

June 29, 2025

## Good Faith & Estoppel in English Law: Principles in Flux

### Good Faith & Estoppel in English Law: Principles in Flux

**Date:** 29 June 2025

#### A. Introduction

English law is currently grappling with two doctrinal flashpoints: the role of good faith in contracts and the appropriate remedy for proprietary estoppel. Both areas reveal a legal system in transition — marked by doctrinal flux, judicial experimentation and growing calls for clarity.

For good faith, the traditional position has been sceptical, rooted in a preference for contractual autonomy and legal certainty. However, the courts are increasingly willing to imply duties of fair dealing and cooperation, particularly in “relational contracts” — those characterised by long-term, trust-based obligations. This marks a shift away from the minimal standard of honesty articulated in (*Interfoto Picture Library Ltd v Stiletto Visual Programmes Ltd* [1989] 1 QB 433 [439], toward more substantive duties, as seen in [Yam Seng Pte Ltd v International Trade Corporation Ltd \[2013\] EWHC 111 \(QB\)](#) [121, 129-131, 144] and [Bates v Post Office \(No. 3\) \[2019\] EWHC 606 \(QB\) \[1122\]](#).

In proprietary estoppel, the core debate concerns the aim of the remedy: should it fulfil the expectation induced by the promise, or merely compensate for detriment suffered in reliance?

This “lively controversy” was aired in [Davies v Davies \[2016\] EWCA Civ 463](#); [2016] 2 P & CR 10 [50, 39] and reached the Supreme Court in [Guest & Anor v Guest \[2022\] UKSC 27](#) [50, 158]. There, the majority definitively rejected a detriment-based approach, holding that the purpose of the remedy is to satisfy the claimant’s expectation, with proportionality to detriment serving as a cross-check rather than the controlling principle [13, 50, 71-72, 158].

English law’s treatment of good faith and estoppel is currently marked by friction and doctrinal flux. Historically a bastion of contractual autonomy, English courts are increasingly open to fairness-based interventions — particularly in long-term, cooperative, or power-asymmetric relationships. This reflects a broader judicial willingness to recognise relational dynamics and reliance-based expectations in modern commercial life.

Good faith obligations are being cautiously implied into “relational contracts”, as seen in *Yam Seng Pte Ltd v International Trade Corporation Ltd* [2013] EWHC 111 (QB) and *Bates v Post Office (No. 3)* [2019] EWHC 606 (QB), while estoppel — especially proprietary estoppel — is being pressed into service to correct unconscionable reliance, most notably in *Guest v Guest* [2022] UKSC 27.

The central tension lies in whether to formalise these developments through codification or restatement, or to continue their evolution via a piecemeal, case-by-case approach. While the direction of travel is increasingly clear — toward greater contextual fairness and judicial intervention — the law remains unsettled and divided on key fundamentals, including the basis of estoppel remedies and the proper scope of implied duties of good faith. The question is not whether these doctrines are evolving, but how far and on what principled terms.

## **B. Key Themes:**

The current landscape of English contract and property law is particularly dynamic, primarily due to the ongoing re-evaluation and development of doctrines concerning good faith and proprietary estoppel. This flux is driven by the courts' efforts to balance traditional principles of contractual certainty and party autonomy with evolving notions of commercial fairness and the prevention of unconscionable conduct.

Here are the key legal and conceptual themes relevant to this issue:

### **1. Evolution of Good Faith in Contract Law**

- **Why it matters:** This theme challenges the historical reluctance of English common law to recognise a general principle of good faith in contract performance. Its growing acceptance signifies a shift towards a more collaborative and less individualistic approach to contractual relationships, impacting how parties are expected to behave, especially in long-term arrangements (*Yam Seng* [120-121, 123, 142]).
- **How it appears in recent case law:**
  - The seminal case of [\*Yam Seng Pte Ltd v International Trade Corporation Ltd\* \[2013\] EWHC 111 \(QB\)](#) marked a pivotal moment. Leggatt J (as he then was) observed that English law had traditionally resisted a general doctrine of good faith but was "swimming against the tide" of other major legal systems [120-121, 124]. He implied a duty of good faith (encompassing honesty, fidelity to the bargain, and cooperation) based on the **presumed intention and shared understandings of the parties**, particularly in "relational contracts" characterised by long-term commitment, high communication and mutual trust [129-131, 139, 142].
  - [\*Bates v Post Office \(No. 3\)\* \[2019\] EWHC 606 \(QB\)](#) affirmed the concept of **relational contracts as "an established one in English law"** [705]. Fraser J (as he then was) found the contracts between the Post Office and sub-postmasters were relational, implying duties of good faith, fair dealing, transparency, co-operation, and trust and confidence [45(1), 326, 700, 705-707, 711, 720, 738]. He explicitly stated that good faith extends beyond mere honesty to include "commercially unacceptable" conduct and fidelity to the bargain [710].
  - [\*Essex County Council v UBB Waste \(Essex\) Ltd\* \[2020\] EWHC 1581 \(TCC\)](#) further solidified this trend. Pepperall J explicitly adopted Fraser J's nine characteristics of a relational contract from *Bates*, concluding that the long-term PFI contract in question was a "paradigm example of a relational contract" and that a duty of good faith was implied [113].
  - **Underlying policy concerns:** The push for good faith aims to promote **commercial fairness and cooperation** in long-term ventures, protect **reasonable expectations** in contractual performance (*Yam Seng* [145]) and align English law with international commercial norms. While addressing concerns about vagueness, courts emphasise that the duty's content is context-dependent and amenable to principled application (*Yam Seng* [123, 142, 146-147, 154]).

