

Backing Out of a Verbal Agreement

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Question: Reuven is a stockbroker who likes to throw in incentives for his customers to use his services. He approached some potential clients and told them that he would give them 1,000 units of Dogecoin (a type of cryptocurrency), if they would use him as their stockbroker. After he made this offer, Dogecoin's stock rose exponentially. Is he still required to give his investors the promised Dogecoin units?

Answer: According to halacha, a verbal commitment is a very strong level of obligation. If one says that he is going to give another something or purchase something, unless there is a strong mitigating factor, he would not be allowed to retract. If he does back out after making a verbal commitment, he is labeled with the unenviable title of *mechusar amanah*, (untrustworthy person). Rav Chaim Kanievsky writes in Sefer Orchos Yosher that once one has such a label, it remains with him even in the World to Come.

The reason one is not allowed to back out after giving his word is based on a *posuk*. The Torah says *hin tzedek*, which is explained to mean that when one says *hin* (yes), it should be *tzedek*, truthful. The rationale behind this is that people in the business world have to be able to rely on one's word. In order for commerce to operate in a functional manner, people have to have a certain degree of trust. If people do not trust each other, they will never be able to do business, which would make the entire structure of commerce untenable. One is expected to keep his verbal commitments in order to maintain this crucial level of trust.

Having said this, if one gives his word and commits to do something, and then there is a **significant change in the market** between the time of the commitment and the time of the actual transaction, the expectations may be different and it may be understandable for one party to retract. The Rema says that one should try to keep his word, even if there was a significant fluctuation in the market. The Chasam Sofer, however, says in multiple *teshuvos* that if there is a significant change of circumstance, one would not be labeled a *mechusar amanah* if he backs out of a verbal commitment.