What is proprietary estoppel?

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Property law in England can seem like a minefield. Thatâ€™s because the centuries-old British constitution has enshrined a variety of laws relating to

property, and property lawyers need to be familiar with all of these laws in order to carry out their jobs successfully. One important aspect of property law

in England is proprietary estoppel. However, many people outside the legal profession are unaware of this law or confused about what it entails. Here is a

quick introduction to proprietary estoppel and how it might affect you.

Essentially, proprietary estoppel is based on the principle that an individual has a legal right to a property if they have acted to their detriment on an

assurance that they will acquire rights over the property. For example, Person A may agree to pay Person Bâ€™s mortgage on the understanding that A will

inherit the property when B passes away. However, B actually leaves the property to Person C in his will, and not Person A. Under the doctrine of proprietary

estoppel, A will inherit the property rather than C because A has acted in his detriment on the assurance that he would acquire said property.

In English law, proprietary estoppel is distinct from promissory estoppel. Promissory estoppel applies where one party makes a promise to another â€“ i.e., a

future-based consideration â€“ but there is no enforceable contract. Conversely, proprietary estoppel applies when two parties litigate over a land title. This

differentiation is distinct in English law; in American law, proprietary estoppel is encompassed in promissory estoppel.

Though often relating to matters of inheritance, proprietary estoppel may also be a relevant legal claim when it comes to selling a house. For example, Mr X may agree to cover his sisterâ€™s mortgage payments in return

for the title to her property. His sister tells him that she has transferred the title deed to his name, but in reality she does not. If she then tries to

sell the house in the future to another buyer, Mr X may use proprietary estoppel to back up his claim for the property in a court of law.

Proprietary estoppel in English law is very similar to the principle of constructive trusts. Fundamentally, a constructive trust may arise where a party has

been wrongfully deprived of his or her rights due to another person having a legal right to a property

that he or she should not possess. Some legal experts

claim that proprietary estoppel and constructive trusts are identical. However, others maintain they have important distinctions â€“ for example, that a

constructive trust may arise by operation of law rather than the intention of a particular party.

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