## 2. Remedial Flexibility vs. Certainty in Proprietary Estoppel

- **Why it matters:** This theme addresses the fundamental debate about how courts should determine the appropriate remedy when proprietary estoppel is established. The choice between fulfilling the claimant's expectation or compensating their detriment has significant implications for property rights, legal certainty, and predictability in outcomes (*Guest* [7, 81, 136, 156-159, 171], *Davies* [39]0).
- **How it appears in recent case law:**
  - [\*Guest & Anor v Guest\* \[2022\] UKSC 27](#) is the **definitive Supreme Court authority**, explicitly resolving the "lively controversy" [7, 136, 156-159]. The **majority (Lord Briggs)** firmly rejected the detriment-based approach, clarifying that the **"true purpose of the remedy is to counter unconscionability, primarily by fulfilling the promise or expectation** [13, 53, 61, 69, 71, 76]. He clarified that the often-cited "minimum equity to do justice" phrase does not mean the cheapest remedy, but rather what is sufficient to negate unconscionability [13, 30-31, 80]. Proportionality between expectation and detriment serves merely as a "useful cross-check for potential injustice" [72, 76, 68, 72, 85]. The **minority (Lord Leggatt)**, conversely, advocated for a detriment-based approach, arguing the "basal purpose" of estoppel is to prevent harm from reliance and thus should seek the least burdensome remedy for the defendant [188-190, 195-196, 197, 206, 232].
  - Earlier cases like *Jennings v Rice* 1 P&CR 8 and [\*Davies v Davies\* \[2016\] EWCA Civ 463](#); 2 P&CR 10 had highlighted the "lively controversy" and introduced the concept of proportionality but without definitively settling the primary remedial aim [42, 50, 52, 156-157].
- **Underlying policy concerns:** The core aims are to ensure **justice** and prevent **unconscionable conduct** (*Guest* [174, 6, 40, 46, 48, 59, 65, 94, 61, 80, 4, 160]). The Supreme Court's decision seeks to enhance **legal predictability** and consistency, moving away from "palm-tree justice" (*Guest* [81-82, 156, 162-164, 171-172, 181]). It also navigates the tension with statutory **formalities in property law**, where equitable intervention is necessary to prevent injustice despite non-compliance (*Guest* [4, 107, 175, 178, 192]).

## 3. Textualism vs. Contextualism in Contract Interpretation

- **Why it matters:** This theme reflects the ongoing debate about the extent to which courts should interpret contracts strictly by their literal words versus considering the broader commercial context and underlying purpose. It influences the degree of control parties have over their written agreements and how unforeseen circumstances are handled (*Guest* [94, 108-109, 112-113]).
- **How it appears in recent case law:**
  - [\*Bates v Post Office \(No. 3\)\* \[2019\] EWHC 606 \(QB\)](#) extensively discusses these principles, referencing leading Supreme Court authorities such as [\*Wood v Capita Insurance Services Ltd\* A.C. 1173](#) and [\*Arnold v Britton\* A.C. 1619](#) [620-629, 660]. Fraser J (as he then was) described contractual interpretation as a **"unitary exercise"** that balances textual analysis with an understanding of the factual matrix and commercial purpose [629, 630, 911, 915]. He stressed that courts should not "re-write" contracts merely because they have turned out badly for one party [18, 32, 619-626] (see also *Essex* [94, 96]). He also notably expressed scepticism towards the contra proferentem rule in commercial contracts, favouring direct construction of the words and commercial common sense [634-638].
  - [\*Essex County Council v UBB Waste \(Essex\) Ltd\* \[2020\] EWHC 1581 \(TCC\)](#) also applied these established principles, re-emphasising the objective meaning of words within their

"documentary, factual and commercial context" [87].

- **Underlying policy concerns:** The central policy is to uphold **party autonomy and contractual certainty**, ensuring that parties are generally bound by the language they choose (*Yam Seng* [123, 152], *Bates* [1096], *Guest* [55]). Courts also aim to reflect commercial common sense, interpreting agreements as reasonable commercial people would have understood them at the time of contracting, while exercising **judicial restraint** to avoid rewriting agreements based on hindsight (*Bates* [272, 623, 626, 745, 921], *Essex* [94, 96], *Guest* [108-109, 139-140]).

#### 4. Judicial Intervention and Protection of Weaker Parties

- **Why it matters:** This theme explores how English law, despite its emphasis on freedom of contract, intervenes to protect parties in significantly weaker bargaining positions. This is particularly relevant in the context of standard form contracts and the imposition of onerous terms.
- **How it appears in recent case law:**
  - [\*Bates v Post Office \(No. 3\)\* \[2019\] EWHC 606 \(QB\)](#) vividly illustrates this. Fraser J (as he then was) explicitly noted the Post Office's "extremely strong bargaining position" and that contract terms were "not open to negotiation" [982, 51(4)].
    - **Onerous/Unusual Terms:** Applying the *Interfoto* principle, the court required specific notice for "particularly onerous or unusual" terms, finding some Subpostmaster Contract (SPMC) terms unenforceable due to insufficient notice [959, 961-962, 970-971, 975-979, 995, 1049, 1054-1055, 1102].
    - **Unfair Contract Terms Act 1977 (UCTA):** The court found certain terms (e.g. those on liability for losses and compensation for loss of office) failed the reasonableness test under UCTA. This demonstrated judicial willingness to intervene even in commercial contracts where bargaining power is highly unequal, challenging the general "lack of judicial enthusiasm" [1095] for UCTA's intrusion in contracts between parties of equal strength [976, 1062-1110].
    - **Implied Duties:** The finding of "relational contracts" with an implied duty of good faith imposes obligations on the stronger party (Post Office) to act with transparency, cooperation, and fair dealing, beyond express terms, implicitly offering protection to the weaker party [725-726, 1122].
  - [\*Autoclenz v Belcher\* \[2011\] UKSC 41](#) (referenced in *Bates*) is significant for the principle that courts must ascertain the "true agreement" between parties by being "realistic and worldly wise" [915] about power imbalances where one party dictates terms, even outside strict employment law contexts [17, 865, 909-926].
- **Underlying policy concerns:** The aim is to prevent the **abuse of dominant bargaining power** by ensuring that disproportionately harsh or surprising terms are not imposed without proper consent. This involves promoting **substantive fairness** through the application of UCTA and **procedural justice** by requiring adequate notice for unusual terms and considering the true nature of the contractual relationship rather than just its written label [915-922].

These ongoing disputes reflect a broader theme of **doctrinal drift from classical contract principles**, as English law adapts to complex, long-term commercial relationships and informal domestic arrangements. While maintaining a commitment to certainty and party autonomy, courts are demonstrating increased willingness to intervene to ensure commercial fairness, prevent abuses of power, and resolve unconscionable outcomes.

#### C. Background

The doctrinal landscape of English law, particularly in contract and property, has been shaped by a complex interplay of traditional principles, evolving judicial interpretation and external pressures.

## 1. Traditional Position Under English Law

Traditionally, English contract law has placed a **strong emphasis on the literal interpretation of express contractual terms**, aiming to ascertain the objective meaning of the language chosen by the parties (*Bates* [620, 621, 625], *Guest* [209, 217-218], *Yam Seng* [85-86]). Courts are cautious not to rewrite contracts based on hindsight or perceived unfairness, even if terms turn out to be detrimental to one party (*Bates* [626], *Guest* [216, 218]). This approach prioritises **certainty** in commercial dealings (*Yam Seng* [123, 162]).

Regarding **implied terms**, English law distinguishes between terms implied "in fact" (based on the presumed intention of the parties to give business efficacy or because they are so obvious they "go without saying") and terms implied "in law" (as an incident of a particular type of contract) (*Yam Seng* [123, 127, 132], *Bates* [690, 691, 694-696], *Essex* [92-93]). The threshold for implication is **necessity**, not mere reasonableness (*Yam Seng* [127], *Bates* [695]).

