Introduction

1. A working knowledge of the Trusts of Land and Appointment of Trustees Act 1996 (TLATA) is essential for Family Lawyers for two reasons:

1.1 many Family Lawyers need to deal with property disputes between cohabiting couples, and between parents;
1.2 TLATA needs to be used, occasionally, in matrimonial cases.

The Key Sections

2. The key provisions are those in s13, 14 and 15 TLATA:

13 Exclusion and restriction of right to occupy.
(1) Where two or more beneficiaries are (or apart from this subsection would be) entitled under section 12 to occupy land, the trustees of land may exclude or restrict the entitlement of any one or more (but not all) of them.
(2) Trustees may not under subsection (1)—
(a) unreasonably exclude any beneficiary’s entitlement to occupy land, or
(b) restrict any such entitlement to an unreasonable extent.
(3) The trustees of land may from time to time impose reasonable conditions on any beneficiary in relation to his occupation of land by reason of his entitlement under section 12.
(4) The matters to which trustees are to have regard in exercising the powers conferred by this section include—
(a) the intentions of the person or persons (if any) who created the trust,
(b) the purposes for which the land is held, and
(c) the circumstances and wishes of each of the beneficiaries who is (or apart from any previous exercise by the trustees of those powers would be) entitled to occupy the land under section 12.
(5) The conditions which may be imposed on a beneficiary under subsection (3) include, in
particular, conditions requiring him—
(a) to pay any outgoings or expenses in respect of the land, or
(b) to assume any other obligation in relation to the land or to any activity which is or is proposed
to be conducted there.

(6) Where the entitlement of any beneficiary to occupy land under section 12 has been excluded
or restricted, the conditions which may be imposed on any other beneficiary under subsection (3)
include, in particular, conditions requiring him to—
(a) make payments by way of compensation to the beneficiary whose entitlement has been
excluded or restricted, or
(b) forgo any payment or other benefit to which he would otherwise be entitled under the trust so
as to benefit that beneficiary.

(7) The powers conferred on trustees by this section may not be exercised—
(a) so as prevent any person who is in occupation of land (whether or not by reason of an
entitlement under section 12) from continuing to occupy the land, or
(b) in a manner likely to result in any such person ceasing to occupy the land, unless he consents or
the court has given approval.

(8) The matters to which the court is to have regard in determining whether to give approval under
subsection (7) include the matters mentioned in subsection (4)(a) to (c).

14 Applications for order.
(1) Any person who is a trustee of land or has an interest in property subject to a trust of land may
make an application to the court for an order under this section.
(2) On an application for an order under this section the court may make any such order—
(a) relating to the exercise by the trustees of any of their functions (including an order relieving
them of any obligation to obtain the consent of, or to consult, any person in connection with the
exercise of any of their functions), or
(b) declaring the nature or extent of a person's interest in property subject to the trust, as the court
thinks fit.
(3) The court may not under this section make any order as to the appointment or removal of
trustees.
(4) The powers conferred on the court by this section are exercisable on an application whether it is
made before or after the commencement of this Act.

15 Matters relevant in determining applications.
(1) The matters to which the court is to have regard in determining an application for an order
under section 14 include—
(a) the intentions of the person or persons (if any) who created the trust,
(b) the purposes for which the property subject to the trust is held,
(c) the welfare of any minor who occupies or might reasonably be expected to occupy any land subject to the trust as his home, and

(d) the interests of any secured creditor of any beneficiary.

(2) In the case of an application relating to the exercise in relation to any land of the powers conferred on the trustees by section 13, the matters to which the court is to have regard also include the circumstances and wishes of each of the beneficiaries who is (or apart from any previous exercise by the trustees of those powers would be) entitled to occupy the land under section 12.

(3) In the case of any other application, other than one relating to the exercise of the power mentioned in section 6(2), the matters to which the court is to have regard also include the circumstances and wishes of any beneficiaries of full age and entitled to an interest in possession in property subject to the trust or (in case of dispute) of the majority (according to the value of their combined interests).

(4) This section does not apply to an application if section 335A of the Insolvency Act 1986 (which is inserted by Schedule 3 and relates to applications by a trustee of a bankrupt) applies to it.

