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Construction Law Update

Court Prioritises Substance Over Technicalities in Adjudication Enforcement

In a win for commercial reality, the TCC signals that legal nitpicking won't derail an Adjudicator's award

In *LAPP Industries Ltd v 1st Formations Ltd [2025] EWHC 943 (TCC)*, LAPP Industries Ltd ("**LAPP**") applied to enforce an adjudicator's £120,000 decision against 1st Formations Ltd **("Formations**") in connection with a refurbishment contract. Formations resisted enforcement on two grounds:

- Jurisdictional objections, arguing the dispute involved multiple contracts rather than a single agreement; and

- Alleged breaches of natural justice, contending the Adjudicator either embarked on a "frolic of her own" or neglected two key defences.

The Technology and Construction Court ("**TCC**") methodically dissected these arguments, again reminding us that technical challenges to adjudication decisions must overcome a high threshold in order to succeed.

Key takeaways:

- **Enforcement is the norm:** The Court will uphold Adjudicators' decisions unless there is a clear and fundamental error.

- **Technical tactics rarely succeed:** Scrabbling around for procedural or technical defences that lack real substance will not impress the Court, which remains focused on commercial realities rather than contrived arguments.

- **Single contract approach:** Even as projects evolve or multiple quotations are issued, the Court may treat the arrangement as a single overarching contract for adjudication purposes.

Background

In 2022, Formations engaged LAPP to refurbish the reception, business centre and upper floors of a Covent Garden office building. On 14 April 2023, LAPP submitted a £120,000 interim payment application. Formations failed to issue a Payment Notice or Pay Less Notice, and did not pay.

LAPP commenced adjudication proceedings on 22 November 2024, on the basis its payment application had become a Default Payment Notice.

During proceedings, Formations challenged the Adjudicator's authority to make a decision, claiming the parties had *multiple contracts* rather than a single agreement – a jurisdictional issue, as adjudication requires a single dispute under one contract. The Adjudicator, Ms Cheng, rejected this argument and ruled in LAPP's favour.

When Formations declined to pay the Adjudicator's award, LAPP sought summary judgment to enforce the decision. In response, Formations raised two objections:

1. The Adjudicator lacked jurisdiction (a repeat of the multiple contracts argument); and/or

2. The Adjudicator breached the rules of natural justice by going on "a frolic of her own" and failing to consider two defences advanced by Formations.

Held

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HHJ Adrian Williamson KC dismissed Formations' objections and made expressly clear the Court's commitment to enforcing the decisions of Adjudicators absent plain jurisdictional error or material natural justice breaches – neither of which applied here.

The judge criticised Formations' approach as "surmise and micawberism", a polite way of saying they were clutching at straws. On the key issues raised:

Jurisdiction: Single or multiple contracts?

Formations argued that each time LAPP submitted a quotation for an aspect of the work, a new contract was entered into. The existence of multiple contracts would prevent the dispute from being adjudicated. The Court rejected this argument, finding:

- A single construction contract was formed in June 2022 which then expanded in scope via subsequent quotations.
- Industry practice supports flexible scope adjustments on projects without fracturing contracts; this made more commercial sense than the parties having a messy tangle of 14 separate contracts, each subject to different payment and adjudication rights.
- The argument of multiple contracts was "*contrived and unrealistic*" given the works were on a single site and referred to as a single "project" by both parties.

Natural justice: No frolic, no oversight

The Court swiftly dismissed allegations that the Adjudicator breached natural justice:

- The Adjudicator did not go on a frolic of her own. The "frolic" doctrine only applies if the Adjudicator decides a key issue without party input. Here, Ms Cheng engaged with all submitted evidence, including Formations' own materials.
- The two defences that Formations claimed were ignored were explicitly referenced in the Adjudicator's decision, so she clearly had considered and rejected them.
- A standard disclaimer in the Adjudicator's decision – stating she had considered all materials and any omission of reference to material "*should not be taken as a failure to have taken such material into account*" – was accepted at face value by the Court. Adjudicators need not separately address every minor point raised by a party during adjudication submissions.

HHJ Williamson acknowledged the "difficult" task Adjudicators face in resolving complex disputes at "breakneck" speed, stressing the Court would only intervene where the Adjudicator's failure is deliberate and materially unfair to the losing party.

Comment

This case is another example of the Court's pro-enforcement stance on Adjudicators' decisions, its pragmatic view of contract formation in construction, and the high bar for resisting enforcement on jurisdictional or natural justice grounds.

In short: scrabbling around for technical defences rarely succeeds and risks unnecessary costs and delay. Parties are best advised to focus on substantive issues rather than tactical objections that are unlikely to find favour with the Court.