Historically, English contract law has exhibited a **"traditional hostility" towards a general doctrine of good faith** (*Yam Seng* [123, 120-121], *Bates* 638, 651)). Instead of an overarching principle, it has favoured "piecemeal solutions in response to demonstrated problems of unfairness" (*Yam Seng* [123, 121]). This stance is often attributed to an ethos of individualism, allowing parties to pursue self-interest and a concern that a vague concept of good faith would create too much uncertainty (*Yam Seng* [123]).

In **proprietary estoppel**, the doctrine originated as a **negative and defensive legal principle**, preventing a party (A) from asserting pre-existing property rights against another party (B) when A had encouraged B to act to their detriment based on a mistaken belief in an existing right (e.g. by acquiescence or standing by) (*Bates* [714-715, 717, 719-721, 725, 736] *Guest* [139, 145, 151, 188]). It was not initially conceived as a positive cause of action to enforce a promise that lacked contractual formalities (*Bates* [714], I[178, 205-206]).

## 2. Contrasts with Civil Law or International Practice

English law's traditional reluctance to embrace a general duty of good faith places it somewhat **"against the tide"** compared to many other legal systems (*Yam Seng* [124]). **Most civil law systems** (e.g. Germany, France, Italy) have long recognised a broad principle of good faith derived from Roman law (*Yam Seng* [124]). Furthermore, **other common law jurisdictions**, such as the United States, Canada, Australia, and Scotland, have increasingly adopted or imply duties of good faith in contractual performance (*Yam Seng* [127, 125, 126, 129-131], *Bates* [636-637]). This widespread acceptance highlights a divergence in fundamental contractual philosophy, with English law historically preferring a more fragmented, case-by-case approach (*Yam Seng* [123, 121, 129-131], *Bates* [721-722]).

In the context of **proprietary estoppel**, the **Australian jurisprudence** initially saw some influential dicta suggesting that the aim of the remedy should be to prevent or compensate for detriment (as seen in *Commonwealth v Verwayen*). However, this "detriment-based aim" later "withered away" in Australian law, with subsequent High Court decisions (*Giumelli v Giumelli*, *Sidhu v Van Dyke*) **reverting to an expectation-based approach** as the prima facie basis for relief, aligning more closely with the historical English position (*Guest* [56-60, 185, 230-233]).

## 3. Emergence of Key Judgments

Several landmark judgments have significantly shaped the modern doctrinal landscape:

- [\*Yam Seng Pte Ltd v International Trade Corporation Ltd\* \[2013\] EWHC 111 \(QB\)](#): This case marked a crucial development by proposing that **a duty of good faith could be implied in fact into "relational contracts,"** even without a general doctrine of good faith in English law (*Yam Seng* [129-131, 139, 142, 152-153]). Leggatt J (as he then was) defined "relational contracts" as those involving a long-term relationship, substantial commitment, high degree of communication and cooperation, and mutual trust and confidence (*Yam Seng* [142]). The implied duty of good faith, in this context, was explained as requiring parties to refrain from conduct that would be "commercially unacceptable by reasonable and honest people," going beyond mere honesty (*Yam Seng* [138-144, 152-153], *Essex* [114]).
- [\*Bates & Ors v Post Office Ltd \(\(No.3\) Common Issues\)\* EWHC 606 \(QB\)](#): Building directly on *Yam Seng*, Mr Justice Fraser (as he then was) affirmed and **applied the concept of "relational contracts" to the long-standing agreements between the Post Office and its sub-postmasters** (*Bates* [702-705, 710-712, 720-722, 725-729]). The judgment identified **specific characteristics relevant to determining if a contract is relational**, including the absence of express terms precluding good faith, a mutual intention for a long-term relationship, and significant mutual commitment (*Bates* [725-727], *Essex* [105]). This case underscored that the Post Office, as a publicly funded body engaging individuals in positions of trust, had an implied obligation of good faith (*Bates* [730]).
- [\*Essex County Council v UBB Waste \(Essex\) Ltd \(Rev 1\)\* EWHC 1581 \(TCC\)](#): This judgment further **reinforced the applicability of the relational contract concept, particularly to complex, long-term PFI (Private Finance Initiative) contracts**, describing them as "paradigm example[s] of a relational contract in which the law implies a duty of good faith" (*Essex* [112, 113], *Bates* [696]). It reiterated that an express term inconsistent with good faith would prevent such an implication (*Bates* [683-684]).
- [\*Guest & Anor v Guest\* UKSC 27](#): This Supreme Court case provided much-needed clarity on the **remedy for proprietary estoppel claims**, which had been subject to a "lively controversy" (*Guest* [136, 156, 158-159, 168]). The court **firmly rejected the "detriment-based" approach** as the aim of the remedy in English law (*Guest* [69-71, 53, 93]). Instead, it affirmed that the **primary purpose of the remedy is to eliminate or mitigate the "unconscionability" arising from the promisor's repudiation of their promise**, typically by **satisfying the promisee's expectation**, albeit with flexibility and proportionality (*Guest* [61, 68, 72, 75, 79, 80]). The principle of "minimum equity to do justice" (from [\*Crabb v Arun District Council\* \[1976\] Ch 179](#)) was clarified to mean a remedy sufficient to negate unconscionability, not necessarily the cheapest option for the promisor (*Guest* [80, 62, 65-67, 13, 25-26]). The judgment also addressed the complexities of "acceleration" when a promise for future inheritance is repudiated during the promisor's lifetime, suggesting a discount for early receipt (*Guest* [63-64, 78-79, 90, 240, 241]).

#### 4. External Drivers

**Commercial Realities and Sectoral Needs:** The complexity and long-term nature of modern commercial relationships, especially in sectors like waste management (PFI contracts) or widespread network services (Post Office), have driven the need for more flexible contractual interpretations and implied duties like good faith. The Post Office's requirement for a "very high degree of control" over sub-postmasters and the sub-postmasters' position of trust, dealing with public funds, were acknowledged as specific features influencing the finding of relational contracts (*Bates* [29-31, 730]). The recognition that parties often contract on "standard business terms" with unequal bargaining power has also led courts to scrutinise terms and consider principles beyond a rigid "like it or lump it" approach.

**Academic Critique:** Legal scholarship has played a significant role in shaping judicial discourse. Academics have highlighted the inconsistencies and lack of clarity in certain areas of law, particularly concerning good faith and proprietary estoppel (*Guest* [158-159, 7, 170-171], *Yam Seng* [150], *Bates* [709]). The "lively controversy" regarding the aim of proprietary estoppel remedies was extensively debated in academic writings, prompting the Supreme Court in *Guest & Anor v Guest* to provide a definitive resolution and address concerns about unpredictability in litigation (*Guest* [156, 158-159, 171-172]). Courts now openly acknowledge and draw upon academic views as a source of assistance (*Yam Seng* [150], *Bates* [709, 93]).

