IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGSCT 23

Small Claims Tribunals Claim No 15139 of 2026

Between

JKO

… *Claimant*

And

JKN

… *Respondent*

GROUNDS OF DECISION

[Agency — Agency by estoppel — Whether the Respondent's interior designer had actual and/or apparent authority to enter into the contract for renovation works with the Claimant]

[Companies — Capacity — Indoor management rule — Whether the Respondent was bound to the contract for renovation works that did not contain its director's signature and company chop]

[Contract — Variation — Whether the Respondent was entitled to unilaterally vary the contract for renovation works]

[Contract — Breach — Whether the Respondent repudiated the contract for renovation works when it refused to perform the agreed works and threatened to remove existing completed works from the Claimant's home]

[Contract — Remedies — Damages — Whether the Claimant's claim for a refund of the value of the unfinished renovation works was the correct measure of damages]

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Tribunal Magistrate Leon Abraham Tan:

Introduction

1 For many, renovating a home can be a costly endeavour. When an interior design ("**ID**") company is engaged, renovations to a Housing and Development Board ("**HDB**") flat or a private condominium apartment can easily run into five or six figure sums. Much of that is commonly paid before any work begins on site. There is a reason for this. ID companies have overheads to meet, and much of the work must be made or supplied to order for the particular home, whether it is carpentry, flooring or something else. The subcontractors and suppliers who produce it must themselves be paid. So the homeowner parts with a substantial sum, and what he receives in return, at that point, is a promise of a renovated home. That promise is recorded in a contract. But what is a contract? At its simplest, it is a binding agreement between parties, the breach of which carries legal consequences. Yet it does something more than

that: it allocates risk. A party who undertakes to procure an outcome for a fee takes on the risk of producing it. Where an ID company is engaged to renovate a home, it is that party. The homeowner contracts with it. It in turn contracts with the subcontractors who do the work, and coordinates the moving parts as project manager. The company is not paid for nothing: it is paid to stand in that position and carry that risk. It follows that where something goes wrong that is neither the homeowner's fault nor a frustrating event, it is the company that must answer for it. The homeowner may insist on the bargain he struck, and the court's task is to hold both parties to it.

2 This case concerned an ID company that sought to do the very opposite. The Respondent was engaged to renovate the Claimant's HDB flat. However, one of its own interior designers allegedly went rogue: he siphoned off monies that the Claimant had paid to the Respondent and which were meant for the subcontractors working on the renovation, and committed the Respondent to a bargain that left it out of pocket. Faced with a shortfall of approximately $32,000, the Respondent looked to the Claimant to make it good by issuing a revised quotation that raised the price of the renovation by $15,466.50. When the Claimant declined to accept it, the Respondent stopped work and left him with a flat that was only partially renovated. The Claimant sued in the Small Claims Tribunals ("**SCT**") for the value of the works left undone, limiting his claim to $20,000 to bring it within the tribunal's monetary jurisdiction. I allowed the claim in full, though not on the basis on which the Claimant put it. I set out my reasons in this Grounds of Decision.

Facts

The parties

3 The Claimant was the owner of a five-room HDB flat at [address redacted] (the "**Flat**").

4 The Respondent was an ID company incorporated in Singapore that provided renovation services. Its sole director and shareholder was [CHT], who represented the Respondent throughout the proceedings.

The background to the dispute

5 On 27 July 2025, the Claimant engaged the Respondent to carry out extensive renovation works to the Flat for $70,800 (the "**Contract**").[1] The Contract was prepared and signed for and on behalf of the Respondent by [JX], one of its freelance interior designers.

6 By 24 September 2025, the Claimant had paid the Respondent $42,480, being 60% of the Contract's value, by bank transfer in accordance with the payment terms of the Contract.[2] The renovation works commenced on 26 September 2025.

7 On 9 November 2025, [CHT] discovered that [JX] had allegedly (a) caused the Respondent to enter into an unprofitable renovation contract with the

[1] Claimant's Hearing Bundle compiled on 30 June 2026 ("**CHB**") pgs 28 – 32 (C21).

[2] CHB pg 23 (C20).

Claimant, and (b) siphoned off monies belonging to the Respondent that were meant to pay the subcontractors who worked on the renovation of the Flat (collectively, the "**Alleged Misdeeds**"). [CHT] asserted that the Alleged Misdeeds had left the Respondent approximately $32,000 out of pocket on the Contract.

