



## Press Summary

12 November 2025

### **King Crude Carriers SA and others (Appellants) v Ridgebury November LLC and others (Respondents)**

**[2025] UKSC 39**

*On appeal from: [2024] EWCA Civ 719*

**Justices:** Lord Reed (President), Lord Hodge (Deputy President), Lord Hamblen, Lord Burrows and Lord Stephens

#### **Background to the Appeal**

This appeal primarily concerns whether there is a principle in English law that a condition in a contract, which would give rise to a debt being owed by a party if fulfilled, should be treated as fulfilled (or dispensed with or waived) where that party wrongfully prevents the condition from being satisfied (the “*Mackay v Dick* principle of law”). It has long been debated whether this principle forms part of English law based on the judgment of Lord Watson, with whom Lord Selborne LC agreed, in the three-judge House of Lords Scottish case of *Mackay v Dick* (1881) 6 App Cas 251.

In this case, King Crude Carriers SA, Prince Crude Carriers SA, and Zenon Crude Carriers SA (the “**Buyers**”), agreed to purchase three vessels from Ridgebury November LLC, Ridgebury Sierra LLC, and Makronissos Special Maritime Enterprise (the “**Sellers**”), under three Memoranda of Agreement based on the Norwegian Saleform 2012 contract, with amendments (the “**MOAs**”). The MOAs required the Buyers to lodge deposits of 10% of the purchase price for the vessels with a third party deposit holder in deposit accounts shortly after they were opened and to provide all the necessary documentation for this purpose. In breach of contract, the Buyers did not provide the documentation. As a result, the deposit accounts could neither be opened nor could the deposits be paid into them. The Sellers terminated the MOAs and argued that the *Mackay v Dick* principle of law applies such that they could claim the deposit amounts in debt. In contrast, the Buyers contended that the Sellers’ sole remedy was in damages and that they had suffered no loss because, on the assumed facts, the market price for each of the ships was higher at the date of termination than the purchase price.

The Sellers’ debt claim succeeded in arbitration, failed in the Commercial Court, but succeeded before the Court of Appeal. In granting the Sellers’ appeal, the Court of Appeal reformulated the *Mackay v Dick* principle of law. The Buyers now appeal to the Supreme Court arguing,

primarily, that there is no *Mackay v Dick* principle of law in England and Wales, nor can contractual interpretation or an implied term assist the Sellers in their debt claim in this case.

Apart from refuting that primary case of the Buyers, the Sellers have a secondary case that, even if there is no *Mackay v Dick* principle of law, the deposits accrued due as a debt when the contracts were made and that the stipulated pre-conditions went only to the time for payment. It would then follow (according to the Sellers' submissions) that, as the right to the debt has accrued, the Sellers are entitled to succeed in a debt action even though the contract has been terminated for the Buyers' breach.

## Judgment

The Supreme Court unanimously allows the Buyers' appeal. It holds that the Sellers' claims could only be for damages for breach of contract, not debt. The judgment is given by Lord Hamblen and Lord Burrows with whom Lord Reed, Lord Hodge and Lord Stephens agree.

## Reasons for the Judgment

Having reviewed the relevant case law and commentary concerning the *Mackay v Dick* principle of law, the Court rejects the Sellers' submission that this principle forms part of English law [61]. This is for six main reasons:

*First*, Lord Watson did not rely on any English law authorities in declaring this principle. Instead, he relied on what he understood to be a doctrine borrowed from civil law [62].

*Secondly*, the relevant case law concerning the *Mackay v Dick* principle of law is inconsistent on whether it exists: some authorities support the principle whilst others explicitly reject it. It is noteworthy that even in the main supporting authorities, the same outcomes could possibly have been reached without relying on the principle [63].

*Thirdly*, there is no principled way of excluding certain categories of contract from the *Mackay v Dick* principle of law. Yet a straightforward application of that principle would undermine and contradict the established law and settled consequences for those contracts [64]. This includes contracts for the sale of goods and land (where the established law on when title passes would be undermined by applying *Mackay v Dick*) but could extend further. Indeed, the Court of Appeal in the present case recognised that the *Mackay v Dick* principle would need to be limited but the exceptions formulated are uncertain as to application and rationale [65].

*Fourthly*, the various formulations or explanations of the *Mackay v Dick* principle of law are all fictional. Legal fictions undermine transparency in legal reasoning and should be removed where possible [66].

*Fifthly*, contract law in this area is concerned with the terms of the contract (express and implied) and their proper interpretation. This provides greater certainty and predictability than a principle which relies on a fictional fulfilment of a condition precedent [67].

*Sixthly*, no injustice results from rejecting the *Mackay v Dick* principle of law. Subject to terms to the contrary, where a condition precedent has not been fulfilled because of the debtor's breach of contract, that breach is appropriately and adequately dealt with through the claimant's remedy in damages [68].

Having rejected the *Mackay v Dick* principle of law in English law, the Court considers whether the Sellers' debt claim should still succeed through either the correct contractual interpretation of the MOAs or the implying of a term which results in the conditions precedent to the Buyers' debt obligations being ignored because of the Buyers' breach of contract [69]. The Court decides that neither can here assist the Sellers [100].

In respect of contractual interpretation, there is no general presumption of interpretation that a party cannot take advantage of its own wrong. The cited case law in which contracts were interpreted as preventing a party from relying on its own breach to treat the contract as being at an end or to claim a benefit under it is distinguishable from the present facts [72] – [79]. Here the interpretation put forward by the Sellers would rewrite the contracts [80] – [82]. Regarding whether a term should be implied into the MOAs, all of the Sellers’ proposed implied terms are flawed either because they would render performance impossible or because the term would transform the deposit arrangements from one involving a third party deposit holder to the Buyers paying the Sellers directly [89] – [92]. Again, this would effectively rewrite the contracts and would contradict the express terms of the MOAs [93] – [99].

The Court also rejects the Sellers’ secondary case. The terms set out in relation to the setting up of the deposit accounts are conditions precedent to the accrual of the debt and are not merely concerned with the machinery of payment for an accrued debt. This is strongly supported by the decision of the Court of Appeal in *The Blankenstein* [1985] 1 WLR 435 which the Court approves. It was there held that the right to the deposit did not accrue until after the signing of the contract in question. In this case, the MOAs are not contracts where a distinction is drawn between when the right to the deposit accrues and when it is payable [115] – [124].

*References in square brackets are to paragraphs in the judgment.*

**NOTE:**

**This summary is provided to assist in understanding the Court’s decision. It does not form part of the reasons for the decision. The full judgment of the Court is the only authoritative document. Judgments are public documents and are available at: [Decided cases - The Supreme Court](#)**