## D. Legal Issues and Analysis

The doctrinal landscape of English law concerning contract and proprietary estoppel has seen significant evolution, particularly through recent landmark judgments that have clarified existing principles and addressed long-standing controversies.

### Issue 1: Implication of Good Faith in Commercial Contracts

The traditional English law position has been one of **skepticism towards a general duty of good faith** in contractual performance, preferring piecemeal solutions to specific problems of unfairness (*Yam Seng* [121, 123]). However, recent case law, notably *Yam Seng*, *Bates*, and *Essex County Council v UBB Waste*, has shown a clear trajectory towards accepting implied duties of good faith in certain types of commercial agreements, particularly "relational contracts."

### Authoritative Judicial Reasoning and Comparison of Views

#### 1. Traditional Stance and its Rationale:

Leggatt J (as he then was) in [\*Yam Seng Pte Ltd v International Trade Corporation Ltd EWHC 111 \(QB\)\*](#) acknowledged the "general view among commentators" that English contract law has no "legal principle of good faith of general application" (*Yam Seng* [120-121]). He quoted Bingham LJ in *Interfoto Picture Library Ltd v Stiletto Visual Programmes Ltd* 1 QB 433, who stated that "English law has, characteristically, committed itself to no such overriding principle but has developed piecemeal solutions in response to demonstrated problems of unfairness" (*Yam Seng* [121]).

Leggatt J (as he then was) identified three main reasons for this "traditional English hostility" (*Yam Seng* [123]):

- A preference for incremental solutions over broad principles.
- An "ethos of individualism," allowing parties to pursue self-interest within contract terms.
- A "fear that recognising a general requirement of good faith... would create too much uncertainty," due to its vague and subjective nature.

#### 2. Emergence of Relational Contracts and Implied Good Faith:

Despite the traditional stance, Leggatt J (as he then was) in *Yam Seng* observed that English law was "swimming against the tide" compared to most civil law systems and other common law jurisdictions (e.g. US, Canada, Australia, Scotland), which recognise a general principle of good faith (*Yam Seng* [124-127, 128]).

He concluded that "there seems to me to be **no difficulty... in implying such a duty in any ordinary commercial contract based on the presumed intention of the parties**" (*Yam Seng* [142], *Bates* [705(2.67)]). This is framed as a term implied "in fact," consistent with established methodology, rather than a general duty implied "in law" into all commercial contracts (*Yam*

*Seng* [142, 132], *Bates* [705(2.67)]).

Crucially, Leggatt J (as he then was) introduced the concept of "**relational contracts**" as those which "involve a longer term relationship between the parties which they make a substantial commitment," requiring "a high degree of communication, cooperation and predictable performance based on mutual trust and confidence and involve expectations of loyalty" (*Yam Seng* [142], *Bates* [708]).

Examples included joint venture, franchise, and long-term distributorship agreements (*Yam Seng* [142], *Bates* [708]).

The **content of the duty of good faith is "sensitive to context"** and requires conduct that would be "regarded as commercially unacceptable by reasonable and honest people" (*Yam Seng* [144], *Bates* [709]). It extends beyond mere honesty (*Yam Seng* [141, 188], *Bates* [710]).

### 3. Solidification and Application of Relational Contracts:

***Bates & Ors v Post Office Ltd ((No.3) Common Issues) EWHC 606 (QB)***: Fraser J (as he then was) explicitly affirmed and applied the "concept of relational contracts" to the agreements between the Post Office and its sub-postmasters, deeming it "one of the most important issues" in the litigation (*Bates* [152-153, 161-162, 189, 31]). He identified nine characteristics relevant to this determination, building on *Yam Seng* (*Bates* [725]):

1. There must be no express contractual terms excluding the implication of good faith.
2. The contract must be long-term, with the parties intending an enduring relationship.
3. The parties must perform their roles with integrity and fidelity to their agreement.
4. The parties must be committed to collaboration in carrying out the contract.
5. The parties aims and spirit may not be fully captured in the written terms.
6. The parties must place mutual trust and confidence in each other, distinct from fiduciary duties.
7. The contract must involve sustained communication, cooperation, and predictable, loyal performance.
8. One or both parties may make a significant or substantial financial investment in the venture.
9. The relationship may involve elements of exclusivity.

Fraser J (as he then was) found all these features present, noting particularly the Post Office's "very high degree of control" over sub-postmasters and their position of trust in handling public funds (*Bates* [730, 45]).

He also **disagreed with the academic view** (specifically citing *Chitty on Contracts*) that a good faith term means only honesty, stating it is "simply wrong" and includes "more than that" (*Yam Seng* [188], *Bates* [710]).

***Essex County Council v UBB Waste (Essex) Ltd [2020] EWHC 1581 (TCC)***: Pepperall J described a 25-year PFI contract as a "**paradigm example of a relational contract** in which the law implies a duty of good faith" (*Bates* [683-685], *Essex* [112-113]). He accepted Fraser J's analysis of characteristics from *Bates* as "helpful indicia," but questioned whether the first factor (no inconsistent express terms) is a characteristic or merely a precondition for implication (*Bates* [650-651], *Essex* [106]).

Pepperall J further clarified that **entire agreement clauses do not, of themselves, prevent the implication of terms**, as implication serves to "elucidat[e] what the written contract means" (*Essex* [110-111], *Bates* [672-674]).

## Coherence and Consistency in Development

The development of good faith in English contract law, while incremental, shows increasing coherence. The initial "hostility" (*Yam Seng* [123]) has evolved into a more nuanced approach where good faith is implied in specific, identifiable circumstances, primarily within the framework of "relational contracts." (*Yam Seng* [142], *Bates* [705-711], *Essex* [99-100]). The objective test for good faith ("commercially unacceptable by reasonable and honest people") (*Yam Seng* [144], *Bates* [705, 706, 711, 738, 999, 1113], *Essex* [114-115]) remains consistent across the judgments. The refinement by Pepperall J regarding the "no inconsistent express terms" (*Essex* [106-107]) point highlights the ongoing effort to define the boundaries and preconditions for such implications with precision.

The courts are actively building on *Yam Seng*, providing more concrete guidance on the characteristics that render a contract "relational." This move away from strict textualism in specific contexts towards a more contextual and purposive interpretation aims to ensure that commercial contracts reflect broader expectations of fair dealing without undermining contractual certainty.

## Academic Commentary

**Ewan McKendrick** (2019) is cited for noting the "traditional English hostility".

**Hugh Collins'** paper "[Is a relational contract a legal concept?](#)" (2016) is referenced in *Bates* [705], with Fraser J (as he then was) acknowledging its "sceptical point of view" [736] but ultimately concluding that the concept is not a "passing fad" [736].

