

Yianni v Edwin Evans and Sons [1981]

Evidence

The accused are appraisers who completed a report to help a building society understand whether a house can cover the mortgage solicited by complainants. The complainants agreed on a loan after the building society had taken the report into account. After a while, the complainants have found cracks in the purchased property, which dragged reconstruction of one wall and changed the decor on two more walls. All the manipulations cost two-thirds of the total price of the housing. The complainants sued the defendant appraisers for their negligence.

Problematics

The court was mandated to find out whether the appraisers owed a duty of care to be included in the report completed on behalf of the complainants. In case the duty of care can be detected, the accused could be held liable for the misleading report.

Resolution

The court delivered a judgement in favor of the complainants. The accused were found to hold a duty of care to the complainants. The chance that the incorrect valuation report might cause damage to the complainants was agreed to be high. Due to the reliance on the misleading report, the complainants did not gather any independent data on the property they were about to purchase.