



## Annex 1: Letter of Demand

[Insert your name and address]

[insert date here]

[insert other party name/business name]

[insert other party address]

[insert other party address]

By post [and by email]: [insert email address if applicable]

Dear [insert other party name/business name]

### Letter of Demand

#### Claim for Damaged Goods

We act for [insert the client's name].

We are instructed by our client that:

#### 1. Background

##### ##NOTES: Letter of demand regarding goods damaged in a disaster (bailment)

This is a precedent letter of demand regarding goods damaged in a disaster from conduct alleged to be in breach of a contract/agreement. It is used to demand that the other party:

- return the goods in the condition that it was agreed to be returned in the first instance;
- compensate the client for the damaged goods and/or loss of future opportunities; and/or
- raise the prospect of a claim for damages.

##Set out the background to the demand being made by the client

**Example 1:** include details of the contract/agreement and all relevant terms:

We refer to the ##contract/agreement between ##parties dated ##date (Agreement).

The terms of this Agreement require you to ##set out each of the relevant terms of the Agreement in relation to the bailment (including a description of the goods and the obligation to keep them safe or store them):

1.1 ##(clause ##); and

1.2 ##(clause ##).



Pursuant to the Agreement, a bailment relationship arose between the parties, specifically a relationship of “bailee for reward”.

**Example 2:** include details of the client’s goods that the conduct complained of affects; set out the nature of the bailment relationship:

We refer to our client’s **##product/goods**. We are instructed that:

- on or about **##date**, our client delivered **##product/goods** to **##other party name** such that **##other party name** had possession of the **##product/goods**;
- the **##product/goods** was in **##other party name’s** possession for the purposes of carrying out **##[include why the client left the items with the other party]**;
- our client was to pay **##other party name** **\$\$\$amount** in return for carrying out the above services;
- as part of this arrangement, our client agreed for **##other party name** to take possession of the **##product/goods**; and
- importantly, a condition of this relationship was that the **##product/goods** would be returned to our client in **##the same condition/or some other condition (ie repaired)**.

## 2. Breach

**##NOTE:** Set out the precise details of the alleged conduct that caused the damage to the goods or the fact that your client discovered that the goods had been damaged. In doing so, describe the nature and extent of the damage.

By engaging in the conduct referred to above, **##other party name** has breached the parties’ agreement and, in particular, the obligation to **##list any breaches of bailment duties which are applicable (such as duty to take care of the goods, duty to retain the goods for the specific purpose of the bailment, duty to return the bailed goods upon the request of the bailor on the terms of the bailment)**.

## 3. Consequences of your breach

Our client has suffered loss or damage as a result of the breach. Our client is entitled to recover from **##other party name** damages to put our client back in the position they would have been in had this breach not occurred. **##Further, our client has suffered loss of future profits and opportunities due to the breach and the inability to access the goods and is entitled to recover damages as above**. Our client calculates this loss and damage as **\$\$\$amount** made up of:

• <b>##Cost of replacement</b>	<b>\$\$\$</b>
• <b>##Cost of repair</b>	<b>\$\$\$</b>
• <b>##Loss of profits</b>	<b>\$\$\$.</b>
• <b>##Cost of rental of a replacement</b>	
<b>(until the goods are repaired or replaced)</b>	<b>\$\$\$</b>

Additionally, our client is entitled to the following rights arising from the breach. **##Set out clearly the Client’s rights arising from the breach or breaches, which may include specific performance (requiring performance of the contract), right to recover damages or rescission of contract (if the property should be returned to the consumer):**

As a consequence of your conduct as outlined above, our client is entitled to commence legal proceedings against **##other party name** to **##details of proceedings (in effect to put our client back**