

HC

# HALSBURY CHAMBERS BULLETIN



## *Can a person be held liable for interfering with a subsisting contract?*



The simple answer to this question is yes. A civil wrong can be committed if, without lawful justification, a person intentionally interferes with a contract between two other persons by persuading one of the persons to the contract to break the contract. A tort (a civil wrong) is also committed under this heading if a person (not a party to the contract) by some unlawful act directly or indirectly prevents a party to the contract from performing his duties under the contract.

There are several elements that must be present for the tort to be actionable. There must be direct persuasion or direct or indirect intervention. It should be noted that unless the case was one of direct inducement, the tort requires the use of some independently unlawful means. There must also be evidence of an intention to bring about a breach of the contract or there must have been reckless indifference whether a breach occurred or not.

For there to be a successful action for interference with a subsisting contract the Plaintiff must prove that he has suffered damage as a result of the interference.

Perhaps the best defence against an action for interference with a subsisting contract is justification. An example of the defence of justification is where the person inducing the breach acts in pursuance of an existing legal right.

Authorities suggest that for the defence of justification to succeed, regard must be had to the nature of the contract broken, the position of the parties to the contract, the means employed to procure it, the grounds for the breach, the object of the person procuring the breach and the relationship of the person procuring it to the person who breaks the contract.

There are many persons who are not aware of the Tort of Interference with a Subsisting Contract. Indeed, in the business world, this tort occurs everyday, even among law firms.

The information stated above is not intended to be construed as legal advice in any way.

**Halsbury Chambers**

