

# The Benefits of Adjudication in the Construction Industry

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Adjudication is a form of dispute resolution which applies to all written construction contracts in the United Kingdom. 'Construction' is widely defined and can therefore catch work not only undertaken by building contractors but also by members of the professional team such as architects and surveyors.

As it is a statutory right, the right of either party to refer a dispute to adjudication applies even if the contract between the parties is silent. The aim adjudication in construction contracts is to provide a fast mechanism for settling disputes in construction contracts to prevent undue delay in the works.

## WHAT ARE THE ADVANTAGES OF ADJUDICATION IN CONSTRUCTIONS?

1. **Statutory right** – Adjudication will apply even if the contract does not provide for it
2. **Reputation** – As the proceedings are conducted in private the dispute can be resolved without being heard in open court thus protecting the reputation of the parties;
3. **Costs** – Obtaining a judgement by way of adjudication will, in the majority of cases, be a fraction of the cost of pursuing a judgement through the courts;
4. **Speed** – An impartial decision can normally be obtained with a number of weeks whereas a case commenced in the courts can take months or, in some cases, years to conclude
5. **Flexible procedure** – The parties may, on agreement, extend the time limits for response depending on the complexity or volume of material to be considered
6. **Written reasoning** – The adjudicator may provide written reasoning for his decision
7. **Final decision** – The decision of an adjudicator is normally binding unless appealed to Arbitration or Litigation

## WHAT ARE THE DISADVANTAGES?

1. **Rough justice** – Given the tight time constraints adjudication can sometimes be seen be rough justice as the responding party may only have a matter of 2-3 weeks to prepare a defence to the claim brought against them
2. **Legal costs** – Unlike the court, the adjudicator may not have the power to order the losing party to pay the winner's legal costs

If you feel that this may affect you or your business please contact Lisa Boyd or another member of the Construction Unit who will be happy to help you.

*Please note: The content of this article is for information purposes only and further advice should be sought from a professional advisor before any action is taken.*