

## **Bell v Lever Bros [1932] AC 161**

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### **Facts**

- Following Bell doing a great job increasing the profitability of Lever Bros, he was promised a \$30,000 by the executives of the company.
- However shortly after, and before the \$30,000 was paid, it became apparent that Bell had been involved in some dodgy practices and illegal conduct.
- Lever Bros tried to withdraw the bonus citing unilateral mistake

### **Issue**

- Was there a mistake capable of rendering the contract invalid?

### **Held**

- In order for mistake to void the contract, the mistake must be fundamental to the contract
- Breach must be “fundamental character as to constitute an underlying assumption without which the parties would not have entered into the agreements”
- The conduct of Bell was not sufficiently close to the heart of the contract so as to render the contract invalid.

### **Quote**

- “A mutual mistake as to some fact which, by the common intention of the parties to a contract, whether expressed or implied, constitutes the underlying assumption without which the parties would not have made the contract they did, and which, therefore, affects the substance of the whole consideration, is sufficient to render the contract void.”

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