

LEVEL 5 ASSESSMENT SPECIFICATION

Student name:	LARA YASMEEN BINTI AIRUL REDZMA	Student ID number:	23219218
Programme:	Law portfolio		
Module:	Contract law		
Module code:	BMLW5017	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Laura Knight	Internal Verifier:	Zita Draper
Assignment Title:	Letter of advice on formation of contract	Word count (or equivalent):	2000 words
Submission deadline:	23:59 on Friday 7/3/25	Return date of provisional marks & written feedback:	4/4/25
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark: Work which is submitted up to 1 week late will be capped at 40% for the first attempt and will be awarded a mark of 0% for re-assessment. Late submission penalties may be lifted only if there is an approved extenuating circumstances claim. Work submitted more than 1 week late will be considered as a non-submission and will not be marked. The work may be considered as a submission for reassessment if offered by an Examining Board or if there is an approved extenuating circumstances claim.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

Dear Mr. Smith,

I am writing to show my concern following your decision to lease the flat that I intended to occupy to another person. Your recent actions toward the flat compromise our lawful contract agreement according to my understanding of our communications. Below I will explain all elements needed to create a contract and how it applies to our situation.

Elements of contract formation

A legally binding contract originates from a clear, definite proposal when an offeror presents their proposal to an offeree. The agreement needs to establish specific terms and conditions before the contract formation becomes effective (McKendrick, 2012, p.44) . The offeree requires an offer that must be transmitted and can manifest through specific words, either through verbal or written expression, or implicit conduct. The party who sent the offer holds authority to withdraw it any time before acceptance, although an offer becomes void if the recipient fails to respond in a reasonable period. Based on the Gibson v Manchester City Council (1979) case, there were unclear terms in the offer which then led to an invitation to treat rather than an offer.

Acceptance must fully agree to the exact terms of the offer without any changes or conditions (Richards, 2009, p. 66). Following the Mirror Image Rule, any modification to the original offer will automatically produce a counteroffer instead of acceptance. In the Hyde v Wrench (1840) case, the buyer made a lower counteroffer, which the seller rejected. When the buyer later tried to accept the original offer, the court ruled there was no contract, as the counteroffer had canceled the original offer.

As part of the agreement, both parties must exchange something valuable, which constitutes the consideration aspect. Consideration can happen through financial transactions or non-financial exchanges such as physical goods, services, and actions to be taken or refrained from within the contract (Peel, 2015, p. 423). The value of what is exchanged must be substantial enough, yet it does not demand exact equivalent

value between parties. In the *Chappell & Co Ltd v Nestlé Ltd* (1960) case, Nestlé's chocolate bar wrappers were considered valid consideration in a sales promotion, proving that even items with little financial value can count as consideration.

For a contract to be enforceable, both parties must have a mutual understanding that the agreement will have legal consequences (Poole, 2016, p. 226). This mutual intention is crucial for forming a valid contract, as informal agreements or social promises are typically not considered legally binding. A clear intention to create legal relations helps ensure that both parties understand the commitment and obligations involved in the contract. In *Balfour v Balfour* (1919), a husband promised to pay his wife an allowance while he worked abroad. The court ruled that there was no intention to create legal relations, as the agreement was considered a personal arrangement between spouses, not a legally enforceable contract.

To establish validity between the parties of a legal contract, both sides need to demonstrate full capacity to agree to terms (Bix, 2012, pp. 50-51). The eligibility for entering a contract depends on being an adult without mental disabilities and being substance-free when making decisions. A voidable contract results when capacity issues emerge for one party in the agreement. A minor without guardian permission bought high-value clothes from a tailor in the court case *Nash v Inman* (1908). The court concluded the contract was invalid because minors normally lack legal obligation under contracts except when buying essential goods. The situation demonstrates why capacity stands crucial for establishing valid contractual relationships.

