

Redgrave v Hurd (1881) 20 Ch D 1

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Facts

- Mr Redgrave was an elderly solicitor. He advertised for a partner to join his business and buy the accompanying house.
- Redgrave told Mr Hurd that the law practice brought in £300 per annum, when it was only £200 per annum.
- Mr Redgrave showed him summaries that came to a £200 per annum average income and said that the rest of the £300 figure was borne out by other papers in the office that he could check. The documents did not show any extra business.
- Mr Hurd did not inspect the papers, but he realised the truth just before finalising the agreement. He refused to go through with the contract, despite signing it.
- Redgrave sued for specific performance and Hurd counterclaimed for fraudulent misrepresentation.

Issues

- Was Hurd entitled to have the agreement rescinded?

Held

- There was no plea Redgrave knew his statements to be untrue, however Jessel MR instead rescinded the contract on the basis of innocent misrepresentation.
- Jessel MR suggested that due to the *Judicature Act 1873*, and the elimination of the difference between common law and equity, damages could be awarded for the equitable cause of action of innocent misrepresentation.

Quote

"If you had used due diligence you would have found out that the statement was untrue. You had the means afforded you of discovering its falsity, and did not choose to avail yourself of them... If it is a material representation calculated to induce him to enter into the contract, it is an inference of law that he was induced by the representation to enter into it"

(Jessel MR)