Taylors Fashions Ltd v Liverpool Victoria Trustees Ltd [1982] QB 133

The case reviews the representation and reliance as the elements of a proprietary estoppel.

Evidence

The claimants rented premises from the defendant and established the option to renew the lease contract. Although the defendants admitted that this option was agreed upon, they considered it unenforceable because it was unregistered. However, Taylors Fashions Ltd claimed that they invested money to improve the premises under the assumption that they would renew the lease.

Problematics

The proprietary estoppel is under consideration in cases which involve a claimant’s interests in the defendant’s land. Since the claimant relied on this land, it would be unfair for the defendant to insist on their sole legal right to it. The manifestation of a claimant’s interest in the land can be an oral agreement, the actions of the parties involved, or the silent acquiescence of a defendant who was aware of the claimant’s reliance.

The court aims to determine whether the defendants made the representation sufficient for a claimant to rely on it.

Resolution

The High Court decided in favor of the second claimants because the defendant had encouraged them to invest in the improvements of the premises. Thus, these actions implied that the defendant made a representation which was sufficient to justify the claimant’s belief that they would renew the lease.

However, concerning the first claimants, the court did not establish the representation or encouragement by the defendants that they would renew the lease. The two sides had no type of agreement that improvements of the premises would result in favor of the claimants. The claimants also had not expressed their reliance clearly. Considering that the reliance involved the correlation between the actions of the claimant and the
decision to invest in the premises under consideration, the claimants would have made the improvements regardless of their belief that they would renew the lease.