

The importance of three magic words: subject to contract

A recent case illustrates the importance of ensuring that all emails discussing the terms of a proposed acquisition are headed 'subject to contract'.

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The recent High Court case of Neocleous & Anor v Rees [2019] EWHC 2462 (Ch) (20 September 2019) illustrates the importance of ensuring that all emails discussing the terms of a proposed acquisition are headed 'subject to contract'.

To settle a dispute, the claimants agreed to buy part of the defendant's land. The main terms of the purchase were set out in an email from the defendant's solicitor and were accepted by the claimants' solicitor (as part of the same email chain). The defendant's solicitor's 'signature' on the crucial email arose from the automatic generation of his name at the foot of the email.

The defendant argued that the email chain did not satisfy the statutory requirement that a contract for the sale of land has to be signed by or on behalf of both parties. The court disagreed, ruling that a name automatically inserted into the 'footer' of an email was a signature for the purposes of the statutory requirement as long as the name was applied with authenticating intent.

So make sure you include the three magic words – otherwise, your email 'footer' may take on a significance far greater than you ever could have imagined!

[Full case summary →](#)

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