3. See also s335A of the Insolvency Act 1986:

335 A Rights under trusts of land.

(1) Any application by a trustee of a bankrupt’s estate under section 14 of the Trusts of Land and Appointment of Trustees Act 1996 (powers of court in relation to trusts of land) for an order under that section for the sale of land shall be made to the court having jurisdiction in relation to the bankruptcy.

(2) On such an application the court shall make such order as it thinks just and reasonable having regard to—

(a) the interests of the bankrupt’s creditors;

(b) where the application is made in respect of land which includes a dwelling house which is or has been the home of the bankrupt or the [F393bankrupt’s spouse or civil partner or former spouse or former civil partner]—

(i) the conduct of the [F394spouse, civil partner, former spouse or former civil partner], so far as contributing to the bankruptcy,

(ii) the needs and financial resources of the [F394spouse, civil partner, former spouse or former civil partner], and

(iii) the needs of any children; and

(c) all the circumstances of the case other than the needs of the bankrupt.

(3) Where such an application is made after the end of the period of one year beginning with the first vesting under Chapter IV of this Part of the bankrupt’s estate in a trustee, the court shall assume, unless the circumstances of the case are exceptional, that the interests of the bankrupt’s creditors outweigh all other considerations.

(4) The powers conferred on the court by this section are exercisable on an application whether it is made before or after the commencement of this section.]
Cohabiting Couples

The Key Authorities

4. The key authorities are:

- Oxley v Hiscock [2004] EWCA Civ 546
- Stack v Dowden [2007] UKHL 17
- Kernott v Jones [2011] UKSC 53

The Requirement for Agreement, Actual or Inferred (Sole Name Cases)

5. See the analysis of Lord Bridge in Lloyds at p132E et seq.:

The first and fundamental question which must always be resolved is whether, independently of any inference to be drawn from the conduct of the parties in the course of sharing the house as their home and managing their joint affairs, there has at any time prior to acquisition, or exceptionally at some later date, been any agreement, arrangement or understanding reached between them that the property is to be shared beneficially. The finding of an agreement or arrangement to share in this sense can only, I think, be based on evidence of express discussions between the partners, however imperfectly remembered and however imprecise their terms may have been. Once a finding to this effect is made it will only be necessary for the partner asserting a claim to a beneficial interest against the partner entitled to the legal estate to show that he or she has acted to his or her detriment or significantly altered his position in reliance on the agreement in order to give rise to a constructive trust or a proprietary estoppel.

In sharp contrast with this situation is the very different one where there is no evidence to support a finding of an agreement or arrangement to share, however reasonable it might have been for the parties to reach such an arrangement if they had applied their minds to the question, and where the court must rely entirely on the conduct of the parties both as to the basis from which to infer a common intention to share the property beneficially and as the conduct relied on to give rise to a constructive trust. In this situation direct contributions to the purchase price by the partner who is not the legal owner, whether initially or by payment of mortgage instalments, will readily justify the inference necessary to the creation of a constructive trust. But, as I read the authorities, it is at least extremely doubtful whether anything less will do.

The Hurdle is Lowered (Sole Name Cases)

6. See paragraphs 68 to 71 of Oxley:

68. I have referred, in the immediately preceding paragraphs, to “cases of this nature”. By that, I mean cases in which the common features are: (i) the property is bought as a home for a couple who, although not married, intend to live together as man and wife; (ii) each of them makes some
financial contribution to the purchase; (iii) the property is purchased in the sole name of one of them; and (iv) there is no express declaration of trust. In those circumstances the first question is whether there is evidence from which to infer a common intention, communicated by each to the other, that each shall have a beneficial share in the property. In many such cases – of which the present is an example – there will have been some discussion between the parties at the time of the purchase which provides the answer to that question. Those are cases within the first of Lord Bridge’s categories in Lloyds Bank Plc v Rosset. In other cases – where the evidence is that the matter was not discussed at all – an affirmative answer will readily be inferred from the fact that each has made a financial contribution. Those are cases within Lord Bridge’s second category. And, if the answer to the first question is that there was a common intention, communicated to each other, that each should have a beneficial share in the property, then the party who does not become the legal owner will be held to have acted to his or her detriment in making a financial contribution to the purchase in reliance on the common intention.

