Standard Trading Conditions – How to avoid problems and disputes

On her recent album “How the Story Ends,” Lily Williams has named one of her songs “Hindsight Is a Wonderful Thing". The song was not obviously intended to discuss some of the issues faced by the global logistics industry. However, its title is a sad reminder of the importance of clearly understanding how contract terms will be applied in a complex chain of intermodal operations.

Depending on the circumstances, the parties may decide on one of the following approaches before concluding a contract:

1. If an international convention or a local law is applicable (often when the service provided entails the carriage of goods), the parties will not often have the freedom to adjust the terms of the contract to accord with their needs and the rights and liabilities will be governed by the said convention or legislation. The Hague and Hague Visby Rules or the CMR conventions, which are incorporated into local law, are a good example of that.

2. Limitations on liability, exceptions and rights may all be incorporated into a contract at some stage.

3. In other instances, the parties may choose to:

- negotiate complex terms bespoke to the services provided.
- base their contract on standard trading conditions (“STC”) of a particular organisation to which they are a member, for example, the British International Freight Association (BIFA) for freight forwarders; or
- adopt the logistics service provider’s STCs. By service providers they could be a freight forwarding agent or a shipper.

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

Lester Aldridge LLP is authorised and regulated by the Solicitors Regulation Authority (SRA ID: 463177). It is a limited liability partnership registered in England and Wales under number OC321318. Managing Partner: Tom Alder; Compliance Officer for Finance and Administration: Dan Baker-Mist (Financial Controller); Compliance Officer for Legal Practice: Joanne Clarke (Partner) - See more on the Lester Aldridge Privacy Policy

© 2026 Lester Aldridge

So, what could be some of the advantages and disadvantages of incorporating the STCs?

Efficiency vs Procedural

1. Efficiency – the service provider can use a set of STC for most of if not all, the business it operates; this ensures that the time spent on negotiation of the terms is minimal and, consequently, saves on costs.

2. Procedural – on the other hand, the parties must ensure proper incorporation of the STCs. This is important because if the STCs are not appropriately incorporated, there is a risk that the parties may not be able to rely on the same if a dispute arises down the line. A few points to note:

- The provider should expressly notify the customer that its STCs are being relied on and where the customer can access the STCs – preferably by providing the customer with a copy of the same at the earliest possible opportunity and certainly before the conclusion of the contract.

- In the case of *Perfect Best Asset Management Inc v ADL Express Ltd and another* [2021] HKCFI 2310; [2022] Lloyd's Rep. Plus 15, the court has found that the defendant shipper could not rely on its STCs as they were produced to the plaintiff customer after the bill of lading was issued (in addition to the fact that the bill of lading explicitly excludes reliance on the STCs). The court sought persuasive evidence to show that the STCs were brought sufficiently to the customer's attention and that it could access the same.

- It is not sufficient that the STCs are printed at the back of the provider's invoices alone; invoices are usually issued after the contract is performed.

- It is worth noting that in *SKNL (UK) Ltd v Toll Global Forwarding [2012] EWHC 4252 (Comm)*, the court concluded that the BIFA STCs were incorporated into the contract. The freight forwarder sent its customer a contract with a footnote incorporating the BIFA STCs and a series of invoices incorporating the BIFA terms and conditions. The parties have also had extensive dealings based on the invoices, and no contrary was agreed.

- We have seen an increased number of cases where the STCs have a retention of title (ROT) clause, and the owner has had to provide a clear trail of evidence to show that extra steps have been carried out and the ROT clause has been incorporated. For example, by highlighting the clause to the customer specifically or by placing a notice on the property to confirm that the owner's title to the property will remain on delivery and that the owner will have the right to enter the ship to repossess the property.

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

Lester Aldridge LLP is authorised and regulated by the Solicitors Regulation Authority (SRA ID: 463177). It is a limited liability partnership registered in England and Wales under number OC321318. Managing Partner: Tom Alder; Compliance Officer for Finance and Administration: Dan Baker-Mist (Financial Controller); Compliance Officer for Legal Practice: Joanne Clarke (Partner) - See more on the Lester Aldridge Privacy Policy

© 2026 Lester Aldridge

Consistency vs Ambiguity

1. Consistency – as the provider uses the same form of STCs, it ensures that the services provided are consistent and its staff can be trained to work on the same standard to fulfil the provider's liability under the STCs.

2. Ambiguity – the provider must ensure that the language used in the STCs is clear and not ambiguous. Onerous provisions must be highlighted to the customer. If any term is unfair to the customer, the court may disregard and set aside the same when finalising its judgment.

Key takeaways

- If a dispute has arisen, the court will want to see clear evidence of incorporation, for example, an email with the STCs attached or a link to the STCs on the provider's website. Onerous provisions will need to be brought to the customer's attention specifically.

- Clear language should be used when drafting the STCs, and the terms cannot be unfair or unbalanced.

If you have any questions, please email our specialist shipping and logistics lawyers at online.enquiries@la-law.com.

This article was written by Chengcheng Zheng, Trainee Solicitor and Linda Jacques, Partner.

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

Lester Aldridge LLP is authorised and regulated by the Solicitors Regulation Authority (SRA ID: 463177). It is a limited liability partnership registered in England and Wales under number OC321318. Managing Partner: Tom Alder; Compliance Officer for Finance and Administration: Dan Baker-Mist (Financial Controller); Compliance Officer for Legal Practice: Joanne Clarke (Partner) - See more on the Lester Aldridge Privacy Policy

© 2026 Lester Aldridge