Williams v Roffey Bros & Nichols (Contractors) Ltd [1991]

Evidence
The Roffey Bros, the defendants, worked as constructors. They signed a contract with a lodging company, according to which they had to renovate 27 apartments. The following contract presupposed a penalty clause for exceeding the deadline of refurbishment. The complaints hired Williams, a carpenter, to accomplish a part of the construction. The complaints offered Williams a premium wage to motivate him to finish the work in a timely fashion since he was already behind the due date. Williams proceeded with his work on these conditions until the complaints ceased paying him the extra sums. Consequently, he applied to the Court and claimed that the Roffey Bros violated the contract.

Problematics
The defendants stated their decision to pay Williams an additional wage was not implementable since the complaint did not express any contradictions to their offer. In such a way, the defendants tried to prevent the penalty clause, which was the only advantage they aimed to get. In fact, they did not receive any other benefit or additional profit because Williams performed only the work he was supposed to do according to their agreement. The defendants referred to Stilk v Myrick (1908) 2 Camp 317, a similar contract law case, in which it was claimed that the employer was not liable to provide any extra payment if an employee carried out his actual responsibilities.

Resolution
The Court of Appeal claimed that the precept, which was considered in Stilk v Myrick in 1908, had been significantly changed since that time. Thus, Gildwell LJ stated that the agreement to pay additional sums of money, which was meant to motivate an employee to finish work with no delay, could be qualified as implementable in case an employer wanted to achieve financial advantages and if an agreement was not made under pressure as a result of intimidation or in a dishonest way. The defendants promised to pay Williams a premium reward and that was a decision of their own volition. As a result, in this particular case, there was no pressure on the compliant. Apart from that, the defendants got the possibility to avoid the penalty clause. This definitely was an economic benefit. Hence, Russel LJ declared (at 19) that the Court of Appeal would take the following resolution:

‘treating honest relationships between parties in a commercial and pragmatic way’

Due to this, their agreement regarding additional payment was considered to be implementable.
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