

COMMERCIAL DISPUTES WEEKLY – ISSUE 109

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BITE SIZE KNOW HOW FROM THE ENGLISH COURTS

"The onus of establishing that the payment was made only after that reasonable time must be on... the assured."

**Quadra Commodities
SA v XL Insurance
Company SE**

Cargo insurance – late payment

Where a commodities trading company, Quadra, was the victim of a fraudulent scheme for the storage of grain, the Commercial Court held that the loss fell within the misappropriation cover of its cargo insurance. Quadra had an insurable interest and established that the goods had been physically present in the warehouses. Quadra was also able to recover sue and labour costs of bringing proceedings in the local courts but its claim for late payment damages under section 13A of the Insurance Act 2015 failed as the underwriters had paid within a reasonable time. *Quadra Commodities SA v XL Insurance Company SE and others* [2022] EWHC 431 (Comm), 4 March 2022

Termination of secure tenancies

The Supreme Court has held that the Housing Act 1985 did not limit the ways in which public sector landlords of fixed term tenancies could bring such a tenancy to an end to just the exercise of a forfeiture clause. The particular tenancy had contained numerous provisions allowing the landlord to bring the tenancy to an early end, however the landlord had not exercised those rights (including complying with the statutory and common law requirements for forfeiture). The tenancy had now expired as a result of the end of the fixed term. *Croydon LBC v Kalonga* [2022] UKSC 7, 9 March 2022

Contract formation – off spec oil

In a dispute over whether a cargo of crude oil was off spec, the Commercial Court examined the chain of negotiations before holding that the contract for the sale of the oil had been concluded by an email recap between the two traders. Under the terms of that recap, the cargo was in breach of the quality clause due to contamination by organic chlorides. The buyer, BP, was entitled to damages assessed by reference to the cargo's diminution in value as a result of the contamination, rather than by reference to the reasonable cost of cure.

BP Oil International Ltd v Glencore Energy UK Ltd [2022] EWHC 499 (Comm), 9 March 2022

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Company directors – enforcement of personal guarantees

Where a company had gone into administration and owed debts to the claimant, the claimant was able to enforce the personal guarantee against the directors of the company as the unpaid invoices were covered by the terms of that guarantee. The Court dismissed assertions by one of the directors that the guarantee had been entered into under economic duress or as a result of fraudulent or negligent misrepresentations.

Instagroup Ltd v Carroll and another [2022] EWHC 464 (QB), 4 March 2022

Should you wish to discuss any of these cases in further detail, please speak with a member of our London dispute resolution team below, or your regular contact at Watson Farley & Williams:

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