance of the offer from Liverpool, addressed to Drew at his business address, (which was the address from which Drew usually conducted dealings with Lucy) in Coventry. It was delivered there on 5th November but as Drew was absent from his office on that day, it wasn't read by him until 6th November. On 7th November Lucy returned home and read the letter of revocation.

Lucy claimed that a contract had been formed between herself and Drew, in that she had accepted the offer either on 4th November through the application of the postal rule, or on the 5th November when the letter was delivered to Drew's place of business. Both events took place before the offer lapsed and before Drew's letter of revocation was communicated to her.

Held by Nonsuch J.:

1. that the postal rule did not operate to form a contract on 4th November, since the acceptance was posted to the wrong address. In such a case, the postal rule becomes displaced and the acceptance does not take place until the letter of acceptance is received and read, (i.e. on 6th November) by which time the offer had lapsed. The court accepted the U.S. case of *Eliason v. Henshaw* 4 Wheat 225, as being a correct application of principle.
2. in any case, the offer had been revoked before Lucy's letter of acceptance had been posted. Although the rule is that an offer is not revoked until the revocation is communicated to the offeree, in this case 'communicated' meant that the offeree should be given a reasonable time to read the letter of revocation, once it had been delivered to the place from which the offer had been made and at which the offeree was reasonably supposed to be present. This, at the latest, was at the close of business on 3rd November.

Lucy is appealing against both findings.

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