APPLICATION TO OUR CASE

1. Offer

Your verbal offer described that you wanted me to pay £500 monthly for renting the flat from September 1st. Your confirmation by email officially validated the verbal agreement made between us for the flat rental. Under contract law, it requires contract offers to specify all necessary details and your email provided this clarity without ambiguity.

According to the court decision in *Harris v Nickerson* (1873), the court specified that mutual intent together with observed conduct, acts as the basis to detect an offer. Your detailed proposal included rental information and commencement date together with an intention to proceed which turned into a valid offer needing only my acceptance to build a legally binding contract.

The primary element of contract law demands correct recognition of the difference between an offer and invitation to treat. The court in *Pharmaceutical Society of Great Britain v Boots Cash Chemists* (1953) ruled that items on display in stores are invitations to treat, meaning the store invites customers to make offers to buy, but no agreement is made until the offer is accepted at the checkout. Your email accomplished more than a basic advertisement because it included precise rental and commencement date information, which shows your willingness to be legally bound through these specifications, making this an offer instead of an invitation to treat.

The Court ruled in *Carlill v Carbolic Smoke Ball Co* (1893) that binding offers with clear conditions and a definite structure with an intent to establish legal obligation become enforceable. Your firm terms in the email demonstrated an intention to form a binding agreement instead of starting a general discussion. Unlike in *Harvey v Facey* (1893) where a statement of price only was not considered an offer, your email goes beyond that since it included concrete rental terms indicating your willingness to form a contract.

These legal principles show that your email made a specific enforceable offer that I accepted which formed a binding contractual relationship formed between both of us.

2. Acceptance

You received my confirmation through email when I stated to you, "I accept the terms and will make the deposit by the end of this week." Through this statement I indicated absolute agreement with the rental conditions while demonstrating my dedication to the agreement. My confirmation of specific details together with agreement to pay schedules showed my willingness to be legally tied to the terms.

In *Butler Machine Tool Co Ltd v Ex-Cell-O Corporation Ltd* (1979), the court emphasized that acceptance occurs when the offeree communicates their agreement clearly. In this case, my response via email constituted clear acceptance, making the contract binding once you received my reply. As soon as you had the email, you were legally bound to proceed with the rental agreement.

Additionally, acceptance in contract law doesn't always need to be a verbal or written declaration; it can also be indicated through actions. For instance, in *Ramsgate Victoria Hotel Co v Montefiore* (1866), the court ruled that by paying for a service, a party may indicate their acceptance, even in a bilateral contract. My payment of the deposit, as agreed, further affirmed my acceptance and commitment to the rental terms.

A contract becomes valid through the Mirror Image Rule because acceptance must perfectly match the accepted offer. I accepted your offer exactly as written without altering anything so that no counteroffer could arise from it. This confirmed the formation of a valid contract, as both parties agreed to the same conditions.

According to *Felthouse v Bindley* (1862), the court declared that refusing to speak or abstaining from action cannot qualify as accepting in legal terms. My communication through email and payment of the deposit showed explicitly that I agreed to enter the contract without any doubt about my willingness to enter the contract.

3. Consideration

The exchange of valuable things between all parties participating in a contract stands as consideration. The payment of deposit according to our agreement provides valid consideration that makes the contract legally enforceable. The clear requirement of valid consideration according to *Currie v Misa* (1875) states that it involves either a beneficial exchange or detrimental impact on the parties and my deposit meets this standard precisely by providing a tangible form of exchange.

It's important to note that consideration must not be based on past actions. In *Eastwood v Kenyon* (1840), the court ruled that any consideration given before an agreement is made cannot support a contract. Since my deposit was paid at the same time as my acceptance of the terms, it constitutes valid consideration under the law.

Although consideration needs to have legal value, it does not need to be an equivalent value to what the party receiving it actually obtains. *Bolton v Madden* (1873) confirmed that the adequacy of consideration is not for the court to decide, but rather whether it is legally sufficient. The inability of my deposit payment to match in worth the given terms does not prevent it from creating a valid contract.