The discussion in *Chitty on Contracts* regarding the general application of good faith is noted by Leggatt J (as he then was) in *Yam Seng* [121, 139, 188] and directly critiqued by Fraser J (as he then was) in *Bates* [710] for its narrow interpretation of good faith as mere honesty.

## Comparative Law Note

English law's traditional stance has been an outlier. Most **civil law systems** (e.g. Germany with BGB §242, France with *bonne foi*) have long recognised a broad principle of good faith (*Yam Seng* [124]). In the **United States**, a general duty of good faith and fair dealing is well-established (e.g. Uniform Commercial Code, Restatement (Second) of Contracts) (*Yam Seng* [125]). **Canadian and Australian courts** have also increasingly adopted or implied duties of good faith in contractual performance (*Yam Seng* [126-128]). Even **Scottish law** recognises a broad principle of good faith and fair dealing (*Yam Seng* [129-131]). The recent English judicial developments, particularly the recognition of "relational contracts," indicate a partial convergence with these broader international trends, addressing the criticism that English law was "swimming against the tide" (*Yam Seng* [124]).

## Sectoral Implications

**In Practice: Construction & Infrastructure** Long-term, complex construction and infrastructure projects, especially those under Public Finance Initiative (PFI) models, are increasingly likely to be deemed "relational contracts." This means that parties may have **implied duties of good faith, cooperation, and fair dealing**. This impacts how contractual discretions are exercised, how information is shared, and how disputes are managed. For instance, in [Essex County Council v UBB Waste \(Essex\) Ltd \(Rev 1\) \[2020\] EWHC 1581 \(TCC\)](#), a 25-year PFI contract was considered a "paradigm example" of a relational contract [113], requiring an implied duty of good faith (*Bates* [683-685], *Essex* [112-113]). This necessitates a shift from purely adversarial positions to one of greater collaboration to uphold the "spirit and objectives" [104] of the long-term venture.

**In Practice: Franchise & Agency Relationships** Beyond traditional employment, other long-term commercial relationships involving significant mutual commitment and trust, such as franchise or extensive agency networks, are highly susceptible to having implied duties of good faith. The *Bates v Post Office* case provides a clear precedent, affirming that the contracts between the Post Office and its sub-postmasters were relational due to the "long-term mutual intention," [725.2] "high degree of control" [29] by the Post Office, and the sub-postmasters' position of trust [32, 726, 730, 785]. This implies that parties in similar arrangements, even if not formal employees, should expect their conduct to be scrutinised against a standard of "commercially unacceptable" behaviour by reasonable and honest people [705, 706, 711, 738, 999, 1113], extending beyond mere honesty [738].

## Issue 2: The Basis and Remedy of Proprietary Estoppel

The doctrine of proprietary estoppel, particularly concerning promises of future property interests, has been at the centre of a "lively controversy" (*Guest* [50, 52]) regarding the fundamental aim of its remedy: should it fulfil the claimant's expectation or compensate for their detriment? The Supreme Court's decision in [Guest & Anor v Guest \[2022\] UKSC 27](#) has provided significant clarity, largely reaffirming the expectation-based approach as the primary aim.

### Authoritative Judicial Reasoning and Comparison of Views

#### 1. The "Lively Controversy":

Lord Briggs in [Guest & Anor v Guest \[2022\] UKSC 27](#) outlined the "fundamental divergence of view about which, as between satisfying the expectation and compensating for the detriment, is or rather should be the true underlying aim of the remedy" [7]. This debate had persisted for over 25 years [7].

Lewison LJ in [Davies v Davies \[2016\] EWCA Civ 463](#) (quoted in *Guest*) summarised the two "fundamentally different" approaches [50]: one aiming to "give effect to the claimant's expectation unless it would be disproportionate to do so," and the other aiming to "ensure that the claimant's reliance interest is protected, so that she is compensated for such detriment as she has suffered" [50, 158].

#### 2. The Majority View (Lord Briggs):

- Lord Briggs, delivering the majority judgment, **firmly rejected the "detriment-based" approach as the aim of the remedy** in English law [13, 71, 79]. He found its logic "faulty in origin and wrong in its inevitable result" because it "mistakenly treats the detriment rather than the loss of expectation as the relevant harm" [53].
- He clarified that the **"true purpose" of the remedy is "dealing with the unconscionability constituted by the promisor repudiating his promise"** [13,8].
- The court's "normal approach" at the remedy stage should "start with the assumption (not presumption) that the simplest way to remedy the unconscionability... is to hold the promisor to the promise" [75].
- The famous dictum of Scarman LJ in [Crabb v Arun District Council \[1976\] Ch 179](#), "the minimum equity to do justice," was clarified. Lord Briggs stated it "had nothing at all to do with compensating for the detriment as an alternative to fulfilling the expectation, still less choosing... the cheaper (or more minimalist) alternative" [13, 25-26]. Instead, it means a remedy sufficient to negate unconscionability, which often entails fulfilling the expectation [13, 25].
- **Proportionality** is a "useful cross-check for potential injustice," meaning the remedy should not be "out of all proportion to the detriment," but it is "a good servant but a bad master" and

not to be applied by "detailed mathematical examination" [72]. Where detriment has "lifelong consequences," a detriment valuation analysis is less useful [72].

- Lord Briggs emphasised the **flexibility of equitable relief** to address practical problems, such as needing a "clean break" when warring parties cannot cohabit or adjusting for "acceleration" when a future inheritance is awarded during the promisor's lifetime [79, 6, 32, 63-64].

### 3. The Minority View (Lord Leggatt):

- Lord Leggatt, in his dissenting judgment, argued that the term "proprietary estoppel" is "inapt" because estoppel is traditionally "negative and essentially defensive" [137, 108, 151]. He suggested "property expectation claim" as a more fitting label [154-155].
- He maintained that the "basal purpose of the doctrine" is "to avoid or prevent a detriment" [189, 232].
- He believed that "where there is more than one means of avoiding detriment to the claimant, the court should in principle adopt whichever remedial approach imposes the least burden on the defendant" [197]. This was his interpretation of "minimum equity" [197].
- Lord Leggatt criticised the lack of "principled basis" for remedy in English law, arguing that "English law needs to do better than this" [160]. He warned against "palm-tree justice" [156, 163, 164].
- For promises of future inheritance revoked during a lifetime, he suggested that "awarding compensation for B's reliance loss, even if difficult to quantify, is likely to be less uncertain and to produce a fairer result" [259-260].

### Coherence and Consistency in Development

[\*\*\*Guest & Anor v Guest\* \[2022\] UKSC 27\*\*](#) brings significant clarity to the previously "confused waters" [17] of proprietary estoppel remedies. The majority judgment by Lord Briggs effectively settles the debate in favour of the expectation-based approach as the primary aim, explicitly rejecting the detriment-based approach as the underlying purpose in English law [71, 61, 69].

