

# A Brief Study on Social and Domestic Arrangements

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## **ABSTRACT:**

In contract law, the phrase "social and domestic arrangements" refers to agreements formed between relatives, friends, or persons in a casual or non-commercial situation. societal and domestic agreements, in contrast to commercial contracts, often depend more on societal expectations, personal ties, and trust than they do on legal commitments. This abstract examines the distinctive features and legal ramifications of social and domestic relationships, emphasising the difficulties in upholding such agreements and the part played by social norms in forming these connections. It also looks at the few occasions when courts may get involved in disagreements brought on by these agreements. Individuals may negotiate these connections while being conscious of their legal repercussions and the value of open communication and mutual understanding in maintaining personal relationships by recognising the intricacies of social and domestic arrangements.

## **KEYWORDS:**

Commercial Agreements, Domestic Arrangement, Flexibility, Social Arrangement.

## **I. INTRODUCTION**

Agreements or arrangements formed between people in private or informal situations that are often not intended to result in legally enforceable contracts are referred to as social and domestic arrangements. Contrary to commercial or corporate contracts, social and domestic agreements sometimes rest on relationships of trust, friendship, or family and entail engagements or concerns pertaining to private lives, social contacts, or domestic affairs [1], [2]. Invitations to social gatherings, unwritten agreements between friends or family members, plans for sharing home duties, and agreements struck during casual discussions are all examples of social and domestic arrangements. Instead, then being governed by laws, these agreements are often founded on mutual understanding, trust, and social conventions. The purpose to establish legal connections may be absent or restricted in certain kinds of agreements. Parties to social and domestic agreements often do not anticipate legal repercussions or the potential of the agreements to be enforced. Instead, the interactions and duties under these agreements are governed by goodwill, close friendships, and unofficial social standards [3], [4].

In legal situations, it is crucial to recognise the differences between social and domestic agreements and contracts with legal force. Courts and legal systems are aware that not all agreements or arrangements are intended to produce legally enforceable obligations or have the legal authority to do so. Due to this difference, people may converse freely, come to unofficial agreements, and take part in social or domestic activities without worrying about facing severe legal repercussions. It's crucial to remember, however, that social or domestic agreements often nonetheless have legal repercussions. For instance, a social or domestic arrangement may be regarded as legally enforceable if it contains deliberation, has a clear aim to establish legal links, or is backed by legal formalities. Instances of fraud, undue influence, or unconscionable behaviour may also have an effect on whether social and domestic agreements may be enforced [5], [6].

In the end social and domestic arrangements refer to agreements or arrangements formed in private or informal contexts that are often not meant to result in contracts with legal force. Instead of being governed by laws, these agreements depend on trust, close connections, and societal conventions. It is vital to take into account the unique conditions and elements that may have an influence on the enforceability of such agreements, even if they may not have the same legal enforceability as commercial contracts. This idea encourages peace and compassion in interpersonal interactions as well. It acknowledges that trust-based and mutually understood partnerships shouldn't be bound by the stringent legal requirements and possible legal issues that come with formal contracts.

It is important to keep in mind, however, that not all agreements reached in social or domestic contexts qualify as such. An agreement may be regarded as legally binding and enforceable if the parties seek to impose legal duties, such as by signing a formal contract to buy real estate or loan money.

## II. DISCUSSION

The court looks for a true purpose to be bound by the terms of the agreement when determining whether a contract has been formed, in addition to an offer, acceptance, and consideration. An agreement may seem to possess the components of a contract but will not be enforceable legally if there is no legal purpose (or desire to establish legal relations). Since persons who have reached some kind of agreement often do not anticipate or want to enter into a contract and do not desire to be bound by one, such as in social arrangements, it is fair for the court to check for this need. On the other hand, it is quite simple to create an agreement during business transactions without saying or writing much, but with a clear intention to be bound by it. For instance, when shopping, it is frequently a matter of the customer handing over goods to be wrapped, with the seller fully anticipating receiving payment for them [7], [8]. Here, it's crucial that the court be able to pinpoint specific legal purpose rather than merely a broad issue of trust. The cases involving this subject may be divided into two groups:

### 1. Domestic and social arrangements

Agreements or arrangements formed between people in personal relationships or informal situations that are largely focused on social, familial, or domestic concerns rather than commercial or economic goals are referred to as "social and domestic arrangements." These agreements are often regulated by personal connections, trust, and unwritten agreements and usually concern non-commercial issues. Social and domestic arrangements cover a wide range of aspects of personal life, such as family issues, cohabitation agreements, cost-sharing with friends or roommates, lending of personal items, unofficial childcare arrangements, and unofficial lending or borrowing between family members or close friends. Social and domestic agreements are often of an informal character, and they may not be explicitly stated in a legal contract. Instead, they depend on interpersonal connections, trust, and mutual understanding. Although it is always advised to have written agreements, these agreements may not necessarily adhere to conventional commercial formalities [9], [10].

