

**FT**WEEKEND

## Business questions

### Expert advice

#### Can I sue my own solicitors?

**I am an angel investor and recently made a six-figure loan to a business contact, a developer who has acquired a site in central London. Unfortunately, it appears that my solicitors did not do their due diligence properly: a few issues have come up with building regulations that will delay the project considerably. Should I be considering suing my contact, or indeed the solicitors?**

Whether you can sue your business contact will depend on the terms of the loan agreement entered into with them. You should go through this document carefully to establish what events would trigger an immediate right to repayment and what the overall term of the loan is.

For example, it may be the case that a delay in commencing the development would constitute an event of default and you would be able to claim the money back immediately.

If this is the case, and the debt was therefore undisputed, you would not necessarily have to sue through the courts.

You could instead adopt the statutory demand procedure, which could

allow you to recover within a month of service of the relevant papers.

If the debtor did not pay within that period you would be able to apply to make them bankrupt (in the case of an individual) or to wind up the company (in the case of a corporate entity). In the event that you do not have an express contractual right to recover the money, you would be relying on an implied contractual term as to repayment.

This could be complex. The same would apply as to the prospect of suing your solicitor, presumably for negligence. Much would depend on the extent of the retainer agreed with them, and whether they were under a duty to assess the project as well as handling the mechanics of the loan agreement.

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