

IN THE HOUSE OF LORDS
BETWEEN:

ROGERS (Appellant)

-AND-

RICARDO (Respondent)

<p style="text-align: center;">SKELETON ARGUMENT ON BEHALF OF THE RESPONDENT – GROUND 2</p>
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1. It is well established that for there to be a valid contract the parties must act freely. In substance, economic duress amounts to the application of illegitimate pressure by one party on another, which results in the innocent party being forced to enter into a contract they would otherwise not have entered into. It is submitted that there is no basis for the conclusion that the promise made by Mr Rogers to pay Mr Ricardo had been procured by the application of economic duress.
2. The most important development in the doctrine was the House of Lords decision in **Universe Tankships v ITWF [1983] 1AC 366** as the approach previously taken by the court was modified. The significant feature of this judgment is its departure from the previously stringent requirements laid down in **Pao On v Lau Yiu Long [1980] AC 614**. Lord Scarman's views in his dissenting judgment establish that there are two elements in the wrong of duress: “**pressure amounting to compulsion of the will of the victim**” and second, “**the illegitimacy of the pressure exerted**”
3. It is submitted that the pressure in this case did not amount to compulsion and further and alternatively that the pressure was not illegitimate. The case of **CTN Cash and Carry Ltd v Gallagher Ltd [1994] 4 All E.R. 714** was the correct case applied by the court at first instance.
4. From the cases since **Pao On v Lau Yiu Long [1980] AC 614** there has been a considerable relaxation of the criteria needed to prove economic duress. All that is now required is a suppression of the victims will and voluntary consent.
5. In the recent high court case of **DSND Subsea v. Petroleum Geo-Services [2000] BLR 531** Dyson J summarised the law and demonstrated a test which must be satisfied in order for economic duress to exist. It is submitted that in applying this test there was no economic duress in this case and as a result the promise to pay the £500 should not be set aside.