



CHIEF EXAMINER REPORT

JANUARY 2026

LEVEL 6 UNIT 2 – CONTRACT LAW

The purpose of the report is to provide candidates and training providers with guidance as to the key points candidates should have included in their answers to the January 2026 examinations.

The 'suggested points for responses' set out points that a good (merit/distinction) candidate would have made.

Candidates will have received credit, where applicable, for other points not addressed.

Chief Examiner Overview

Candidates are reminded that they must have familiarity with all potential topic areas to be examined. Exam approach and technique are also important in that candidates must only attempt the number of questions required.

There were some very strong answers to individual questions. In terms of areas of law, stronger knowledge was evident in relation to offer and acceptance, consideration and restraint of trade. Weaker responses related to questions focusing on exemption clauses, misrepresentation, economic duress and damages.

Candidate Performance and Suggested Points for Responses

It is noted that the low numbers of candidates taking the Level 6 exams limits the scope for constructive feedback to be given and for firm conclusions to be reached. Therefore, feedback on candidate performance may be limited.

Section A

Question 1	25 marks
This was the most popular question on the paper and candidates were well prepared. The performance of this question on 'offer and acceptance' was generally strong.	
Suggested Points for Response:	
• Identification of agreement as key requirement for valid contract • Discussion of 'traditional approach' using offer and acceptance: ○ Definition of offer ○ Requirement for clear and certain terms ○ Requirement for intention to be bound ○ Distinction with invitation to treat ○ Definition of acceptance ○ Requirement for 'mirror image' of offer ○ Comparison with counter-offer • Requirement for communication ○ Usual requirement for communication of offer ○ Usual requirement for communication of acceptance ○ Exception: when could reasonably be read ○ Exception: postal rule • Alternative methods of offer and acceptance • Relevant case law	

Question 2	25 marks
This question was attempted by just less than a third of candidates and the performance was mixed. Some candidates confused the idea of innominate terms with implied terms; or knew the law as to conditions and warranties but not about innominate terms as a third category.	
Suggested Points for Response:	
• Recognition of terms as the contents of a contract • Traditional categorisation of terms as conditions/ warranties • Definition of condition • Definition of warranty • Remedies for breach of condition/ warranty • Development of innominate terms • Definition of innominate term • Recognition of operation of term: 'wait and see' approach to remedy • Discussion of flexibility vs certainty • Clear conclusion providing answer to question asked • Relevant case law	

Question 3a	8 marks
This is part (a) of a two part question and candidates generally performed better on part (a). There were some excellent answers across part (a).	
Suggested Points for Response:	
• Identification of intention to create legal relations as key requirement for valid contract • Use of presumptions in establishing intention to create legal relations • Presumption in commercial context • Methods of rebutting presumption • Relevant case law	
Question 3b	17 marks
Suggested Points for Response:	
• Definition of exemption clause • Explanation of requirements to rely on such a clause • Incorporation • Interpretation • Legislation ○ Recognition of UCTA as relevant statute ○ Discussion of relevant provisions • Relevant case law	

Question 4	25 marks
This was the least popular section A question. The topic area was 'economic duress' and the majority of candidates could have improved their responses by understanding that economic duress is an entirely distinct doctrine from undue influence.	
Suggested Points for Response:	
• Definition of duress • Initial recognition of economic duress • Early requirements to establish duress e.g. protest • Duress compared to mere commercial pressure • Development of 'coercion of the will' requirement • Development of illegitimate pressure requirement • Modern recognition of lawful act duress • Relevant case law	

Section B

Question 1	25 marks
A relatively popular question, answered by nearly two thirds of candidates. This question on 'consideration' was generally answered reasonably well.	
Suggested Points for Response:	
• Identification of need for valid consideration to create valid contract • Definition of consideration • Rule as to past consideration • Application to issue regarding roof tiles • Exception of implied assumpsit • Application to issue regarding roof tiles • Rule as to existing contractual duty as fresh consideration • Application to contract with Cicely • Practical benefit doctrine • Application to contract with Cicely • Rule as to existing duty in respect of part payment of debt • Application to contract with Brett • Doctrine of promissory estoppel • Application to contract with Brett • Relevant case law to support above	

Question 2	25 marks
This question was answered by less than half of candidates. This question on 'restraint of trade' was generally answered reasonably well.	
Suggested Points for Response:	
• Identification of principles relating to restraint of trade • Recognition that such clauses are prima facie void • Unless protecting legitimate interest • And reasonable between the parties and in the public interest • Discussion of law relating to reasonableness • Relevant case law to support the above • Application of law to facts • Reasoned conclusion • Severance and the "blue pencil" test	

Question 3	25 marks
This three-part question was the least popular question across the whole paper. Unfortunately, some candidates did not demonstrate sufficient understanding of 'contractual damages'.	
Suggested Points for Response Question 3a	7 marks
• Recognition that usual measure of damages in contract law is expectation-based • Issue with expectation loss in relation to Naveen – uncertain outcome • Potential alternative measure of damages: loss of a chance • Application of law to the facts on this point • Relevant case law	
Suggested Points for Response Question 3b	7 marks
• Recognition that usual measure of damages in contract law is expectation-based • Issue with expectation loss in relation to OCP – uncertain outcome • Potential alternative measure of damages: reliance loss • Application of law to the facts on this point • Relevant case law	
Suggested Points for Response Question 3c	11 marks
• Recognition that this is a liquidated damages/penalty clause • General approach of courts to such clauses • Modern law relating to penalty clauses • Requirement for legitimate interest in ensuring performance • Sum not extravagant or unconscionable • Application of above rules to facts	

Question 4	25 marks
This question was answered by more than half of candidates and the performance was mixed.	
Suggested Points for Response:	
• Doctrine of misrepresentation as a vitiating factor • Requirements for actionable misrepresentation: False • Silence/ half-truths • Application to statement to Wendy • Requirements for actionable misrepresentation: Statement of fact • Statement by Sara • Statement by Ugo • Types of misrepresentation and definitions of each • Requirements for actionable misrepresentation: inducement • Relevant expertise of parties • Where representee relies on other source • Statement by Ugo • Application of law to facts to determine type(s) of misrepresentation(s) • Remedies for misrepresentation • Relevant case law to support above	