Through my deposit, as a financial exchange, it provides valid consideration which solidifies our agreement even more.

4. Intention to create legal relation

A contract becomes enforceable in law only after it shows clear evidence of a legal relationship intention between the parties. Commercial agreements are considered legally binding unless very compelling evidence emerges suggesting their absence of legal force. *Smith v Hughes* (1871) established that agreements made in a business context are presumed to carry legal weight unless proven otherwise. As our rental arrangement is a business transaction, it clearly falls under this assumption, making it legally binding.

The difference between informal agreements and those meant to be legally binding is clarified in *Jones v Vernon's Pools Ltd* (1938) where it was established that agreements made in social or domestic contexts that lack legal enforceability. In contrast, when financial transactions are involved, as in our case, the parties' intent to be legally bound becomes evident. The payment of the deposit further reinforces the fact that both parties are entering into a formal and enforceable contract.

Additionally, in *Lloyds Bank Ltd v Bundy* (1975), the court reinforced that when one party acts in a way that clearly shows intent to bind themselves, a contract is enforceable. Similar to how the bank's actions in this case indicated intent, the clear terms outlined in your email and my deposit payment signal a mutual understanding of our legal commitment.

These principles show our contractual agreement possesses an intention to establish legal ties that makes it subject to contract law enforcement.

5. Capacity to Contract

Under legal capacity, an individual must have full understanding about the agreement's nature alongside a voluntary ability to accept and consent to its terms. As an adult and a university student, I possess full legal capacity to enter into contractual agreements, and as the property owner, you also have the legal authority to form binding contracts.

Under contract law, individuals under the age of majority generally lack the ability to contract unless the contract is for essential items. *Nash v Inman* (1908) clarified that minors can enter into contracts for necessary goods, but this does not affect our situation since I am of legal age. Similarly, mental capacity is an important factor in determining a person's ability to contract. As per *Hart v O'Connor* (1985), a contract can be voided if one of the parties lacks the mental capacity to understand the nature of the agreement. However, neither of us faces such a limitation, so this rule does not apply here.

This agreement is valid between us because we maintain the legal competence to enter it. This agreement stands because age limitations, mental disabilities, and all other legal barriers that could make the contract invalid do not exist. This contract maintains its legal validity as well as enforceable status.

Breach of Contract and Legal Consequences

A valid contract was formed between us, and your decision to rent the flat to someone else, despite our agreement, clearly constitutes a breach of contract. Once the essential elements of offer, acceptance, consideration, intention to create legal relations, and capacity are satisfied, the contract becomes legally binding. A unilateral withdrawal from the agreement without valid legal grounds is a breach, entitling the injured party to seek legal remedies.

According to basic contract law principles, an offer remains revocable up until the point when acceptance occurs. In *Dickinson v Dodds* (1876), the court ruled that an offer may be withdrawn, but this revocation is only effective if communicated to the offeree before acceptance. Since I had already accepted your offer and paid the deposit, any attempt to withdraw from the agreement was legally ineffective. Once acceptance occurs and consideration is exchanged, both parties are bound by the contract, making your revocation invalid.

The breach enables me to claim financial compensation under damages. In *Hadley v Baxendale* (1854), the court held that a party injured by a breach of contract is entitled to receive compensation for any loss suffered as a result. Additional expenses and alternative housing costs are included in the reimbursement the victim is entitled to receive. The compensation I am entitled to receive will consist of expenses connected to my losses, such as replacing accommodation and related costs.

At a minimum, you are legally required to refund my deposit immediately. Should you fail to do so, I have the right to pursue legal action to recover the amount through the courts. In addition, I may also seek compensation for any emotional distress or inconvenience caused by the breach, especially in cases where securing alternative housing can be both financially and personally challenging, as seen in *Hadley v Baxendale* (1854).