8 On 10 November 2025, the parties met to discuss how the renovation works were to proceed in light of the Alleged Misdeeds. A major sticking point was the electrical works, which were to be carried out free of charge under the Contract but which the Respondent now wanted to charge for.[3] On 12 November 2025, the Respondent issued a fresh quotation to renovate the Flat for $86,266.50 (the "**Revised Quotation**").

9 The Claimant refused to accept the Revised Quotation, which raised the overall cost of the renovation by $15,466.50. He regarded it as nothing more than an attempt by the Respondent to recoup the losses it had suffered on account of the Alleged Misdeeds. In response, [CHT] informed the Claimant over WhatsApp on 13 November 2025 that:

(a) firstly, the Respondent would not complete the electrical works that were to be provided free of charge under the Contract, and would enter the Flat to remove those that had already been installed and affixed to it;[4]

(b) secondly, the Respondent would not install the vinyl flooring required under the Contract;[5]

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[3] CHB pg 13 (C16).

[4] CHB pg 24 (C20) and CHB pg 13 (C16).

[5] CHB pg 13 (C16).

(c) thirdly, the Respondent would place the renovation of the Flat on hold.[6]

10 Faced with [CHT]'s threat to trespass into the Flat and strip out those electrical works, the Claimant changed the lock to the gate of the Flat on 13 November 2025.

11 As the Respondent would not continue with the renovation works, the Claimant asked for a refund of the value of the unfinished works under the Contract (the "**Unfinished Works**"). At trial, I directed the Claimant to isolate that value, and he ascertained it to be $21,450. The Unfinished Works consisted of the following:

S/No.	Item in the Contract	Description	Value
1	"D. Electrical Works"	This entailed installing electrical wiring and fixtures.	Free
2	"E. Plumbing Works (Supply Labour & Install)"	This entailed supplying and installing a variety of plumbing fixtures in the Flat.	$2,185
3	"F. Gypsum Board Works (Supply Material and Labour)"	This entailed fabricating false ceilings and partition walls for the Flat.	$7,616
4	"H. Painting Works (Supply Material and Labour)"	This entailed supplying paint and painting the Flat.	$1,950

[6] CHB pg 24 (C20).

5	"I. Vinyl Floor Works (Supply and Install)"	This entailed supplying and installing vinyl flooring for the Flat.	$3,913
6	"K. Countertop Works (Supply and Install)"	This entailed supplying and installing a quartz stone countertop for the kitchen cabinets.	$2,090
7	"L. Door Works (Supply and Install)"	This entailed replacing the metal gate at the front of the Flat.	$480
8	"M. Glass Works (Supply and Install)"	This entailed supplying and installing (a) glass doors for the study room and two bathrooms, (b) a shower screen for the common bathroom, and (c) a glass backing for the cooking area in the kitchen.	$2,886
9	"N. Others"	This entailed general cleaning after completion of all renovation works.	$330
		Total:	$21,450

12 [CHT] rejected the Claimant's request because [JX] had allegedly misappropriated the Respondent's money. In a WhatsApp voice message, which was professionally translated, [CHT] said this: "[l]et me tell you, I can't refund in full, that bastard has already taken my money."[7] Since the Respondent

[7] CHB pg 13 (C16).

would neither perform the Unfinished Works nor refund their value, the Claimant engaged another ID company (the "**New ID**") to carry them out.

13 The $21,450 fell within the $42,480 that the Claimant had already paid to the Respondent. In other words, of the works covered by that payment, the Respondent had completed a portion and left the Unfinished Works undone. The Claimant had therefore paid the Respondent in advance for works he did not receive, and [CHT] said nothing to the contrary at trial. The Claimant paid the New ID $39,558 to carry out the Unfinished Works,[8] and he filed the present claim for $20,000 in compensation.

The parties' cases

14 The parties' cases may be summarised as follows:

(a) The Claimant's case was that the Respondent was in breach of the Contract because it refused to perform the Unfinished Works. On that footing, he sought a refund of the $21,450 that he had transferred as advance payment for them. However, since the default monetary jurisdiction of the SCT was $20,000 (see s 5(3)(a) read with s 2(1) of the Small Claims Tribunals Act 1984 (2020 Rev Ed) (the "**SCTA**")), the Claimant abandoned the excess to bring his claim within that threshold.

