19. The equitable liability of strangers to the trust

Equity & Trusts Law Directions (6th edn)
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Without assuming prior legal knowledge, books in the Directions series introduce and guide readers through key points of law and legal debate. Questions, diagrams and exercises help readers to engage fully with each subject and check their understanding as they progress. This chapter shows how a stranger to the trust may be threatened with personal equitable liability. It explains the rationale behind equitable liability for ‘knowing receipt’ of trust property, considers the distinction between ‘knowing receipt’ and ‘inconsistent dealing’, examines the nature of a stranger’s liability for dishonest assistance in (or procurement of) a breach of trust and looks at possible reforms of the law in this area. The chapter also discusses how liability of strangers differs from tracing, trusteeship *de son tort*, the four requirements for ‘dishonest assistance’ (existence of a trust, breach of the trust, assistance and dishonesty), the relationship between knowledge and dishonesty in cases of dishonest assistance and whether accessory liability should be a common law tort.
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