This decision reaffirms the historical trajectory of proprietary estoppel in England, which has largely focused on enforcing the promise to prevent unconscionability, rather than merely compensating for loss suffered in reliance [61].

While Lord Leggatt's dissent highlights the ongoing theoretical debate and challenges to the doctrine's conceptual coherence, the majority decision provides a clearer framework for practitioners, promoting greater predictability in outcomes for claimants. The flexibility of the remedy is maintained but now explicitly within an expectation-based paradigm, with proportionality serving as a "cross-check" rather than the guiding principle for the amount of the award.

### Academic Commentary

**Elizabeth Cooke** (*The Modern Law of Estoppel*) and **Ben McFarlane** (*The Law of Proprietary Estoppel*) are identified as leading academic voices in the detriment vs. expectation debate, whose works underpinned the controversy [7, 170].

Lord Briggs, in his majority judgment, aligned with Cooke's view that the "long-standing tendency of the English courts had been to frame relief on an expectation rather than detriment basis" [38].

Lord Leggatt's dissent heavily relies on and cites academics (e.g. A Robertson, J Mee, I Samet, B McFarlane, P Sales, S Gardner) who have supported the reliance/detriment basis or criticised the unpredictability and lack of fixed principle in the doctrine [163-164, 170-171, 224]. Lord Leggatt also

referenced Professor Martin Dixon's observation of the "Jackson Pollock" nature of much proprietary estoppel litigation [172].

## Comparative Law Note

**Australia:** The Australian jurisprudence, particularly through *Commonwealth v Verwayen* HCA 10, initially saw influential dicta suggesting that the aim of estoppel was to prevent detriment [56, 66-67]. However, subsequent High Court decisions, notably *Giumelli v Giumelli* HCA 10 and *Sidhu v Van Dyke* HCA 19, "withered away" this detriment-based aim [59-60]. These cases reverted to an expectation-based approach as the *prima facie* basis for relief, which "reflects the value of the promise" where unconscionable conduct consists of resiling from it [232, 57-59, 230, 233]. This convergence demonstrates a shared historical lineage and similar practical outcomes despite some initial theoretical divergence.

**Canada:** The Canadian Supreme Court in *Cowper-Smith v Morgan* SCC 61 also endorsed the principle of proportionality, linking the remedy to the detriment it aims to avoid [230].

## Sectoral Implications

**In Practice: Family Property & Inheritance Disputes** [Guest & Anor v Guest \[2022\] UKSC 27](#) provides crucial guidance for family and inheritance disputes, especially those common in farming families where informal promises of future inheritance are made. The Supreme Court's ruling means that if a claim for proprietary estoppel is established, the **prima facie remedy will be to fulfil the claimant's expectation** (e.g. transfer of property or a monetary equivalent) rather than merely compensate for their financial detriment. This offers greater predictability for claimants who have made lifelong sacrifices based on such promises. However, the court retains a flexible discretion to adjust the remedy, for example, by applying a discount for "acceleration" if a future inheritance is received immediately, or by ensuring a "clean break" where relationships have irrevocably broken down [79, 6, 32, 63-65, 259-260, 16, 85, 128-129]. This aims to achieve "substantial justice" by balancing the claimant's expectations with the promisor's circumstances and the interests of other family members.

**In Practice: Property Transactions & Land Development** For professionals advising on property transactions, *Guest v Guest* reinforces the principle that proprietary estoppel is not a broad tool for judicial intervention based on general notions of fairness or "palm-tree justice" [156, 164, 162]. While the doctrine allows for interests in land to be created without formal compliance, it operates on principled grounds aimed at remedying unconscionability, primarily by upholding the promise. This clarity supports legal certainty in property dealings by defining the circumstances and typical remedies for informal promises relating to land, directing towards expectation fulfilment unless clearly disproportionate or impracticable in the specific context [81].

## E. Conclusion

The current state of the doctrine, particularly proprietary estoppel, as reflected in the sources, indicates a complex interplay between the desire for flexibility to achieve justice and the need for principled application and predictability.

### 1. Codification or Restatement

The sources do not suggest a move towards **codification** of proprietary estoppel into rigid statutory rules. Instead, there is a clear trend towards a **restatement** and clearer articulation of its underlying principles [65, 81, 136, 160]. The Supreme Court in [Guest & Anor v Guest \[2022\] UKSC 27](#) grappled with the "lively controversy" and lack of clarity surrounding the remedy's aim, with Lord

Leggatt lamenting that "English law needs to do better than this" and that leaving the aim undefined leads to "inconsistent and arbitrary decision-making" [158-160, 163-164, 171-172].

While Lord Briggs firmly **rejected the notion that the aim of the remedy is detriment-based**, stating it "has not taken root in England" [69, 71], he advocates for a clearer framework where the starting point is usually the fulfilment of the promise, subject to tempering by practicalities, justice between parties, fairness to third parties, and a cross-check for proportionality to detriment [61, 72, 75, 94]. This approach aims to provide more certainty for litigants and their advisors while retaining the inherent flexibility of equitable relief [81-82]. Lord Leggatt also emphasised that "modern equity is governed by principle just as much as the law in general," and that judges must provide reasons to ensure transparency and accountability in their discretionary decisions [161, 166].

## 2. Doctrinal Drift or Stabilisation

The doctrine has experienced significant **doctrinal drift** over the last 25 years concerning the fundamental aim of the remedy (expectation vs. detriment) [158-159, 7]. [Guest & Anor v Guest \[2022\] UKSC 27](#) highlights this period of "fundamental divergence" [7]. However, the Supreme Court's decision appears to be a significant step towards stabilisation of the English approach, particularly by:

- **Rejecting the detriment-based aim:** Lord Briggs explicitly states, "the notion that the aim of the remedy is detriment-based has not taken root in England" should be "firmly reject[ed]" [69, 71]. He argues that the "wrong is the repudiation and the harm is the non-fulfilment of the promise thereafter" [70].
- **Affirming expectation as the starting point:** The "normal and natural remedy was to hold the promisor to his promise" [61, 75], especially where the promise and detriment are clearly defined (the "almost contractual" end of the spectrum) [77].
- **Integrating proportionality as a cross-check:** While not the aim, proportionality between the remedy and detriment serves as "a useful guard against potential injustice" [68, 72, 94].

Lord Leggatt, in his dissenting judgment, acknowledged this attempt at stabilisation but still voiced concerns about the lack of clear mandate and the "unprincipled and consequently unpredictable" nature that has led to "snowballing" litigation [163-164, 171-172]. His preferred approach leans more towards compensating reliance loss as the primary aim, particularly when the promise is revoked before it is due [254-256, 259-260, 276]. Despite this, the majority judgment represents a strong push for a clear, expectation-led (but flexible) approach for proprietary estoppel in England.

