

THE DUTY OF CARE FOR NEGLIGENTS MISSTATEMENTS

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Dedicated To My ;

Mother and Father, who are my inspiration
in completeting this Project Paper.

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PREFACE

As part of the requirement for the obtainment of the Diploma in Law, every Law students who are in their final semester are require to do a Project Paper. The topic for the Project Paper are chosen by the students themselves on condition that it get approval from the School of Law.

I have chosen the topic of Duty of Care for Negligents Misstatements, because I find that the topic is very fascinating and there is a lot of material been written about the topic. In writing the topic I was compelled to look at English and commonwealth sources, especially those of Australia. I have try to keep a proper balance between the need to discuss the topics considered essential and to keep the 'paper' to a reasonable length.

The underlying method throughout the Project Paper is to state the main principles and illustrate them with cases and examples.

I am greatly indebted to the All England Report, weekly Law Report, Cambridge Law Journal, Australia Law Journal, Modern Law review to name a few, whose pages were frequently consulted for cases and articles. I would also wish to thank Mr. Vijay Gopal for supervising my Project Paper and making many helpful suggestions as far as he could, owing to the limited time allowed in doing the Project Paper.

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INTRODUCTIONDUTY OF CARE FOR NEGLIGENTS MISSTATEMENTAIMS AND OBJECTIVE

The purpose of this topic, "Duty of Care for Negligents Misstatements", is to examine the extent of liability for making a careless statements, with special attention to the economic or financial loss. This topic is not concerned with torts which involve some element of malice or intentional wrong doing which are plainly governed by different principles in this respect, and in which liability for economic loss is usually well recognised. Nor against is this topic concerned with defamation which is governed by its own peculiar rules, and where liability for economic loss is again usually well established.

Prior to the decision of the House of Lords in Hedley Byrne & Co. Ltd., V. Heller & Partners Ltd., (1964) A.C 465 in 1963, the court of Appeal had held that there could be no liability in tort for negligent misstatement¹ and it was not until 1962 that it was unequivocally held that this rule applied only where the misstatement led to pecuuiacy as distinct from physical injury or damages as was held in the case of Clayton & Woodman & Son (Builders) Ltd., (1962) I Q.R 533.

1. Le Lievre V Gould (1893) IQ.B 491; Candler V Crane Christmas & Co. (1951) 2 K.B 164.