‘Better late than never’ – Saving defective termination notices

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In the recent case of *Topalsson v Rolls-Royce Motor Cars Ltd* [2023] EWHC 1765 (TCC), the Technology and Construction Court provided useful guidance on the circumstances in which a failure to complete by contractual deadlines entitles the innocent party to terminate a contract. It also illustrates the dangers of terminating a contract for the wrong reasons, and shows how the negative consequences of such a mistake can still be avoided in the nick of time.

Termination of a contract

Before looking at what happened in *Topalsson v Rolls-Royce*, a general reminder of the law surrounding termination of a contract will help to put the issues in dispute in context. Stating the obvious, a breach of contract always gives the innocent party the right to claim damages. However, the innocent party may in certain circumstances also have the option of bringing the contract to an end because of the other party’s breach. Under English common law, termination of a contract can occur in two main sorts of cases.

First, due to a breach of a term of the contract. In particular, any breach of a ‘condition’ or a serious breach of an ‘innominate term’ allows the innocent party to terminate. This begs the question of what a condition and innominate term are.

Read the full article here.

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