

ABBHEY & RICHARDS SOLICITORS
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R. M. Abbey
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23 Broad Street
Blakey BL1 5EH

Our ref: RMA/TS/PP
Your ref: TS/GP

10 September 2020

Dear Sirs,

Re 19 Minster Yard Blakey

This matter was due to be completed yesterday but your clients failed to complete their purchase. In these circumstances and on behalf of Shilpa Jennings of 19 Minster Yard Blakey Cornshire we hereby give you NOTICE that, with reference to the contract dated 25th August 2020 and made between the said Shilpa Jennings and your client Lydia Alice Walmsley for the sale and purchase of 19 Minster Yard Blakey Cornshire, we place on record the fact that the sale of the property has not been completed on the date fixed in the contract for completion. We further give you NOTICE that the seller is ready, able, and willing to complete. We therefore give you NOTICE pursuant to condition 6.8 of the Standard Conditions of Sale (5th edition) and require you to complete the contract in compliance with that condition.

Yours faithfully,

Abbey & Richards

ABBHEY & RICHARDS

This firm is regulated by the Solicitors Regulation Authority.

Explanatory note

This letter should be served by recorded delivery or by service agents or such other service by which proof of delivery and service can be made.

If you wish you can also mention in the letter the contractual provision requiring the payment of interest. The Standard Conditions (SCs) contain clear and precise provisions for compensation for a breach of contract that arises from delayed completion. SC 7.3 states that if a party to the contract defaults and delays completion, the defaulting party must pay compensation to the innocent party. Compensation is quantified as interest at the rate specified in the agreement as the 'contract rate' to the intent that the interest is on the unpaid purchase price. If a deposit has been paid and the buyer is in default, interest is calculated on the unpaid balance of the purchase price, or the total purchase price if the seller is in default. Interest is payable for each day that there is delay. SC 7.3.4 states that if the subject property is tenanted then the seller can elect to take the rent rather than interest. Accordingly, if the rent is likely to exceed the value of the interest, notice should be served on the defaulting buyer to confirm that the rent is to be taken by the seller rather than interest. Of course SC 7.3.4 can be varied in the special conditions to allow the seller to take the interest and the rent should the buyer default and delay completion. SC 7.3 also contemplates the possibility of both parties being in default. In these circumstances the party at greater fault must pay compensation.

The interest rate defined by the SCs as being the 'contract rate' is 'The Law Society's interest rate from time to time in force'. This is declared each week in the *Law Society's Gazette*. There is space on the front of the contract for an alternative rate to be declared and this could be, for example, 'four per cent above the base rate of Lloyds TSB Bank plc or such other lending rate as the bank shall declare in place thereof'.

Where interest is allowed by the contract it will be payable on completion being delayed even if this is only by a matter of minutes. The SCs stipulate a time and day for completion, see SC 6.1.2 and SC 6.1.3. If the time limit is breached but completion takes place on the contractual date, completion is deemed to take place the next working day and interest will accrue. The worst time for this to occur is on a Friday when three days' interest will arise for the period over the weekend to the next working day, being the following Monday. All this will be allowed by the contract even though completion actually took place late on the previous Friday.