

FROM CHAT TO CONTRACT:

THE UK HIGH COURT'S DECISION
IN JAEVEE HOMES LTD V FINCHAM [2025]
EWHC 942 (TCC) AND IMPLICATIONS ON
CONTRACT FORMATION IN NIGERIA

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1. Introduction

We may not often pay much attention to the implications of our everyday mundane activities. Currently, there is widespread use of instant messaging platforms, such as WhatsApp, Telegram, and WeChat. Instant messaging, which often involves ‘chatting’, may carry unintended but significant legal consequences. By legal consequences, what is meant is not the case of defamation, where a text (i.e., publication) may be considered to have damaged the reputation of another.¹ But it concerns circumstances where a recipient of an instant (text) message believes that there is a mutual understanding giving rise to mutual obligations arising from their communication.

Presently, it appears that there is a blur between having a causal conversation and making a contractual commitment. For instance, in the case of *Southwest Terminal Ltd v Achter Land and Cattle Ltd*,² the Canadian court held that a thumbs-up emoji could serve as an electronic signature, ultimately giving rise to a binding contract. This means that the law evolves in tandem with the development of digital communication, adapting to reflect how people interact, both in business and personal contexts. And as such, emojis and other informal language may have weightier implications than expected or intended. A casual chat can lead to a binding contract, with all legal consequences.

In light of the above, this article will examine the United Kingdom High Court’s recent decision in *Jaevee Homes v Fincham*,³ where the court found that WhatsApp messages exchanged between the parties constituted a legally enforceable contract. Accordingly, the second part gives a summary of the case. The third part highlights the implications of the decision in

¹ This belongs to a different realm of law known as the law of tort, where the law imposes a duty on a person even without actual knowledge of the existence or nature of such duty.

² *Southwest Terminal Ltd v Achter Land & Cattle Ltd* [2023] SKKB 116.

³ [2025] EWHC 942

Nigeria. The fourth part outlines key takeaways and practical considerations, concluding the article in the fifth part.

2. Summary of the Case

Jaevee Homes Ltd (the Claimant), a property developer, approached Fincham Demolition (the Defendant), a demolition contractor, to carry out demolition works at a site the Claimant was developing in Norwich. Both parties, after inspecting the site, exchanged emails on the scope of work, timeline, and amount to be paid. A quotation was also provided by the Defendant, but no agreement was reached by the parties. On May 17, 2023, both parties continued and concluded conversations regarding the contract on WhatsApp, which included an agreement on the start date, the contract sum of £248,000.00 plus VAT,⁴ and that invoices were to be paid within 28 to 30 days of issuance.

The Defendant later received an email with a zip file, which included a purchase order, and a subcontract dated May 22, 2023, providing for a monthly payment; however, the email received no acceptance from the Defendant. The Defendant began its operations on the site and subsequently issued four invoices. The Claimant was dissatisfied with the frequency of the invoices on the basis that both parties had agreed to monthly payments. This led to a dispute regarding the sums due and the work the Defendant had done, and the Claimant sought to terminate the subcontract.

On March 26, 2024, the Defendant served the Claimant with a statutory demand in respect of the sums owed to it and commenced an adjudication seeking the outstanding balance of £125,650.38 (one hundred and twenty-five thousand, six hundred and fifty pounds and thirty-eight pence), as a notified sum. After the proceedings, the adjudicator agreed with the Defendant, holding that the WhatsApp messages formed a contract and

⁴ VAT means Value Added Tax. It is a consumption tax paid when goods are purchased and services rendered, and it is levied at each stage of the supply chain where value is added.

that there was no requirement for invoices to be issued monthly, only paid within 28-30 days of issuance. Accordingly, the adjudicator determined that the Defendant was entitled to the outstanding balance claimed and a late payment fixed compensation of £370 (three hundred and seventy pounds), bringing it to a total of £145,896.31 (one hundred and forty-five thousand, eight hundred and ninety-six pounds and thirty-one pence).

