

HIGH COURT JUDGEMENT: CONTRACTUAL RELATIONSHIPS & PRIVATE HIRE VEHICLES (LONDON) ACT 1998

On 6th December 2021 the High Court handed down its decision in the case of *Uber London Limited v Transport for London & Others [2021] EWHC 3290 (Admin)*.

It had been tasked with hearing a claim, brought by Uber London Limited (“Uber”), for clarification on **contractual relationships** under the **Private Hire Vehicles (London) Act 1998**. Uber, as set out in the judgement (at para. 3), sought from the court:

“...a declaration that an operator licensed under the 1998 Act who accepts a booking from a passenger is **not required by the Act to enter as principal into a contractual obligation with the passenger to provide the journey in respect of that booking.**”

Effectively, it asserted the contractual relationships between operators, drivers and passengers were **not governed by the statute**. Such an interpretation, if accepted, would undermine earlier judicial observations, on a matter of **worker rights**, in the Supreme Court (*Uber BV v Aslam [2021] UKSC 5*).

In support of its position, Uber asserted the “...**Act does not... regulate...private law relationships...**” and operators “...are therefore **free to choose whatever contractual model they wish...**” (at para. 24). Free Now, as an interested party, also sought to draw “...a **distinction between acceptance of a booking...and the undertaking of an obligation to carry out the journey...**” (at para. 25). Transport for London (“TfL”) took a “...**neutral...**” position (at para.6).



Finding **against** Uber’s view, Lord Justice Males and Mr Justice Fraser ruled (at para. 57):

“...that in order to operate lawfully under the Private Hire Vehicles (London) Act 1998 a licensed operator who accepts a booking from a passenger is **required to enter as principal into a contractual obligation with the passenger to provide the journey which is the subject of the booking...**”

The court referenced, in coming to its conclusion, the existing **sub-contracting provisions** at section 5 Private Hire Vehicles (London) Act 1998 and, outside London, section 56(1) Local Government (Miscellaneous Provisions) Act 1976 (at paras. 15-21). It also noted that to “...**interpret the Act in this way gives effect to the statutory purpose of ensuring public safety...**” (at para. 30).

Such an interpretation now means TfL, as alluded to by the court, “...will need to **reconsider its current practice** which is that it does not review the contractual terms of an operator when considering a licence application...” (at para. 36). Notably, TfL has already issued TPH Notice 19/21 stating it will be “...**considering the written terms...**” of operators.

Moving forward, operators should consider that “...**to operate lawfully, an operator must undertake a contractual obligation to passengers...**” and, if they do not at present, “...**will need to amend the basis on which they provide their services...**” (at para. 35). Ultimately, this will be a subjective question to be considered, and addressed, by each individual business.

If you want to check how you are affected by any Taxi Licensing Law matters, please contact Travis Morley now on 01159 724928 or email enquiries@travismorley.com or visit www.travismorley.com.



A legal overview on the Uber, and passenger contracts, element of the recent conjoined judgement handed down by the High Court. Consideration of the Free Now, and "plying for hire", aspect can also be found in this magazine.

About The Author...

Neil Morley is a leading lawyer in Taxi Licensing Law who founded Travis Morley in 2010. He has consulted on national law reforms, government briefs and well-reported High Court cases. His opinions have been widely sought by trade organisations, businesses and individuals. He has been published in the Law Society Gazette and is a regular contributor to Private Hire News.



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