69. In those circumstances, the second question to be answered in cases of this nature is “what is the extent of the parties' respective beneficial interests in the property?” Again, in many such cases, the answer will be provided by evidence of what they said and did at the time of the acquisition. But, in a case where there is no evidence of any discussion between them as to the amount of the share which each was to have – and even in a case where the evidence is that there was no discussion on that point – the question still requires an answer. It must now be accepted that (at least in this Court and below) the answer is that each is entitled to that share which the court considers fair having regard to the whole course of dealing between them in relation to the property. And, in that context, “the whole course of dealing between them in relation to the property” includes the arrangements which they make from time to time in order to meet the outgoings (for example, mortgage contributions, council tax and utilities, repairs, insurance and housekeeping) which have to be met if they are to live in the property as their home.

25. Per Lord Walker at paragraph 26 of Stack: “Lord Bridge's extreme doubt “whether anything less will do” was certainly consistent with many first-instance and Court of Appeal decisions, but I respectfully doubt whether it took full account of the views (conflicting though they were) expressed in Gissing (see especially Lord Reid [1971] AC 886 at 896G - 897B and Lord Diplock at 909 D-H). It has attracted some trenchant criticism from scholars as potentially productive of injustice (see Gray & Gray, op cit, paras 10.132 to 10.137, the last paragraph being headed “A More Optimistic Future”). Whether or not Lord Bridge's observation was justified in 1990, in my opinion the law has moved on, and your Lordships should move it a little more in the same direction, while bearing in mind that the Law Commission may soon come forward with proposals which, if enacted by Parliament, may recast the law in this area.”
70. As the cases show, the courts have not found it easy to reconcile that final step with a traditional, property-based, approach. It was rejected, in unequivocal terms, by Lord Justice Dillon in *Springette v Defoe* when he said ([1992] 2 FLR 388, 393D-H) that “The court does not as yet sit, as under a palm tree, to exercise a general discretion to do what the man in the street, on a general overview of the case, might regard as fair”. Three strands of reasoning can be identified.

(1) That suggested by Lord Diplock in *Gissing v Gissing* ([1971] AC 886, at 909D) and adopted by Lord Justice Nourse in *Stokes v Anderson* ([1991] 1 FLR 391, at 399G, 400B-C. The parties are taken to have agreed at the time of the acquisition of the property that their respective shares are not to be quantified then, but are left to be determined when their relationship comes to an end or the property is sold on the basis of what is then fair having regard to the whole course of dealing between them. The court steps in to determine what is fair because, when the time came for that determination, the parties were unable to agree. (2) That suggested by Lord Justice Waite in *Midland Bank v Cooke* ([1995] 2 FLR 915, at 926F-H). The court undertakes a survey of the whole course of dealing between the parties “relevant to their ownership and occupation of the property and their sharing of its burdens and advantages” in order to determine “what proportions the parties must be assumed to have intended [from the outset] for their beneficial ownership”. On that basis the court treats what has taken place while the parties have been living together in the property as evidence of what they intended at the time of the acquisition. (3) That suggested by Sir Nicolas Browne-Wilkinson, Vice Chancellor, in *Grant v Edwards* ([1986] 1 Ch 638, at 656G-H, 657H) and approved by Lord Justice Robert Walker in *Yaxley v Gotts* ([2000] Ch 162, 177C-E). The court makes such order as the circumstances require in order to give effect to the beneficial interest in the property of the one party, the existence of which the other party (having the legal title) is estopped from denying. That, I think, is the analysis which underlies the decision of this Court in *Drake v Whipp* - see [1996] 1 FLR 826, at 831E-G.

71. For my part, I find the reasoning adopted by this Court in *Midland Bank v Cooke* to be the least satisfactory of the three strands. It seems to me artificial – and an unnecessary fiction – to attribute to the parties a common intention that the extent of their respective beneficial interests in the property should be fixed as from the time of the acquisition, in circumstances in which all the evidence points to the conclusion that, at the time of the acquisition, they had given no thought to the matter. The same point can be made – although with less force – in relation to the reasoning that, at the time of the acquisition, their common intention was that the amount of the respective shares should be left for later determination. But it can be said that, if it were their common intention that each should have some beneficial interest in the property - which is the hypothesis upon which it becomes necessary to answer the second question – then, in the absence of evidence that they gave any thought to the amount of their respective shares, the necessary inference is that they must have intended that question would be answered later on the basis of what was then seen to be fair. But, as I have said, I think that the time has come to accept that there is no difference in outcome, in cases of this nature, whether the true analysis lies in constructive trust or in proprietary estoppel.
The Relevance of Proprietary Estoppel