(b) The Respondent denied that it was in breach of the Contract. Its defence had two aspects. First, it said that the Claimant was the party in breach when he changed the lock to the gate of the Flat on 13 November 2025, thereby shutting its workers out. Second, it disavowed the Contract altogether, on the basis that [CHT] never read it, that it was

[8] C30.

signed by [JX] rather than by [CHT], and that the Respondent's company chop was not affixed to it.

Issues to be determined

15 In view of the foregoing, three issues arose for my determination:

(a) first, whether the Respondent was bound by the Contract (the "**First Issue**");

(b) second, if the First Issue was answered in the affirmative, which party repudiated the Contract (the "**Second Issue**"); and

(c) third, if it was the Respondent that repudiated the Contract, what quantum of damages the Claimant was entitled to (the "**Third Issue**").

16 I address each issue in turn.

First Issue: the Respondent was bound by the Contract

17 I begin with the First Issue. I found that the Respondent was bound by the Contract, and that its reasons for disavowing it were nothing more than a flimsy afterthought. My reasons were as follows:

(a) First, [CHT]'s own evidence at trial was that [JX], as the Respondent's freelance interior designer, secured deals for the Respondent. In relation to the Claimant's renovation specifically, [CHT] confirmed that the Respondent even paid [JX] his commission of $18,700 for securing the Contract.

(b) Second, [CHT] testified that it was the Respondent that engaged and paid the subcontractors who carried out the renovation works at the Flat.

(c) Third, it was undisputed that the Respondent received $42,480, being 60% of the Contract's value, and that this sum was correctly paid into the Respondent's bank account pursuant to the Contract.

(d) Fourth, [CHT] personally signed the indemnity form issued by the HDB in order to obtain approval for the hacking works to be carried out at the Flat.[9]

18 Taken together, the foregoing showed that the Respondent was well aware of the Contract, adopted it, and acted pursuant to it. It was far too late in the day for the Respondent to disavow it. In any event, the Respondent's argument that it was the Claimant who breached the Contract was self-defeating because that argument could only be run on the footing that the Respondent was itself bound by the Contract. Put simply, the Respondent could not approbate and reprobate the Contract as and when it suited its convenience.

19 The above was sufficient to dispose of the First Issue, but I go on to make two observations.

(a) First, I found that [JX] had actual authority to enter into the Contract on the Respondent's behalf. As stated earlier, [CHT]'s own evidence was that [JX] secured deals for the Respondent and was paid commission calculated on the value of the contracts so secured. Even if [JX] had no actual authority, I would have readily found that he had, at

[9] CHB pg 40 (C26).

the very least, apparent authority to contract on the Respondent's behalf. Apparent authority may arise where a principal places an agent in a position in which a reasonable third party would regard that agent as having authority to enter into the transaction in question (see *Armagas Ltd v Mundogas SA* [1986] AC 717 at 777 as cited in *Tribune Investment Trust Inc v Soosan Trading Co Ltd* [2000] 2 SLR(R) 407 at [48]). In my view, a reasonable person apprised of the facts would regard [JX] as having authority to enter into renovation contracts on the Respondent's behalf. [JX] was held out as the Respondent's interior designer, he prepared and signed the Contract in that capacity, and the Contract itself required payment to be made to the Respondent's bank account rather than to [JX] personally. This accords with what is commonly understood of the residential renovation industry, where individual interior designers routinely prepare and execute such contracts for and on behalf of the companies they work for. As there was no evidence to suggest that the Claimant's reliance on [JX]'s signature was unreasonable, the Claimant was entitled to presume that [JX] had been duly authorised by the Respondent to enter into the Contract (see *The "Bunga Melati 5"* [2015] SGHC 190 at [28] and [29]).

(b) Second, the indoor management rule provides that a person who deals in good faith with a company is entitled to assume that all steps necessary to authorise the transaction have been duly taken (see Tan Cheng Han, *The Law of Agency* (Academy Publishing, 2nd Ed, 2017) at para 05.097 citing *Royal British Bank v Turquand* (1856) E & B 327). The Respondent did not provide any evidence to suggest that the Claimant acted in bad faith in dealing with it. The Claimant was accordingly entitled to rely on [JX]'s issuance and execution of the Contract for and on behalf of the Respondent. The absence of the

Respondent's company chop and of [CHT]'s signature, even if these were genuine irregularities, did not preclude a finding that the Respondent was bound by the Contract.

