CMR – Valuable Cars and Limitation

AUTHOR / KEY CONTACT

Elisabetta Scanferla
Solicitor

elisabetta.scanferla@LA-law.com
01202 786179

Mr Paul Knapfield v Cars Holdings Limited and others, [2022] EWHC 1437 (Comm)

In June 2019 Cars Holding (CARS) was engaged to transport two classic cars from the premises of Mr Knapfield in England, to an event in Chantilly, France. The two-day event takes place North of Paris, where a large number of classic cars are exhibited and compete for prizes. The classic cars made the journey to Chantilly without incident but on the way back from the event, the front wheel straps holding one car on the transporter became free and one car slipped back onto the other car.

Mr Knapfield claimed damages from CARS for the damage to the cars as well as for the diminution of value of the two valuable classic cars damaged. The central issue in the dispute was whether Mr Knapfield's damages were limited by the Carriage of Goods by Road Act 1965 which incorporates the CMR Convention (CMR). If it did CARS' liability would be limited to SDR 23,490.60, which amounts to about USD 20,000.

CARS traded under BIFA's standard terms and conditions.

CARS accepted that they were legally liable for the damage sustained to the vehicles because the front wheel straps attached to the Talbot became free during the return journey.

The court concluded that the cause of the damage was inadequate securing of the front wheel straps on the Talbot.

Because the carriage from Chantilly to Old Jordans (UK) involved international carriage, the starting point was the applicability of the CMR. Mr Knapfield's case was that the liability of CARS was not limited by the CMR. He relied on the following exceptions:

1. Where the sender declares in the consignment note a value for the goods (Article 24 CMR).

2. Where the sender fixes the amount of a special interest in delivery in the consignment note (Article 26 CMR).

3. Where the damage was caused by the wilful misconduct of the carrier or its servants or agents (Article 29 CMR).

The CMR applies to contracts of carriage by road when the place of taking over of the goods and the place designated for delivery, as specified in the contract, are situated in two different countries, of which at least one is a contracting country, irrespective of the place of residence and the nationality of the parties.

In this case, the court found that the CMR applied because there was a contract for the carriage of goods for the vehicles by road in the transporter for reward, and because CARS took over (collected) the vehicles in France (Chantilly) for carriage to the United Kingdom (Old Jordans).

The cause of the damage was the failure of Mr Constantinou to properly secure the front over-the-wheel straps on the Talbot so that in the course of the journey they worked loose. That failure could readily be described as negligent, perhaps even grossly negligent. But there was no reason to think it was reckless, still less deliberate.

Moreover, the court found that it was significant that the method for transportation was the same method that had been used for the carriage to Chantilly without incident. That went against any suggestion that the method of carriage was reckless.

Thus the court concluded that Mr Knapfiles' claim was limited by the CMR to SDR 23,490.60.

As this case shows, claimants have a high burden of proof to show the wilful misconduct of the carrier in order to avoid the application of the limitation regime under the CMR. In this case, the claimant was unsuccessful and therefore the limitation regime under the CMR applied.

For any questions or concerns, please contact our specialist shipping and logistics lawyers by emailing online.enquiries@la-law.com

Tel: 0344 967 0793 | Email: info@LA-Law.com | www.lesteraldridge.com