Dependence on Trust and Good Faith: Social and domestic agreements often depend on the parties' mutual trust and good faith. Each party is expected to conduct themselves in a fair and reasonable way and keep their word. These agreements allow for disputes to be handled via open discussion, compromise, and maintaining good relationships. Contrary to commercial contracts, social and domestic agreements may only be partially enforceable in court. Unless there are extraordinary circumstances or distinct legal rights and responsibilities established, courts may be hesitant to become involved in conflicts involving personal relationships or family affairs.

Within certain communities or cultural settings, customary practices and norms may have an impact on social and household structures. The expectations and duties of the persons concerned may be shaped by regional cultures and practices. Despite the fact that social and domestic contracts may be more loose-limbed and informal than business contracts, it is still crucial to preserve open communication and clarity. It may be easier to avoid misunderstandings and disputes if the expectations, duties, and possible eventualities are discussed and documented.

Social and domestic agreements nonetheless entail rights, duties, and expectations between the parties even if they are not usually legally enforceable in the same manner as formal contracts. If a disagreement arises or the agreement has important financial or legal ramifications, it is advised to seek legal counsel or mediation services. Legal issues may be navigated with the assistance of a professional who can also provide insight into the most effective ways to resolve them.

### 2. Commercial agreements

According to contract law, commercial arrangements are agreements or contracts signed between parties during business or commercial activities. These agreements include the trading of products, services, or money with the intention of doing business and making a profit. The fundamental components of an offer, acceptance, consideration, and the purpose to establish a legal relationship are what make up a commercial contract. To

determine the terms and circumstances governing their commercial relationship, parties negotiate and sign contracts.

Although agreements may be reached verbally or by behaviour, it is customary for business deals to have written contracts. By explicitly outlining the rights, duties, and responsibilities of the parties, written contracts promote clarity, decrease ambiguity, and aid in the avoidance of conflicts. Commercial contracts define the terms and conditions of the agreement, such as the range of goods or services, pricing, payment terms, delivery schedules, performance commitments, warranties, dispute resolution procedures, intellectual property rights, and any other pertinent clauses.

In business contracts, consideration refers to the value that is transferred between the parties. It might be expressed in the form of cash, commodities, services, or pledges to carry out certain tasks. The contract must include consideration in order to be enforceable. The parties' performance duties are outlined in commercial contracts. Each party is required to carry out their responsibilities in accordance with the timeframes and parameters established. If these requirements are not met, there may be a contract violation and subsequent legal repercussions.

**Risk Distribution:** Risk and liability distribution clauses are often included in commercial contracts. This may include insurance requirements to safeguard the parties in the case of certain risks or events, indemnity agreements, or liability restriction clauses. In the case of a contract violation, business agreements provide the affected party remedies. Damages (financial restitution), specific performance (requiring the party that violated the contract to comply), and contract termination are typical remedies. Specific legislative requirements and legislation that apply only to a particular sector may apply to commercial agreements. These may include laws covering things like employment, intellectual property, competition, and consumer protection. The parties must make sure that all rules and regulations relevant to their business and area are followed. In contract law, commercial agreements are the foundation of corporate partnerships and transactions. They provide parties a framework to specify their rights and duties, control risks, and guarantee the efficient operation of company. Commercial agreements may be correctly designed, compliance with regulations, and safeguard the interests of the parties concerned by consulting legal professionals or specialists in the relevant sector.

Although, once again, this may be refuted, the conventional assumption in commercial agreements is that parties do aim to establish legal connections. It is more difficult to disprove this assumption; thus extremely convincing proof will be required. In a business setting, it's crucial to keep in mind that most contracts are created when at least one party anticipates making a financial benefit, which is common. It is reasonable to anticipate that the law will uphold the agreements, provided that these contracts are formed fairly. Therefore, it seems sense that the law would hold the buyer responsible for payment if they purchase a piece of furniture from a store and it is delivered. The proprietors of the furniture store are also legally obligated to pay the manufacturer in accordance with the terms of the contract with them if they purchase more products from a manufacturer. This bolsters the businessperson's commercial expectations, but what about the customer?

In *Edmonds v. Lawson* (2000), the courts used a contextual approach to refute the assumption. The arrangement about pupillage, according to a student lawyer, was signed in a business setting and is thus a legally enforceable contract. If this were the case, the contract would fall under employment law and be subject to the minimum wage thanks to the assumption of legal purpose. The assumption, the court said, would be rebutted since pupillage is a situation in which payments are often not paid.