20 For completeness, I say nothing about whether the Alleged Misdeeds were made out. [CHT] testified that several police reports had been lodged against [JX], yet no action had been taken against him by any authority as at the date of the trial. But even taking the Alleged Misdeeds at their highest, while certainly unfortunate, they were a matter between the Respondent and [JX]. To put it plainly, they were not the Claimant's problem, and they did not relieve the Respondent of its obligations under the Contract.

Second Issue: the Respondent repudiated the Contract

21 I turn to the Second Issue. I found that the Respondent's conduct on 13 November 2025 cumulatively amounted to a repudiation of the Contract.

22 When the Claimant declined to accept the Revised Quotation, the Respondent's response was to declare (a) that it would not complete the electrical works due under the Contract and would enter the Flat to strip out those already installed, (b) that it would not install the vinyl flooring required under the Contract, and (c) that it would place the renovation on hold (see [9] above). Those three positions, taken together, could only be understood as a refusal to carry on with the Contract. The Respondent was therefore in repudiatory breach.

23 The Claimant accepted that repudiation by conduct on 13 November 2025 when he changed the lock to the gate of the Flat and informed [CHT] of

the same.[10] Those acts brought all further works under the Contract to a halt and unequivocally communicated his acceptance of the Respondent's repudiation.

24 It follows that I rejected the Respondent's argument that the Claimant was the party in breach for changing the lock and thereby shutting out the Respondent's subcontractors. The chronology paints a clear picture: the Claimant changed the lock only after, and in direct response to, [CHT]'s threat to trespass into the Flat and remove the electrical works which had already been installed. As fixtures, those works had become part of the Flat and therefore the Claimant's property. It did not lie in the mouth of the Respondent to complain that the Claimant took reasonable steps to guard his own property against that very threat.

25 Before moving on, there was one further matter which merited comment. It was not strictly necessary for me to address it in order to dispose of the Second Issue because [CHT] did not raise it as a defence to the claim. He mentioned it only in passing at trial. His point was that the increase of $15,466.50 was occasioned by the Claimant's own additions to, and removals from, the scope of works under the Contract at the meeting on 10 November 2025. The Claimant was therefore the author of the increase, and yet he refused to accept the Revised Quotation. In this way, [CHT] sought to lay the blame for the stoppage of the renovation works at the Claimant's door. I did not accept this:

(a) The short answer is that a contractual variation requires offer and acceptance, and must be supported by consideration (see *Aero-Gate Pte Ltd v Engen Marine Engineering Pte Ltd* [2013] 4 SLR 409 at [36]). The

[10] Respondent's Hearing Bundle compiled on 27 June 2026 pg 52 (R10).

Revised Quotation was, at highest, an offer to vary the Contract, and the Claimant plainly did not accept it. There was accordingly no variation, and the Contract stood as it was. Put in practical terms, it was not open to the Respondent to name whatever price it wished and expect the Claimant to fall in line. The Contract bound both parties until there was a valid variation of it, and the Respondent could not bring one about on its own. That disposes of [CHT]'s assertion. If the Respondent had no right to insist on the Revised Quotation, it does not matter who was the author of the increase.

(b) In any event, I found that the Respondent failed to prove that the increase was genuinely referable to any change in scope. [CHT] spent approximately an hour at trial working through his own figures in an attempt to explain how the increase of $15,466.50 came about. His explanations were broad-brush and convoluted. Having been given all that time, he was still unable to reconcile the increase against the changes to the scope of works. To state it plainly, the burden lay on the Respondent to substantiate its own figures, and it was not the place of this tribunal to do that work for it. I therefore did not accept that the Claimant was the author of the increase.

26 Given [CHT]'s inability to account for the increase, I found that the Claimant's stated reason for rejecting the Revised Quotation rang true. That reason was that it was nothing more than an attempt by the Respondent to recoup the losses occasioned by the Alleged Misdeeds (see [9] above). Two matters bore that impression out:

(a) The first is [CHT]'s own testimony that the Contract was a loss-making deal for the Respondent to the tune of approximately $32,000 because of the Alleged Misdeeds (see [7] above). The very shortfall the Claimant suspected the Respondent of trying to recover was one that [CHT] himself confirmed at trial. The Claimant's impression was therefore not a matter of speculation on his part.

