

LEVEL 5 ASSESSMENT SPECIFICATION

Student name:	Muhamad Ariff Rezza Bin Shah Rizal	Student ID number:	2426311
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,

Re: Legally Binding Agreement Concerning Rental of Your Flat

I am concerned that you have decided to rent the flat to someone else, despite what I believe was a legally binding contract between us. A contract requires clear terms, mutual agreement, and consideration, all of which I believe were present when I accepted your offer and paid the deposit. This transfer of deposit was an exchange of value, and I entered into the agreement in good faith, trusting you would honor it. Since you informed me of renting to another party, I feel it's important to emphasize why this agreement is legally binding and what this means for us both moving forward.

Elements of Contract Formation

1. Offer - A valid offer is an offer which is clear, definite and brought to the knowledge of the offeree as intending to lead to acceptance (Beatson et al., 2010, p. 33). Depending on conduct or circumstances there is an implied or an express offer both by word or writing. A general offer is made to the public at large, meaning anyone who meets the specified conditions can accept it.

A key case illustrating this is 'Carlill v Carbolic Smoke Ball Co' (1893). The company advertised that it would pay £100 to anyone who used its smoke ball as instructed and still contracted influenza. Mrs. Carlill fulfilled the conditions and claimed the reward. The court held that this was a unilateral contract, where acceptance was made through conduct (using the smoke ball as specified). Since the offer was made to the public at large, anyone who met the terms could accept it.

2. Acceptance - The last step in making a lawfully binding contract is accepting the contract. This is when the offeree gives acceptance to an offer as it is, without any kind of modification between both parties, thus constituting a mutual agreement between both of them. Nevertheless, acceptance of the original offer is not acceptance if the offeree suggests changes to what was originally offered. Rather, it is now a counteroffer and the original offer is now null and void (McKendrick, 2012, p. 45).

A key case illustrating this principle is 'Hyde v Wrench' (1840). In this case, Wrench offered to sell his farm to Hyde for £1,000. Hyde responded by making a counteroffer of £950, which Wrench rejected. Later, Hyde attempted to accept the original offer of £1,000, but the court held that the counteroffer had destroyed the original offer, meaning Hyde could no longer accept it.

3. Consideration - Consideration could be seen as the selling of goods under a sales contract, wherein the seller provides goods and the buyer gives money. To sum up, in contract law it is important to consider since it means both parties are in the agreement (McKendrick, 2012, p. 184). When considering a contract, to bind a contract together, the absence of consideration leads to inconsistent or contracts without law enforceability.

A key case illustrating this principle is 'Currie v Misa' (1875), where the court defined consideration as something of value given by one party in exchange for a benefit from the other. It was held that consideration involves a benefit to one party or a detriment to the other, and without it, a contract lacks enforceability.

4. Intention to Create Legal Relations - This is a concept that involves binding parties to terms with an intention to create an enforceable contract (Poole, 2016, p. 226). Business contracts, sales transactions and employment agreements are usually enforceable unless they are specifically stated otherwise, for example, with a clause which makes a contract "subject to contract". Overall, the aim of making legal relations is only possible for serious agreements.

5. Capacity to contract - In contract law, capacity to contract is an individual's ability to enter into a binding agreement. In order for a contract to be valid, all parties to the contract must be of the minimum mental and legal competence to take in the terms and obligations of the contract (Elliott & Quinn, 2015, p. 103). Usually minors are not a legitimate stakeholder in contracts, they need full legal capability before pursuing to be a legitimate stakeholder in contracts.

Offer:

Offer is a proposal to contract, which originates from the offeror, and is communicated by him to the offeree, or other person, which accepts it. In our case, your email on the 1st stating “Yes the rent is £500 per month, you can move in on September 1st 2025.” That is clearly an offer, with the following statement “Please confirm if you agree.” This offer contains particular terms which include rent amount and move in date and it invites acceptance.

The case of ‘Gibson v Manchester City Council’ (1979) highlighted the fact that an offer is definite only if it is in its terms. A criteria specified in your email gives the terms that were proposed for the tenancy. It also aids the proposition that a binding agreement is possible even if the necessary formalities are not fulfilled so long as essential terms are agreed to. And here there’s a fine principle demonstrated in our email exchange where we agreed on the key terms of rent and move in date.

Acceptance:

Acceptance occurs when there is a clear and absolute agreement to all the terms of the offer (Peel, 2019, p. 18). Simply stating, “I agree to the terms,” is a direct expression of acceptance. Likewise, a statement such as “I will arrange the deposit payment by the end of this week” demonstrates acceptance, as it aligns with the terms of the offer without introducing any new conditions.

In ‘Entores Ltd v Miles Far East Corporation’ (1955), the court addressed the timing of acceptance in instantaneous communications like telex messages. The issue was whether acceptance occurred when the telex was sent or when it was received. The court ruled that acceptance is only effective when received by the offeror, not when sent. This case established that for communications like email or telex, a contract is formed when the offeror receives the acceptance.

Consideration:

Consideration is something of value exchanged between the parties. In our case the consideration stems from my agreeing to pay £500 per month for rent, and your acceptance to leave the flat to use. The payment of the deposit further reinforces the existence of consideration.

In 'Dunlop Pneumatic Tyre Co Ltd v Selfridge & Co Ltd' (1915), the House of Lords established that consideration is essential to form a valid contract, and it must form part of a bargain. In this case, Dunlop, a manufacturer, sold tires to Selfridge with a condition that the tires would not be resold below a certain price. Selfridge sold the tires to a third party, lacking the consideration required for the original agreement. The court ruled that since consideration must be part of a mutual exchange, Selfridge could not be bound by the contract with Dunlop.

