

## **Five Equity, Trust and Land Law Cases You Should Know**

*Lloyds Bank plc v Rosset*

### **Contributors name:**

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### **Narrator:**

Mr and Mrs Rosset decided to purchase a property. The entire purchase money was to come from the husband's family trust in Switzerland; the trustees insisted that he be the sole legal owner of the house.

Both Mr and Mrs Rosset worked to renovate the house before they moved in with Mrs Rosset carrying out decorating work, obtaining materials and helping plan the renovation.

Unknown to Mrs Rosset, Mr Rosset was unable to fund everything entirely from the trust fund and took out an overdraft with Lloyd's Bank. He defaulted on the repayments and the bank sought possession of the house. Mrs Rosset claimed that she had an interest in the house that had priority over the bank's.

The question before the courts was whether Mrs Rosset was entitled to a share of the ownership of the house even if Mr Rosset was the sole legal owner. The House of Lords held that an interest in the house could be gained if there was a common intention between the parties to do so.

This could occur through evidence of an arrangement or understanding contained in express discussions between the parties, or alternatively, inferred from the parties' conduct - although it was unlikely that anything less than a direct financial contribution would be sufficient.

On the facts, Mrs Rosset had no interest as there was no agreement between her and Mr Rosset and one could not be inferred from the work she had done.

The Supreme Court and Privy Council have since criticised the requirement of a direct financial contribution as unduly restrictive. This is a strong indication of the future direction of the Supreme Court.