

Keech v Sandford (1726) Sel Cas T King 61

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Facts

- A child (the future Mr Keech) inherited a property. Mr Sandford was entrusted to look after this property until the child was of age. However, the lease expired before Mr Keech had grown up.
- The landlord had told Mr Sandford that he did not want the child to have the renewed lease.
- There was clear evidence of the refusal to renew the lease for the benefit of the infant.
- Yet the landlord was happy to give Mr Sandford the opportunity of the lease instead. Mr Sandford entered into the lease.
- When Mr Keech grew up, he sued Mr Sandford for the profit that he had been making by getting the lease.

Issues

- Was Mr Sandford, as trustee, in breach of the no conflict rule?

Held

- Lord King LC held that by entering into the lease for the property, Mr Sandford had breached his duty as trustee.

Quotes

"...I very well see, if a trustee, on the refusal to renew, might have a lease to himself, few trust-estates would be renewed to cestui que use; ...this may seem hard, that the trustee is the only person of all mankind who might not have the lease; but it is very proper that rule should be strictly pursued and not in the lease relaxed; for it is very obvious what would be the consequences of letting trustees have the lease, on refusal to renew to cestui que use."

(Lord King LC at page 175)

Full Text

The full text is available here: <http://www.bailii.org/ew/cases/EWHC/Ch/1726/J76.html>