

GCE

LAW: Misrepresentation and economic duress

SUGGESTED IDEAS FOR TEACHING AND LEARNING



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Teacher /Lecturer:	
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Course:	A Level Law
Topic:	Misrepresentation and economic duress
Session:	

Unit:	Component 2 and 3
Ref. to specification:	The law of contract
Suggested time allocation:	

Aims & Objectives: At the end of these sessions the student will be able to:

- **Explain** what is meant by misrepresentation
- **Understand** the types of misrepresentation under common law: fraudulent misrepresentation, innocent misrepresentation and negligent misrepresentation.
- **Explain** misrepresentation by statute under the *Misrepresentation Act 1967*.
- **Understand** the meaning of economic duress and its distinction with duress.

Main Teaching and Learning Activities

Teacher/Lecturer Activities:

- Introduce the topic with reference to the aims and objectives set out above.
- Explain the legal definition of misrepresentation with reference to key cases:

A misrepresentation is a statement of material fact¹, made by one party to a contract to the other party² to the contract, during the negotiations leading up to the formation of the contract³, which was intended to operate and did operate as an inducement⁴ to the other party to enter the contract, but which was not intended to be a binding obligation⁵ under the contract, and which was untrue or incorrectly stated⁶.

- Explain the three different types of misrepresentation with reference to the key cases.

A) Fraudulent misrepresentation: Key Case: **Derry v Peak (1889)**

B) Negligent misrepresentation: Key Case: **Hedley Byrne v Heller & Partners (1964)**

C) Innocent misrepresentation.

Activity: Discuss scenarios in PowerPoint presentation and what misrepresentation may be in issue.

Activity: Create a dice with three types of misrepresentation and cases featuring on the faces of the dice. Ask the students to roll the dice and explain the term or case that is facing them.

- Explain that most misrepresentation is now governed by statute – specifically s2(1) *Misrepresentation Act 1967*.

Activity: Whole class discussion: what are the benefits of bringing a case of misrepresentation under statute as opposed to the common law – conclude with an evaluation of the law on misrepresentation and whether it provides consumers with an adequate remedy.

Activity: Research popular case of *Spice Girls Ltd v Aprilla World Service (2002)* and discuss the misrepresentation at play here and how the case was eventually resolved.

- Explain the concept of economic duress and the five conditions that need to be satisfied, with case examples.

Student Activities:

- Group work – explaining and illustrating different types of misrepresentation.
- Group discussion – what are the benefits of bringing an action under statute as opposed to the common law?
- Past Paper Questions
- Scenarios – application of the law relating to misrepresentation under statute and common law.
- Dice template – widely available online.

Suggested links / resources:

- PowerPoint presentation
- Cases
- Past Paper Question on misrepresentation

Assessment

During the lesson

Group exercises and direct questioning show how much the students have understood misrepresentation and economic duress.
Facilitate discussion on whether the law relating to misrepresentation provides sufficient protection for the consumer.