(b) The second is the objective evidence tendered. In a WhatsApp voice message sent to the Claimant on 13 November 2025, which was professionally translated, [CHT] said:

> I want to tell you first, I won't do this if you are like this, I can't cover it back, **I must charge you for the electricity**, think about it, if you keep cutting everything, I can't cover it back, I must charge you for the electricity, **didn't I tell you honestly, I'm just balancing the cost**.
>
> [emphasis added]

27 [CHT]'s own words are telling. What he was doing was not pricing a varied scope of works – he was balancing the Respondent's books, and looking to the Claimant to make up the shortfall. Charging for the electrical works, which the Respondent had agreed to provide free of charge, was only one of the levers it pulled. The other increases across the various line items in the Revised Quotation, which [CHT] could not reconcile, served the same purpose.

Third Issue: the claim was allowed in full

28 I turn finally to the Third Issue. In short, I allowed the Claimant's claim in full. However, that was not because he was entitled to a refund of the value of the Unfinished Works. I explain.

29 It is understandably intuitive for a lay customer in the Claimant's position to frame his loss as a refund. He had paid the Respondent $21,450 for the Unfinished Works, that sum forming part of the $42,480 he transferred by

24 September 2025. He received nothing for it, and the Respondent made no refund. On that view, the money ought simply to be returned to him. But in the context of a contract of this kind, that is not how damages for breach are computed.

30 The object of an award of damages for breach of contract is to place the innocent party in the position he would have been in had the breach not occurred (see *The Law of Contract in Singapore* (Andrew Phang Boon Leong gen ed) (Academy Publishing, 2nd Ed, 2022) ("***The Law of Contract in Singapore***") at para 20.66). Here, the aim of the Contract was for the Claimant to have the benefit of the Respondent's performance – *viz*, to receive the renovation services he had bargained for. What he suffered when the Respondent failed to perform was therefore expectation loss. The appropriate means of quantifying that loss was to ascertain the cost of cure, since that is the default measure under the common law for construction and building contracts (see *The Law of Contract in Singapore* at paras 21.69 – 21.70 and 21.74).

31 Applying that measure, the Claimant had to pay the New ID $39,558 to have the Unfinished Works completed. That was the cost of curing the Respondent's breach. To award him anything less would have been to leave him bearing the cost of that breach himself. There was also nothing on the facts to suggest that the sum the New ID charged was unreasonable. When the question of mitigation was put to the Respondent at trial, [CHT] made no submission as to how the Claimant had failed to mitigate his loss. As the burden of establishing a failure to take reasonable steps to mitigate loss rests on the party in breach (see *The "Asia Star"* [2010] 2 SLR 1154 at [24]), there was no basis for me to find that the Claimant had failed to mitigate his loss. Accordingly, the Claimant's loss was $39,558. However, since the Claimant sought only $20,000 to bring his claim within the limit of the tribunal's monetary jurisdiction (see

[14(a)] above), I allowed his claim in full.

Costs and disbursements

32 The Claimant sought $275 in disbursements, consisting of (a) $200 for the filing fee he incurred to lodge the present claim, and (b) $75 for obtaining professionally translated transcripts of various audio recordings. As he was successful, and as I found those sums to have been reasonably incurred, I awarded him that amount in full. I made no order as to costs.

Conclusion

33 For the foregoing reasons, I ordered the Respondent to pay the Claimant $20,275, which consisted of $20,000 plus $275 for disbursements, by 3 September 2026.

34 I conclude with two brief observations.

35 The first arises from the Respondent's attempt to pass its own losses to the Claimant. A company that undertakes to renovate a home for a fee takes on the risk of delivering that renovation. That is precisely what it is being paid for. If difficulties arise within the company, for instance with an errant employee, agent, subcontractor or supplier, those are matters between the company and that party. However genuine and however serious such difficulties may be, they do not affect the customer's entitlement under his contract with the company, and it cannot look to him to make good losses of its own.

36 The second arises from the way the Claimant put his case. A lay consumer who suffers a breach of contract will often reach instinctively for a refund of what he has paid. That is understandable, but it is not how damages

for breach of contract are computed in a case of this kind. A refund and the cost of cure are different measures, and they may not always yield the same figure. Here, the cost of cure exceeded the sum the Claimant sought by way of a refund. In another case with different circumstances, it may fall short of it. The point is that how a claim is framed may affect what is recoverable. Nothing turned on it here, because the Claimant's loss exceeded the tribunal's monetary limit on either measure and he had to abandon the excess above $20,000 in any event. But in a forum with a higher monetary limit, the difference may be a material one.

Leon Abraham Tan
Tribunal Magistrate

The claimant in person;
The respondent in person.