I kindly ask you to reconsider your decision and proceed with our original rental agreement. If this is not possible, I request a full refund of my deposit and appropriate

compensation for any inconvenience and additional costs I have incurred. If the matter remains unresolved, I may need to consider legal action to protect my rights.

I look forward to your prompt response to resolve this issue.

Best regards,

Jane

REFERENCES

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7. *Hyde v Wrench* (1840) 3 Beav 334, 4 Jur 1106, 49 ER 132
8. *Chappell & Co Ltd v Nestlé Co Ltd* [1960] AC 87, [1959] 2 All ER 701, [1959] 3 WLR 168, 103 Sol Jo 561
9. *Harris v Nickerson* (1873) LR 8 QB 286, 37 JP 536, 42 LJQB 171, 21 WR 635, 28 LT 410
10. *Balfour v Balfour* [1919] 2 KB 571, 88 LJKB 1054, [1918-19] All ER Rep 860, 63 Sol Jo 661, 121 LT 346, 35 TLR 609
11. *Nash v Inman* [1908] 2 KB 1, 77 LJKB 626, [1908-10] All ER Rep 317, 52 Sol Jo 335, 98 LT 658, 24 TLR 401
12. *Pharmaceutical Society of Great Britain v Boots Cash Chemists (Southern) Ltd* [1953] 1 QB 401, [1953] 1 All ER 482, [1953] 2 WLR 427, 117 JP 132, 97 Sol Jo 149
13. *Carlill v Carbolic Smoke Ball Co* [1893] 1 QB 256, 57 JP 325, 62 LJQB 257, 4 R 176, 41 WR 210, [1891-94] All ER Rep 127, 67 LT 837, 9 TLR 124
14. *Harvey v Facey* [1893] AC 552, 62 LJPC 127, 1 R 428, 42 WR 129, 69 LT 504, 9 TLR 612
15. *Butler Machine Tool Co Ltd v Ex-Cell-O Corpn (England) Ltd* [1979] 1 All ER 965, [1979] 1 WLR 401, 121 Sol Jo 406
16. *Ramsgate Victoria Hotel Co v Montefiore* (1866) LR 1 Exch 109, 4 H & C 164, 35 LJ Ex 90, 12 Jur NS 455, 14 WR 335, 13 LT 715, [1861-73] All ER Rep Ext 2232

17. *Felthouse v Bindley* (1862) 11 CBNS 869, 31 LJCP 204, 10 WR 423, 142 ER 1037
18. *Currie v Misa* (1875) LR 10 Exch 153, 44 LJ Ex 94, 23 WR 450
19. *Eastwood v Kenyon* (1840) 11 Ad & El 438, 9 LJQB 409, 4 Jur 1081, 3 Per & 3 Per & Dav 276, 113 ER 482, [1835-42] All ER Rep 133
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21. *Smith v Hughes* (1871) LR 6 QB 597, 40 LJQB 221, 19 WR 1059, [1861-73] All ER Rep 632, 25 LT 329
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STUDENT FEEDBACK FORM

This section details the *extent* to which the assessment criteria are demonstrated by you, which in turn determines your mark. The marks available for each category of skill are shown. Lecturers will use the space provided to comment on the achievement of the task(s), including those areas in which you have performed well and areas that would benefit from development/improvement.

Generic Assessment Criteria	Marks available	Marks awarded
1. Engagement with Literature Skills		
	25	
2. Knowledge and Understanding Skills		
	35	
3. Cognitive and Intellectual Skills		
	10	
4. Practical Application Skills		
	15	
5. Transferable Skills for Life and Professional Practice		
	15	

Assessment Mark (Assessment marks are subject to ratification at the Exam Board. These comments and marks are to give feedback on module work and are for guidance only until they are confirmed.)

Late Submission Penalties (tick if appropriate)

Up to 1 week late (40% Max)

Over 1 week late (0%)

%