



**UCL Law Society
2014-2015 Junior
Mooting Competition
Round 2**



**HERBERT
SMITH
FREEHILLS**

In the Supreme Court,
On appeal from the Court of Appeal:

Greedbank plc

- and -

Poorstudent

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Brief to Counsel
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Ms Poorstudent borrowed £3,000 from Greedbank plc to finance her Entomology studies at the University of Britannia. The loan agreement provided that she would repay the principal and interest by making twenty monthly instalment of £200, beginning sixteen months after the completion of her third year examinations.

After making ten payments, Ms Poorstudent was made redundant by her employer. She sent a letter to Greedbank plc in which she explained her situation, advised them that she was unsure when she would be able to resume making payments, and asked whether they would be willing to accept her redundancy payment of £500 as a final payment of her loan. Greedbank responded with a letter in which they agreed to accept the £500 (together with her earlier payments of £2,000) in full satisfaction of her debt of £4,000 under the loan agreement. Ms Poorstudent then sent a cheque for £500 to Greedbank plc.

Six months later, after a change in management of their Student Loans Department, Greedbank plc brought an action against Poorstudent seeking to recover the £1,500 that remained outstanding under the original terms of the loan agreement.

The trial judge, Cautious J, held that:

1. Ms Poorstudent could not argue that the doctrine of promissory estoppel prevented Greedbank plc from recovering the £1,500 because:
 - a. She had suffered no detriment in relying on their acceptance of her payment of £500 as satisfaction, and
 - b. Promissory estoppel would at most suspend her obligation to pay the balance of £1,500 until Greedbank plc gave her reasonable notice that they were returning to the original terms of the loan agreement, which they had done by bringing this action; and
2. Ms Poorstudent could not rely on *Williams v Roffey* because:
 - a. She had conferred no benefit on Greedbank plc by making the £500 payment, and
 - b. The Court of Appeal had held in *In re Selectmove Ltd* [1995] 1 WLR 474 that *Foakes v Beer* (1884) 9 App Cas 605 precludes the application of *Williams v Roffey* [1991] 1 QB 1 to cases of part payment of debt.

Ms Poorstudent's appeal to the Court of Appeal was dismissed. She appeals to the Supreme Court.

- With thanks to Dr Fiona Smith -