## 3. A Bifurcation between General Principles and Sector-Specific Carve-outs

The sources demonstrate a clear **bifurcation** (division into branches or parts) in the application of flexible equitable principles, particularly between informal family promises (proprietary estoppel) and formal commercial contracts (implied duties of good faith/relational contracts):

- **Proprietary Estoppel (Family/Informal Contexts):** The doctrine is primarily applied in domestic situations, often involving family farms or homes, where informal promises are common and a high degree of certainty found in commercial contracts is not expected [81, 108, 111, 187]. Lord Briggs explicitly contrasts its typical context of "family property rather than business and commerce" [81], and Lord Leggatt notes that seeking a formal contract in such settings "would be regarded as at best superfluous and at worst offensive" [187]. The remedy here is highly flexible, aimed at preventing "unconscionable conduct" and often involves specific performance or monetary proxies for an expectation interest [65, 61, 5].
- **Implied Duties of Good Faith/Relational Contracts (Commercial Contexts):** In

commercial dealings, English law generally maintains that a duty of good faith will not be routinely applied to all commercial contracts [264]. However, it can be implied as an "incident of certain categories of contract," particularly "relational contracts" which are long-term, involve high degrees of communication, cooperation, and mutual trust (Guest [264], Bates [705], Essex [99, 100, 129]).

- *Bates v Post Office* is a prime example, where the court found the contracts between the Post Office and sub-postmasters to be relational, implying duties of good faith, fair dealing, transparency, cooperation, and trust (Guest [264, 243-244], Bates [31, 1110-1111, 1112]). This meant the Post Office had to exercise its powers (like suspension and termination) in accordance with good faith (Bates [1117]).
- *Essex County Council v UBB Waste* affirms the concept of relational contracts and the implication of good faith, noting that this is a "useful approach" (Essex [105-106]). However, it also clarifies that an express term inconsistent with good faith would be fatal to its implication (Essex [107]) and that a contractual right to terminate is not generally subject to an implied qualification that it must be exercised in good faith (Essex [97]).
- This suggests a more constrained application of good faith in commercial contexts, balancing commercial certainty with notions of fairness, and less about curing "unconscionability" in the broad equitable sense of proprietary estoppel.

This bifurcation highlights distinct judicial approaches based on the nature of the relationship and the context in which promises or agreements are made.

## Forward-looking Questions

1. How will courts continue to **distinguish between "informal" and "commercial" contexts** when applying flexible equitable principles, especially as lines blur in hybrid family-business ventures?
2. Given the Supreme Court's move towards clarifying the aims and principles of proprietary estoppel, will this lead to a **reduction in the volume of "snowballing" litigation** in this area, or will the inherent factual sensitivity of these cases continue to challenge predictability?
3. Will the development of "relational contract" principles, with their implied duties of good faith, eventually lead to a more **explicit recognition or redefinition of general good faith obligations** across all commercial contracts in English law, moving beyond the current piecemeal approach?

## F. Key Takeaway:

*The recent developments in proprietary estoppel and the evolving understanding of implied duties in relational contracts present both risks and opportunities for practitioners. Clarity in contractual arrangements and diligent management of expectations are paramount.*

### 6.1 What to Watch For

#### **Proprietary Estoppel - Informal Promises in Domestic Contexts:**

- **Vague Assurances and Detrimental Reliance:** Be highly alert to **informal promises or assurances about property, especially in family settings, even if vague or indirect** (Guest [4, 108, 154, 177]). Such promises, when relied upon to a claimant's detriment, can give rise to an equity. The detriment doesn't have to be purely financial; it can involve **"life-changing decisions with irreversible consequences of a profoundly personal nature"** (Guest [59, 197-198]).
- **Unconscionability as the Core:** The underlying aim of the remedy is to prevent or undo

"unconscionable conduct" – specifically, the promisor's failure to take responsibility for the consequences of the promisee's reasonable reliance (Guest [13, 61, 94, 190-191]).

- **Expectation as Starting Point, Proportionality as Cross-Check:** While courts typically start with fulfilling the promisee's expectation, they will **cross-check for proportionality to the detriment suffered** (Guest [61, 94, 68]). A remedy that is "out of all proportion" to the detriment may be reduced (Guest [76, 218]).
- **"Clean Break" Considerations:** If relationships break down, courts may seek to achieve a "clean break" through a monetary award, which might be accelerated from a future expectation, potentially subject to a discount (Guest [32, 63-64, 78, 98, 128-129, 259-260]).

### **Implied Duties in Commercial/Relational Contracts:**

- **Identification of "Relational Contracts":** The concept of a "relational contract" is well-established in English law (Yam Seng [48, 114, 123], Essex [99]). These are typically **long-term agreements involving "a high degree of communication, co-operation and predictable performance based on mutual trust and confidence and involve expectations of loyalty"** (Yam Seng [142], Essex [100, 105]). Key indicia include mutual intention for a long-term relationship, commitment to collaboration, and significant investment by parties (Essex [105], Yam Seng [135]). The contracts between the Post Office and sub-postmasters were explicitly found to be relational (Yam Seng [148-149, Essex [103-104]).
- **Implied Duty of Good Faith:** In relational contracts, an **implied obligation of good faith arises** (Yam Seng [148-149, 152-153], Essex [112-113, 116-117]). This means parties must "refrain from conduct which in the relevant context would be regarded as commercially unacceptable by reasonable and honest people" (Yam Seng [152-153], Essex [114]). This goes beyond mere honesty to include fidelity to the bargain, fair dealing, and cooperation (Yam Seng [152-153, 79-81, 110-111], Essex [114-115]).
- **Constraint on Discretionary Powers:** Even where a contract grants one party a discretion or power (e.g., to suspend or terminate), it is often subject to an **implied term that it must be exercised in good faith and not arbitrarily, capriciously, or unreasonably** (Bates [404, 45(2), 45(3)], Yam Seng [145, 204]). This applies to decisions affecting the rights of both parties, such as suspension or termination clauses.
- **Onerous or Unusual Terms and Incorporation:** Pay close attention to clauses that are "particularly onerous or unusual." For these, more than mere inclusion in a document is required; they must be **"brought fairly and reasonably to the other party's attention"** to be enforceable (Bates [961-962, 979]). This was a key issue for the SPMC (Sub Postmasters Contract).
- **Unfair Contract Terms Act 1977 (UCTA):** Terms in standard business contracts that exclude or restrict liability or claim entitlement to render a performance substantially different from what was reasonably expected, must satisfy the **requirement of reasonableness under UCTA 1977** (Bates [1122(7)]). The burden of proving reasonableness is on the party relying on the term.

