



Negotiation of disputed invoices following termination

Situation

A gardening and maintenance contractor terminated its contract with a large housing association alleging that the association had failed to pay invoices properly raised. We advised the housing association in relation to the alleged repudiatory breach of the contract, the possibility of bringing a counter claim and drafted all correspondence sent to the contractor's solicitors.

Challenge

Although the parties had been in a contractual relationship for over three years they had not signed a contract and it was unclear what terms applied. This made the defence of the alleged breach of contract claim as well as the handover to the new contractor more complex.

Solution

Robust evidence gathering should take place as soon as possible. In this instance, we helped audit the disputed invoices upon instruction which meant we could advise in confidence that we fully understood the factual background. By asking the client to gather all potentially relevant information at the start this also resulted in less legal expenditure for the client as they could complete this step more effectively.

Outcome

After a large number of rounds of correspondence, the contractor accepted a settlement offer for nearly ¼ of what they had initially claimed was due to them. The outcome meant that our housing association client did not have to spend more management time dealing with the dispute, it no longer had to spend money on solicitors and the risk of litigating the dispute, which was considerable, was avoided.

If a settlement can be negotiated early on in the dispute (certainly pre-action) significant costs can be saved. Sometimes a settlement is a pragmatic option which, whilst requiring an upfront investment, often ultimately will save time and money.