

Consideration

Definition	Dunlop v Selfridge Ltd (1915) <i>"An act of forbearance of one party, or the promise thereof, is the price for which the promise of the other is bought, and the promise thus given for value is enforceable"</i>		
Types of consideration	Executed consideration	An act in return for a promise	
	Executory consideration	A promise for a promise	
Rules of consideration	Consideration need not be adequate but must be sufficient	The law is concerned with bargains not gifts. But it is up to the parties to agree what is sufficient value	Thomas v Thomas (1842) Chappell v Nestle Co. Ltd (1960)
		Sufficiency – consideration must be real and must have some real value. It must be definite and have a value even if it is a nominal amount.	White v Bluett (1853) Ward v Bytham (1956)
	Past consideration is not good consideration	Consideration has no value if it has already been done at the time the agreement takes place. Unless there is an understanding that the work must be paid for. For the exception to apply the following must be present: <ul style="list-style-type: none"> An express or implied request by the promisor to the promisee to perform a task An implied promise inherent in the request that the promisor will pay the promisee a reasonable sum for performance of the task The performance of the task The payment of money by the promisor to the promises for that performance While this is said to be an exception the consideration actually takes place after the implied promise has been made.	Re McArdle (1951) Re Casey's Patent (1892) Lampleigh v Braithwait (1615)
	Consideration must move from the promisee	A person cannot be sued under a contract unless s/he provided consideration.	Tweedle v Atkinson (1861)
	Performing an existing duty cannot be consideration for a new contract	A pre-existing duty is something that you are legally required to do. This can occur in three ways.	
		<ul style="list-style-type: none"> A duty imposed under a public duty to act, such as the police doing what they are required to do under their public duty However, if there is an extra element this may require new payment as in <u>Glasbrook Bros v Glamorgan CC (1925)</u>	Collins v Godefroy (1831) Glasbrook Bros v Glamorgan CC (1925)
		<ul style="list-style-type: none"> A duty imposed under an existing contract with the promisor, such as in a contract of employment, merely doing one's job However, if there is an extra element this may require new payment as in <u>Harley v Ponsonby (1857)</u> and in <u>Williams v Roffey Bros and Nicholls Contractors Ltd (1990)</u> where the defendant builder made the offer of extra payment.	Stilk v Myrick (1809) <u>Harley v Ponsonby (1857)</u> Williams v Roffey Bros and Nicholls Contractors Ltd (1990)
		<ul style="list-style-type: none"> A promise to make payment of an already existing debt, such as repaying a loan 	
	A promise to accept part payment of a pre-existing debt in place of the whole debt is not consideration	Even is a lesser sum is paid and taken on the day a debt is due the creditor will still be able to claim the full amount at a later date.	Pinnel's Case (1602) Foakes v Beer (1884)
		Exceptions to the rule in Pinnel's case	
		1) Accord and Satisfaction. Where there is an agreement to end the old contract and replace it with a new one. This must be done at the request of the creditor not the debtor. 2) Promissory Estoppel – where one party agrees to vary the contract and the other relies on it.	Central London Property Trust Ltd v High Trees House Ltd (1947) Re Selectmove Ltd (1995) D and C Builders v Rees (1965)