## **6.2 How to Protect Clients**

### **Proactive Drafting and Clear Communication:**

**Proprietary Estoppel:** For individuals making informal promises, particularly regarding property or inheritance, **advise them on the potential for proprietary estoppel claims**. Encourage **clear, formal, and written documentation** of any property interests or future gifts to avoid ambiguity and reliance pitfalls (Guest [14, 178]). If an informal promise is made, ensure the promisee understands its non-binding nature and **discourage detrimental reliance** by making any

expectations conditional or clarifying limits.

### **Relational Contracts:**

- **Expressly Define Scope of Good Faith:** If parties want to define or limit the scope of "good faith" in a commercial contract, they should do so **expressly and clearly** (Yam Seng [135, 148-149], Essex [106]). However, a complete exclusion of honesty is "hardly conceivable" (Yam Seng [149, 187]).
- **Carefully Draft Discretionary Clauses:** When drafting clauses that grant discretion or power, specify the **criteria for exercising that discretion** to minimise future disputes over arbitrary or capricious conduct. Advise clients that powers must be exercised for their proper purpose (Bates [404], Yam Seng [145, 203-204]).
- **Explicit Incorporation of Onerous Terms:** For any terms that could be considered onerous or unusual, implement a robust process to **ensure they are actively and reasonably drawn to the other party's attention**, beyond mere inclusion in small print. This could involve separate signing, specific highlighting, or recommending independent legal advice (Bates [1122(4-7)]).

### **Risk Mitigation and Due Diligence:**

- **Assess Relational Nature:** For any long-term commercial contract, assess early whether it has characteristics of a "relational contract." This will inform the degree of implied duties of good faith and cooperation, impacting how parties should behave throughout the contract's life.
- **UCTA Compliance Checks:** Routinely review standard terms of business for compliance with UCTA, especially those dealing with liability or significant changes to expected performance. Advise clients that terms deemed unreasonable will be unenforceable.
- **Documenting Detriment:** For potential claimants in proprietary estoppel cases, advise them to **meticulously document any contributions, sacrifices, or lost opportunities** (financial or otherwise) made in reliance on a promise. This evidence is crucial for establishing detriment and quantifying a potential remedy (Guest [31-32, 282Appendix 1-2]).
- **Managing Relationship Breakdowns (Estoppel):** When a relationship breaks down where promises of property were made, consider the "clean break" option and advise on appropriate valuations, including discounts for accelerated receipt, to reach a fair settlement and avoid protracted litigation (Guest [78, 98, 259-260, 105]).

### **Post-Contractual Conduct:**

- **Communication and Transparency:** Emphasise the importance of **open and honest communication** in relational contracts. Withholding or providing false information can constitute a breach of the implied duty of good faith (Yam Seng [114, 64, 171]).
- **Consistency and Fidelity to Bargain:** Advise clients to act with fidelity to the overall bargain and spirit of the contract, even when unforeseen circumstances arise, to avoid being found in breach of implied duties of good faith (Yam Seng [152-153, 139], Essex [139]).

By understanding these nuances and proactively addressing them in drafting, negotiation, and ongoing contractual relationships, practitioners can better protect their clients' interests and navigate the complexities of these evolving doctrines.

### **G. Parting Thoughts**

The evolution of English law's flirtation with good faith and estoppel is less a love story, more a long,

*awkward entanglement between contractual rigidity and equitable decency. Yam Seng cracked open the doctrinal vault by recognising duties of honesty in long-term commercial relationships—cue widespread academic fanfare and judicial side-eye. Bates v Post Office took things nuclear, with a judicial denunciation of conduct that would make Machiavelli blush. Essex v UBB proved that even in big-money, detail-drenched contracts, the courts may still imply a duty to act sensibly—largely because the parties often don't.*

*And then there's Guest v Guest—a full-throated Supreme Court ballad of generational promises, silent sacrifices, and a family dispute so bruising it could only be healed by a seven-figure equity injection. The Court's attempt to weigh expectation against detriment with surgical finesse gave us a masterclass in discretionary remedy—one that wandered, boldly, into questions of conscience, moral harm, and how much is "just enough" to salve a broken promise made in good faith and undone by bad blood.*

*What emerges is a legal landscape where equity is no longer content to play sidekick to contract. Good faith may still be doctrinally suspect in the common law's stately home, but the judges are letting it lodge in the attic and cook in the kitchen. Proprietary estoppel, for its part, has outgrown its modest origins and now struts across the legal stage with a taste for flexible remedy and fact-sensitive drama.*

*So no, English law hasn't gone fully continental. But it's definitely sharing wine with equity, flirting with good faith, and beginning to wonder whether rigid formalism really gets invited to the best parties anymore.*

**#LegalUpdate #DDAlegal #EnglishLaw, #ContractLaw, #Equity, #GoodFaith, #ProprietaryEstoppel, #RelationalContracts, #ImpliedTerms, #Unconscionability, #LegalDoctrine, #JudicialTrends, #GuestvGuest, #BatesvPostOffice, #YamSeng, #EssexvUBB, #CommercialFairness, #ExpectationsVsDetriment, #LegalScholarship, #LawAndJustice, #CommonLaw, #CaseLawUpdate**

**Nigel Davies** BSc(Hons) (Q.Surv), PGCert.Psych, GDipLaw, PGDipLP, DipArb, MSc (Built Environment), LLM (Construction Law & Practice), MSc (Mechanical & Electrical), MSc (Psychology), FRICS, FCIOB, FCInstCES, FCIArb, CARb, GMBPsS, Panel Registered Adjudicator, Mediator, Mediation Advocate, Chartered Builder & Chartered Construction Manager, Chartered Surveyor & Civil Engineering Surveyor, Chartered Arbitrator, Author, and Solicitor-Advocate

Adjudicator Assessor and Re-Assessor for the ICE and the CIArb

Arbitrator Assessor for the CIArb

ICE DRC Member

ICE DRC CPD Committee Chairman

Adjudicator Exam Question Setter for the ICE

CIArb Adjudication Panel Member since 2006

CIArb Arbitration Panel Member since 2006

CIC Adjudication Panel Member since 2010

Law Society Panel Arbitrator

RIBA Adjudication Panel Member since 2018

RICS Adjudication Panel Member since 2006

TECSA Adjudication Panel Member since 2012

FIDIC Adjudication Panel Member since 2021

ICE Adjudication Panel Member since 2021

RICS Dispute Board Registered since 2013

The information & opinions expressed in this article are not necessarily comprehensive, nor do they

represent the trenchant view of the author; in any event, this article does not purport to offer professional advice. This article has been prepared as a summary and is intended for general guidance only. In the case of a specific problem, it is recommended that professional advice be sought.