

Can a Lawyer be Held Liable For Giving Bad Legal Advice?

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Case: Reuven is a respected attorney. A client of his approached him and asked for legal advice regarding a specific issue. Reuven gave him instructions, which ended up being bad advice that cost the client a lot of money.

Question: Is Reuven responsible to pay for the loss that he caused?

Answer: The Mahari Veil discusses a similar case. In his case, a businessman was considering accepting a debt obligation as a form of payment. His debtor was owed money by another individual and wanted to pass on that IOU note as his payment. The businessman asked a reliable source if the IOU note was good, and if he could rely on the borrower to pay his debt. He was advised that he could, and he accepted the note as payment. Unfortunately, the borrower did not end up being reliable and didn't repay his debt. The businessman wanted to know if he could demand payment from the person who gave him bad advice that led to his monetary loss.

The Mahari Veil ruled that the man who gave the bad advice was not liable.

Question: Does it make a difference if the man gave the bad advice inadvertently or if he knew the truth and deliberately lied?

Answer: Yes. The Mahari Veil makes that distinction and says that if the one giving the advice knew that his statement was false at the time he made it, he would be liable for the loss he caused. He only ruled that he is not liable in an instance where he was unaware that his advice would be detrimental.