This case highlights the importance of a bargain—an exchange of promises or values between the parties involved. Similarly, in our situation, the deposit payment I made acts as part of the consideration, demonstrating my commitment to the agreement. The exchange of promises and payment serves as a mutual exchange of value, ensuring the contract is enforceable.

Intention to Create Legal Relations:

In commercial agreements, where there is such a presumption, the parties have intended to create legal relations. This interaction would make it a type of tenancy agreement. Our communication has got a formal nature and the terms involved in this communication have got a definite meaning, which shows that we are intending to bring about legal relations.

In the case of 'Merritt v Merritt' (1970) it also appears that agreements in a business setting are more likely to be judged legally binding. Since the agreement is landlord-tenant, it is certainly within this category. Moreover, the decision of 'Balfour v Balfour' (1919) states that domestic agreements will be assumed not to be legally binding unless there is the clear intention to create legal relations. Because our

agreement is a commercial tenancy, it is distinct from such a domestic arrangement, and to that degree it has a strong legal intent.

Capacity to Contract:

Capacity to contract refers to the legal ability of the parties involved to enter into a binding agreement. For a contract to be valid, both parties must have the legal capacity to contract, meaning they must be of sound mind, of legal age, and not restricted by any laws (such as bankruptcy or mental incapacity). In our case, as a property owner and a university student, both parties appear to have the right capacity to contract, with no indication that either of us is legally incapable of entering into this agreement.

A key case that illustrates this principle is *Nash v Inman* (1908). In this case, a minor entered into a contract to purchase clothes from a tailor. The court ruled that the contract was voidable because the minor lacked the capacity to enter into such a contract, as it was not for necessary items. The ruling emphasized that while minors can enter into contracts, the contracts are generally only enforceable if they relate to essentials like food, clothing, or shelter.

This case reinforces that both parties must have the legal capacity to contract. In our case, as both a property owner and a university student, there are no apparent issues with capacity, and we are both able to legally enter into this agreement.

Legal Implications

The analysis above led me to believe that such a legally binding contract has been made between us. However, your renting the flat out to someone else for a higher rent may well be a breach of this contract.

Results regarding the legal implications of this situation might encompass:

I can request for specific performance, meaning, asking the court to make you perform the agreement and rent out the flat as you agreed. Specific performance rarely results in remedies in disputes arising from the tenancy, however, the remedy is available in the context of property rentals, notably in view of their atypical nature. If I cannot or should

not have specific performance, I might be eligible for damages for any financial losses as a consequence of your breach. This could both include an additional expense for alternative accommodation, and the additional expense for rent if I have to pay more elsewhere. It is the case of 'Jarvis v Swans Tours Ltd' (1973) which supports the recovery of damages for disappointment and inconvenience though a breach of contract.

If I am forced to make use of this agreement, I could try to recover the amount I have spent in reliance of it, for example any fees that I might have paid for credit checks or referencing or any amount paid towards getting ready to move into the flat. Although it is more difficult to attempt to place a number on, it is fair to say that your actions have caused me stress and inconvenience, especially given the timing right before the new academic year. This might factor into any damages that they get. This would be no less than the immediate return of the deposit paid by me with interest if it is applicable.

In conclusion, based on the elements of contract formation, I believe a legally binding agreement was established between us regarding the rental of the flat. The clear offer, acceptance, consideration, intention to create legal relations, and capacity to contract were all present in our communication and the deposit payment I made. Your decision to rent the flat to another party appears to be a breach of this contract. As a result, I am entitled to seek legal remedies, including the possibility of specific performance or damages for any financial loss and inconvenience caused by this breach. I trust you will reconsider this matter, as it has caused me unnecessary stress and disruption, especially given the timing before the academic year begins. I look forward to resolving this issue amicably and hope to reach a satisfactory conclusion.

Yours sincerely,

Jane

References

1. *Gibson v Manchester City Council* [1979] 1 All ER 972, [1979] 1 WLR 294, 77 LGR 405, 123 Sol Jo 201
2. *Adams v Lindsell* (1818) 1 B & Ald 681, 106 ER 250
3. *Entores Ltd v Miles Far East Corpn* [1955] 2 QB 327, [1955] 2 All ER 493, [1955] 3 WLR 48, [1955] 1 Lloyd's Rep 511, 99 Sol Jo 384
4. *Dunlop Pneumatic Tyre Co Ltd v Selfridge & Co Ltd* [1915] AC 847, 84 LJKB 1680, [1914-15] All ER Rep 333, 59 Sol Jo 439, 113 LT 386, 31 TLR 399
5. *Merritt v Merritt* [1992] 2 All ER 504, [1992] 1 WLR 471, [1992] 2 FLR 140, [1992] 2 FCR 382, [1992] Fam Law 340, [1992] 16 LS Gaz R 31, 136 Sol Jo LB 83
6. *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
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8. William Reynell Anson, Beatson, J. and Al, E. (2010). *Anson's law of contract*. Oxford ; New York: Oxford University Press.
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17. *Currie v Misa* (1875) LR 10 Exch 153, 44 LJ Ex 94, 23 WR 450

18. *Hyde v Wrench* (1840) 3 Beav 334, 4 Jur 1106, 49 ER 132
19. *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
20. Miceli, T.J. (1997). *Economics of the Law*. Oxford University Press, USA.

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%)		