It is crucial that the consumer, a person purchasing from a businessperson, be safeguarded against being taken advantage of by a business. Here, there are two sides to the agreement that we can see, and the law only seeks to ensure that there is fairness between them. That is often the justification for the assumption made in relation to business agreements. Though the courts will want extremely strong proof to refute the assumption, it is sometimes possible for a party to succeed.

The Unfair Terms in Consumer Contract Regulations of 1999 govern unfair practises in consumer contracts, and if a case identical to this one was to return to the courts, it's probable that honourable promise provisions would violate these regulations. The courts should search for a chance to ban the practice since it is unquestionably against the spirit of the European Directive that inspired the restrictions. When employers and trade unions meet to negotiate wage agreements or working conditions, for example, it is assumed that there is legal purpose present

and this is a business-like environment. It is assumed that, without explicit written agreement to the contrary, any agreements signed are not intended to be binding in order to promote collective bargaining. *Ford Motor Co. Ltd. v. Amalgamated Union of Engineering and Foundry Workers* (1969) involved the application of this theory.

Therefore, a crucial component in the creation of a contract is the presence of legal purpose. The presumptions work to avoid social agreements from unintentionally becoming legally enforceable contracts, but they also make sure that the parties' realistic and reasonable intents are backed by the law. Academics, most notably Atiyah, have argued that since there are already three main prerequisites for formation (offer and acceptance, consideration, and legal purpose), contemplation is not necessarily essential. Legal purpose would be much more important in the creation of a contract if this line of reasoning were to be followed by the courts. When parties obviously want to create a legally enforceable agreement, it is even more crucial that they uphold their commitments, and the presumption of legal intent is one approach to make sure that this occurs.

The assumption works the opposite way in commercial agreements than it does in domestic and social ones. There is a very high presumption that there is a desire to establish legal relations in this situation. It would be a waste of time for anybody to claim that there was no purpose to establish legal ties after they had formed an ordinary business contract. There must be a very plain and unambiguous declaration for such an argument to work. This may occur, for example, if parties discussing a contract wish to be absolutely certain that their talks do not unintentionally turn into a binding agreement. When we looked previously, we looked at this problem. It is difficult to overcome the legal assumption that, in business transactions, the parties intended to establish a legal relationship. The assumption is so strong that it seldom comes up in business disputes. *Esso Petroleum Ltd. v. Commissioners of Customs and Excise*, [1976] 1 WLR 1, is one instance where it did occur and cause a divide of court opinion.

Commercial agreements may be implicit in official or informal situations, verbally stated in writing, or both. They may deal with everything related to company, including employment, leasing, financing, salaries, and worker safety. A business contract is considered to be in violation when one of the contractual parties doesn't fulfil their obligations. Commercial agreements are written in straightforward English, but they also often include boilerplate language and guarantees that have been previously examined by a lawyer. They are often standard forms that may be used again with different vendors or providers. Contracts between businesses vary from transactions between businesses and consumers. There are fewer default legal terms in business-to-business contracts to safeguard uneducated or misinformed parties or to provide these parties with a way out of a properly completed agreement. A business agreement's terms are crucial, and contract law rules apply solely to the written terms of the agreement in order to make the parties' intents clear. Courts won't take extraneous factors into account until a fraud accusation is made. Businesses must understand how to safeguard their own interests; knowing what makes a legally binding and enforceable commercial agreement is a crucial component of that knowledge. These agreements are written in straightforward English rather than legalese since they are solely between parties engaged in business.

The opening section of the contract is usually the most labor-intensive since it identifies the parties, clarifies any ambiguous phrases, and covers the contract's contents, such as the specifications of the item or service being sold, dates and times, delivery alternatives, and the agreed-upon price. Using plain English for common business purposes can assist satisfy the need of contract law that all parties involved comprehend the terms of any agreement they are entering.

### III. CONCLUSION

It is acknowledged under the idea of social and domestic arrangements that not all agreements between people are meant to impose legal duties. It recognises the value of interpersonal connections, mutual trust, and unwritten agreements in social and familial environments where parties often depend on good faith and common understanding rather than legal action. The legislation offers flexibility and respect for individual liberty by separating social and domestic agreements from contracts that must be followed according to the letter of the law. It enables people to make informal agreements without being concerned about being held legally responsible for unforeseen results or responsibilities. To sum up, the idea of social and domestic arrangements enables people to come to informal agreements in social and familial contexts without establishing binding legal responsibilities. It upholds individual liberty, fosters peaceful interpersonal connections, and acknowledges the value of trust and

understanding in non-commercial settings. To negotiate their personal connections and legal obligations effectively, people need to know the difference between social and domestic agreements and legally enforceable contracts.

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