The Claimant refused to pay and challenged the adjudication decision before the High Court. The High Court, in its judgment, decided in favor of the Defendant. It held that the WhatsApp messages between the parties, though informal, demonstrated and formed a valid contract for demolition work lasting approximately 12 weeks, and that three of the four disputed invoices were valid.

3. Implications in Nigeria

The decision in *Jaevee Homes Ltd v Fincham* raises practical and legal issues for commercial activities that need to be considered. This is so, at least, on the grounds that it is not unusual in Nigeria for business arrangements to be initiated and even concluded informally (i.e., without being written down and signed), especially considering that instant messaging apps, including WhatsApp, have become a common means of communication. For this reason, it is not surprising that issues surrounding whether a contract has been formed over a text message may arise.

In Nigeria, a contract is said to exist if certain elements are present, namely an offer, acceptance of the offer, consideration, intention to create legal relations, and the parties possessing the necessary legal capacity.⁵ For a binding contract to exist, there must be a meeting of minds, a consensus ad idem.⁶ Accordingly, the conduct of parties, their words, and deeds, or the documents that have passed between them, can show that a

⁵ BPS Construction & Engineering Co. Ltd. v. F.C.D.A. [2017] 10 NWLR (Pt. 1572) 1, 25-26 G-B.

⁶ Ibid.

contract exists.⁷ Considering that a contract is deemed entered into in Nigeria if the necessary ingredients are present, regardless of the form it takes, it means that the case of *Jaevee Homes Ltd v Fincham* may provide a further legal basis for agreements entered into over text to be considered binding.

The implication, then, is that informal or casual communication may give rise to binding obligations, especially if it is shown to contain the necessary elements of a contract. This may be considered in a more positive light, to the extent that it prevents parties from disowning commitments contracted through digital communications. And if this is to be the case, it means that users of instant messaging platforms must be cautious and intentional about what is agreed upon in communications on any medium, as modern communication tools can carry the same contractual weight as traditional methods. A chat may give rise to contractual obligations.

However, the case will be different where there is no intention of creating legal relations, where key contractual elements (i.e., offer, acceptance, consideration, and capacity to contract) are missing, or in instances where the subject matter or form violates legal or statutory standards.

Key Takeaways and Practical Considerations

Following the decision in *Jaevee Homes Ltd v Fincham*, below are some key takeaways and practical considerations for business owners, entrepreneurs, legal professionals, etc.:

- i. Ensure that the words and language used in pre-contract correspondence on instant messaging apps like WhatsApp are clear, concise, and not ambiguous.
- ii. Exercise caution when engaging in informal pre-contractual discussions or negotiations through instant messaging apps, like

⁷ U.B.N. Plc. v. Ogunsiji [2013] 1 NWLR (Pt. 1334) 1, 13 F; Shoprite Checkers (Pty) Ltd & Anor v A.I.C. Ltd (2020) LPELR-49905 (CA) 35.



WhatsApp. It is also important to review the text of each message before sending and avoid using emojis that may convey unintended meanings.

- iii. Mark all pre-contract correspondence as “subject to a formal contract”. This clearly indicates that the communication is the final agreement between the parties regarding the transaction.
- iv. To ensure that only the terms written in a final contract are legally binding, a clause should be included stating that pre-contract discussions and statements cannot be relied upon. This prevents either party from claiming that earlier promises or understandings, not present in the signed agreement, are part of the deal.

4. Conclusion

The Court’s decision in *Jaevee Homes v Fincham* confirms that the fundamental elements required for contract formation, such as offer, acceptance, consideration, and intention to create legal relations, can be satisfied through informal conversations on instant messaging platforms like WhatsApp, provided they are present. The judgment highlights the importance of exercising caution in everyday communication, as casual text exchanges over instant messaging platforms can carry significant legal implications. As the legal landscape continues to evolve, this case pushes the boundaries regarding how contracts are concluded in our digitalized world.

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