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## Guest Walker & Co.

### **DEED-DAY**

As a trainee, I represented a man who had managed to buy for 50 pence an interest in a house worth £500,000.

He and his long-standing girlfriend had left university without a care in the world or any money. She was a keen quiz and crossword competitor. One lazy Sunday morning she asked my client to buy her the Daily Mail and promptly entered the House of the Year Competition. She won the competition and put her winnings, a beautiful house, into their joint names.

Three months later they split up. At that time, the courts indicated that they would not look behind 'the face of the Deed'. My client successfully claimed a full half-share in the house for just the price of a newspaper.

This long-established legal principle in relation to the strict interpretation of deeds has recently been shaken to the core. The case of Ms Jones v Mr Kernott was put before the Supreme Court. Just as in the case of my old client, they had put their property into joint names. Mr Kernott, however, left Ms Jones living in the house for a period of 12 years. During this time Ms Jones paid for the mortgage.

When the time came to sell the house, Ms Jones asked to be given the greater share in the proceeds of sale. The Supreme Court has now agreed with her and has awarded her a 90% share.

### What does this mean?

The judges spent a lot of time explaining how they had come to this decision. They drew the inference that the parties had intended to alter their shares in the house. This means that where there are no express written agreements, as to how a couple are to hold their property, the Court is now prepared to infer one.

Cohabiting couples who own houses jointly, whether living together or apart, are caught by this change in the law.

We advise all such couples to review their deeds. If they feel that the deeds should reflect different rather than equal shares in a property, they should seek legal advice. A solicitor will talk to them about a "declaration of trust." This is a document which sets out how the interests in the property will be shared.

Cohabiting couples should always keep these arrangements under review.

Please contact any of our Property or Family Team to discuss your situation and we will be delighted to talk to you.

Nicola Goodman  
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