# Vitiating Factors - Economic Loss

| **Key Terms** | Undue Influence | There is a relationship between the parties which has been exploited by one party to gain an unfair advantage. | Allcard v Skinner (1882) |
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| | Duress | When someone enters into a contract as a result of threats of violence to the person which would amount to crimes or torts if those threats were carried out. | Barton v Armstrong (1976) |
| | Economic Duress | When someone results into a contract as a result of financial threats | Universe Tankships Inc of Monrovia v International Transport Workers Federation (The Universe Sentinel) (1983) |
| Economic Duress | Economic distress does not normally cover threats towards property | Economic distress does not normally cover a threat to property unless in extreme circumstances. | Skeate v Beale (1840) The Siboen and The Sibotre (1976) Atlas Express v Kafco (1989) |
| | Economic duress (1) – compulsion or lack of practical choice for the victim | A practical effect must be that there is a compulsion or a lack of practical choice for the victim | Universe Tankships Inc of Monrovia v International Transport Workers Federation (The Universe Sentinel) (1983) |
| | Economic Duress involves (2) illegitimate pressure | Commercial pressure is not enough to amount to economic duress. There are a number of factors to consider | Pao on v Lau yiu Long (1979) |
| | Economic Duress involves actions that are not lawful | 'illegitimate pressure' can be constituted by conduct which is not in itself unlawful, although it will be an usual case where that is so | Progress Bulk Carriers Ltd v Tube City (2012) |
| | Effecting of finding economic duress | The contract is voidable, this means that it remains a valid contract until avoided by the innocent party | |
| | Remedies | Does not result in a claim for damages. The courts can make an order of restitution. This is an equitable remedy and therefore discretionary. The idea is that the parties are in the position they would have been in had the improper action not taken place. | |