7. See paragraph 37 of Stack (Lord Walker):

I add a brief comment as to proprietary estoppel. In paragraphs 70 and 71 of his judgment in Oxley v Hiscock Chadwick LJ considered the conceptual basis of the developing law in this area, and briefly discussed proprietary estoppel, a suggestion first put forward by Sir Nicolas Browne-Wilkinson V-C in Grant v Edwards [1986] Ch 638, 656. I have myself given some encouragement to this approach (Yaxley v Gotts [2000] Ch 162,177) but I have to say that I am now rather less enthusiastic about the notion that proprietary estoppel and “common interest” constructive trusts can or should be completely assimilated. Proprietary estoppel typically consists of asserting an equitable claim against the conscience of the “true” owner. The claim is a “mere equity”. It is to be satisfied by the minimum award necessary to do justice (Crabb v Arun District Council [1976] Ch 179, 198), which may sometimes lead to no more than a monetary award. A “common intention” constructive trust, by contrast, is identifying the true beneficial owner or owners, and the size of their beneficial interests.

Stack – The New Orthodoxy (and Assimilation of Joint and Sole Name cases)

8. See paragraphs 4/5 (Lord Hope), 56 and 68-70 (Lady Hale):

4. The cases can be broken down into those where there is a single legal ownership and those where there is joint legal ownership. There must be consistency of approach between these two cases a point to which my noble and learned friend Lord Neuberger of Abbotsbury has drawn our attention. I think that consistency is to be found by deciding where the onus lies if a party wishes to show that the beneficial ownership is different from the legal ownership. I agree with Baroness Hale that this is achieved by taking sole beneficial ownership as the starting point in the first case and by taking joint beneficial ownership as the starting point in the other. In this context joint beneficial ownership means that the shares are presumed to be divided between the beneficial owners equally. So in a case of sole legal ownership the onus is on the party who wishes to show that he has any beneficial interest at all, and if so what that interest is. In a case of joint legal ownership it is on the party who wishes to show that the beneficial interests are divided other than equally.

5. The advantage of this approach is that everyone will know where they stand with regard to the property when they enter into their relationship. Parties are, of course, free to enter into whatever bargain they wish and, so long as it is clearly expressed and can be proved, the court will give effect to it. But for the rest the state of the legal title will determine the right starting point. The onus is then on the party who contends that the beneficial interests are divided between them otherwise than as the title shows to demonstrate this on the facts.
56. Just as the starting point where there is sole legal ownership is sole beneficial ownership, the starting point where there is joint legal ownership is joint beneficial ownership. The onus is upon the person seeking to show that the beneficial ownership is different from the legal ownership. So in sole ownership cases it is upon the non-owner to show that he has any interest at all. In joint ownership cases, it is upon the joint owner who claims to have other than a joint beneficial interest.

68. The burden will therefore be on the person seeking to show that the parties did intend their beneficial interests to be different from their legal interests, and in what way. This is not a task to be lightly embarked upon. In family disputes, strong feelings are aroused when couples split up. These often lead the parties, honestly but mistakenly, to reinterpret the past in self-exculpatory or vengeful terms. They also lead people to spend far more on the legal battle than is warranted by the sums actually at stake. A full examination of the facts is likely to involve disproportionate costs. In joint names cases it is also unlikely to lead to a different result unless the facts are very unusual. Nor may disputes be confined to the parties themselves. People with an interest in the deceased’s estate may well wish to assert that he had a beneficial tenancy in common. It cannot be the case that all the hundreds of thousands, if not millions, of transfers into joint names using the old forms are vulnerable to challenge in the courts simply because it is likely that the owners contributed unequally to their purchase.

