QUESTIONS: PRIVITY OF CONTRACT AND THIRD PARTY RIGHTS

1. What is the doctrine of privity of contract? (2)

2. What were the two difficulties in establishing an argument that the contracting party in fact contracted as agent for the third party? (2)

3. In what circumstances under the Contracts (Rights of Third Parties) Act 1999 can a third party rely on an exemption clause in a contract to which he is not a party? (3) How does this differ from the previous position at common law? (4)

4. What is the significance of *Jackson v Horizon Holidays*? (2)

5. How does the House of Lords in the *St Martin’s Property* appeal reach its conclusion that substantial damages are available to a person who has not suffered loss? (3)

6. Explain Lord Griffiths’ “broad ground” for the decision in the *St Martin’s Property* appeal? (4)

7. Explain the collateral contract and the way in which it has been used to avoid privity problems. (3) Is it still likely to be relevant following the Contracts (Rights of Third Parties) Act 1999? (2)

8. Can the promisee still pursue an action for breach of contract where a third party has enforceable rights under the 1999 Act? (2) How does the Act deal with the priorities question? (3)

Total available points: 30