69. In law, “context is everything” and the domestic context is very different from the commercial world. Each case will turn on its own facts. Many more factors than financial contributions may be relevant to divining the parties’ true intentions. These include: any advice or discussions at the time of the transfer which cast light upon their intentions then; the reasons why the home was acquired in their joint names; the reasons why (if it be the case) the survivor was authorised to give a receipt for the capital moneys; the purpose for which the home was acquired; the nature of the parties’ relationship; whether they had children for whom they both had responsibility to provide a home; how the purchase was financed, both initially and subsequently; how the parties arranged their finances, whether separately or together or a bit of both; how they discharged the outgoings on the property and their other household expenses. When a couple are joint owners of the home and jointly liable for the mortgage, the inferences to be drawn from who pays for what may be very different from the inferences to be drawn when only one is owner of the home. The arithmetical calculation of how much was paid by each is also likely to be less important. It will be easier to draw the inference that they intended that each should contribute as much to the household as they reasonably could and that they would share the eventual benefit or burden equally. The parties’ individual characters and personalities may also be a factor in deciding where their true intentions lay. In the cohabitation context, mercenary considerations may be more to the fore than they would be in marriage, but it should not be assumed that they always take pride of place over natural love and affection. At the end of the day, having taken all this into account, cases in which the joint legal owners are to be taken to have intended that their beneficial interests should be different from their legal interests will be very unusual.
70. This is not, of course, an exhaustive list. There may also be reason to conclude that, whatever the parties’ intentions at the outset, these have now changed. An example might be where one party has financed (or constructed himself) an extension or substantial improvement to the property, so that what they have now is significantly different from what they had then.

Jones – A Final Polish by the Supreme Court (Sole/Joint Name Cases)

9. Finally, see the helpful summary at paragraphs et seq. 51 of Jones (Lord Walker and Lady Hale):

51. In summary, therefore, the following are the principles applicable in a case such as this, where a family home is bought in the joint names of a cohabiting couple who are both responsible for any mortgage, but without any express declaration of their beneficial interests.

(1) The starting point is that equity follows the law and they are joint tenants both in law and in equity.

(2) That presumption can be displaced by showing (a) that the parties had a different common intention at the time when they acquired the home, or (b) that they later formed the common intention that their respective shares would change.

(3) Their common intention is to be deduced objectively from their conduct: “the relevant intention of each party is the intention which was reasonably understood by the other party to be manifested by that party's words and conduct notwithstanding that he did not consciously formulate that intention in his own mind or even acted with some different intention which he did not communicate to the other party” (Lord Diplock in Gissing v Gissing [1971] AC 886, 906). Examples of the sort of evidence which might be relevant to drawing such inferences are given in Stack v Dowden, at para 69.

(4) In those cases where it is clear either (a) that the parties did not intend joint tenancy at the outset, or (b) had changed their original intention, but it is not possible to ascertain by direct evidence or by inference what their actual intention was as to the shares in which they would own the property, “the answer is that each is entitled to that share which the court considers fair having regard to the whole course of dealing between them in relation to the property”: Chadwick LJ in Oxley v Hiscock [2005] FAm 211, para 69. In our judgment, “the whole course of dealing … in relation to the property” should be given a broad meaning, enabling a similar range of factors to be taken into account as may be relevant to ascertaining the parties’ actual intentions.

(5) Each case will turn on its own facts. Financial contributions are relevant but there are many other factors which may enable the court to decide what shares were either intended (as in case (3)) or fair (as in case (4)).
52. This case is not concerned with a family home which is put into the name of one party only. The starting point is different. The first issue is whether it was intended that the other party have any beneficial interest in the property at all. If he does, the second issue is what that interest is. There is no presumption of joint beneficial ownership. But their common intention has once again to be deduced objectively from their conduct. If the evidence shows a common intention to share beneficial ownership but does not show what shares were intended, the court will have to proceed as at para 51(4) and (5) above.

53. The assumptions as to human motivation, which led the courts to impute particular intentions by way of the resulting trust, are not appropriate to the ascertainment of beneficial interests in a family home. Whether they remain appropriate in other contexts is not the issue in this case.

**Express Declaration of Trust**

10. If there is an express declaration of trust, see the decision of the Court of Appeal in *Pankhania v Chandegra* [2012] EWCA Civ 1438, at paragraph 13:

“…the parties…had executed an express declaration of trust over the property in favour of themselves as tenants in common in equal shares and had therefore set out their respective beneficial entitlement as part of the purchase itself. In these circumstances, there was no need for the imposition of a constructive or common intention trust of the kind discussed in *Stack v Dowden* nor any possibility of inferring one because, as Baroness Hale recognised in paragraph 4 of her speech in that case, such a declaration of trust is regarded as conclusive unless varied by subsequent agreement or affected by proprietary estoppel…“

**Matrimonial Cases**

11. As indicated above, TLATA is also relevant to married couples, because it is a route by which a spouse may procure vacant possession of a property and/or an order for sale, in circumstances whereby neither the former nor the latter is available under the Matrimonial Causes Act 1973 as an interim remedy – *Wicks v Wicks* [1998] 1 FLR 470.

12. See paragraph 18 of the decision of the Court of Appeal in *Miller-Smith v Miller-Smith* [2009] EWCA Civ 1297:

*I am clear that, confronted with an application under TOLATA between separated spouses, the court should embark upon the discretionary exercise by asking itself whether the issue raised by the application can reasonably be left to be resolved within an application for ancillary relief following divorce. It is in principle much more desirable that an issue, as here, about sale of the home should be resolved within an application for ancillary relief. For there the court will undertake a holistic examination of all aspects of the parties' finances, needs, contributions*
etc.; will devise the fairest set of arrangements for the future housing and finances of each of them; and, to that end, will provide for the transfer of capital, as well perhaps as for payment of future income, from one to the other. By an order under TOLATA, on the other hand, the court lays down only one piece of the jigsaw, namely that the home be sold, without its being able to survey the whole picture by laying down the others. So at this threshold stage of the inquiry into an application under TOLATA between spouses the court will, in particular, have regard to the question whether, within a time-frame tolerable in all the circumstances, the parties will become able to apply for ancillary relief. Furthermore if, at first sight, there appears to the court to be any measurable chance that, on an application for ancillary relief made within that time-frame, the respondent to be the application for an order for sale under TOLATA will be able to preserve her or his occupation of the home by securing an outright transfer of ownership of it or a variation of the trust, it is hard to conceive that an order for sale would reflect a proper exercise of discretion.

13. On the facts of Miller-Smith, the Court proceeded to hear the Husband’s TLATA claim for a number of reasons, including the fact the Wife was defending the divorce with the result that an order for ancillary relief (being of course dependant on the decree) was a long way off, and the fact that, in the mean-time, he was paying an unsustainable amount in upkeep/maintenance of the property. There was no prospect of the Wife receiving an outright transfer or a life-interest of the property in ancillary relief proceedings.

14. Miller-Smith must now be read in the light of the decision of Mostyn J in BR v VT [2015] EWHC 2727. It had been held in Miller-Smith that possession of a matrimonial home under TLATA could be obtained even if the criteria in s33 of the Family Law Act 1996 (FLA) were not satisfied. Mostyn J firmly reached the contrary view, and support for his view can be drawn from Wicks.

15. It thus seems clear that if an application is made for an interim sale of the FMH (whether under s17 of the Married Women’s Property Act 1882, TLATA or FPR 2010 r20.2(1)(c)(v) 2), the order cannot be made unless the other spouse’s home rights should be terminated under s33(3)(e) FLA (applying the evaluative factors in s33(6) FLA).

**TLATA – Procedural Matters**

16. Generally, the CPR Pt 7 procedure should be used for TLATA claims.

17. If issues between a spouse and a third party arise as to beneficial ownership of property in ancillary relief proceedings, those issues must be resolved within those proceedings by joinder of the third party: Tebbutt v Haynes [1981] 2 ALL ER 238. The TLATA issues must be properly pleaded out as if the case was proceeding in the Chancery Division: TL v ML (Ancillary Relief: Claim against Assets of Extended Family) [2006] 1 FLR 1263.
18. Similarly, when claims have been made by a parent against the other parent under both TLATA and the Children Act 1989 Schedule 1, those claims should be dealt with together: *W v W (Joinder of Trusts of Land and Children Act 1989 Applications) [2004] 2 FLR 321.*

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2  *Which provides that the Court may grant as an interim remedy an order “for the sale of relevant property which is of a perishable nature or which for any other good reason it is desirable to sell quickly”*

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