



**Am I Accountable To Pay For A Loss Caused
By My Bad Advice? [#64]**

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Today we're going to be discussing accountability for bad advice. That means, if you give bad advice and someone loses out because of it, are you responsible?

We're using a *sefer* today called *Cases in Monetary Halachah*, by Rabbi Tzvi Spitz. He brings two case examples. The first case he brings, is if someone relied on the advice of his friend who's a dealer in car mechanics to buy a car which they looked at. His friend looks a bit at the car and he says to buy it. Later, after he bought it, he finds out that there are major problems with the car. If they had really checked the car properly, he wouldn't have bought the car or he wouldn't have paid as much. The question is, based on that bad advice, is the friend responsible for the price difference?

The second case is, you have two people, one relying on the second one for his financial advice. A goes to B and he says, should I lend money to C? B says, yeah, you can lend money to C, because C has a lot of assets and backed up money. Even if there's something wrong with the loan over here, he'll be able to pay you back. So then A goes and lends money to C. What happens is C ends up not being able to pay. Not only that, C never even had what to back up the loan with at the time A lent it to him, contrary to what B had advised.

B said that C has all this money backed up, to pay in case there would be a problem, and he never did. That wasn't accurate information, it was bad advice. A lost out because of that. The question is, is the friend responsible as well?

R' Sitz brings over here, the *halacha* is as follows: If they were paid for their advice, the person who gave the car advice or the financial advice, then they are going to be responsible. This is even if it was not clearly stated that the advice asker was relying on that information.

However, if they weren't paid, then it makes a difference. In a case where they weren't paid, rather the information was given for free, then it depends if the person giving the advice is an expert in that field. If they are an expert in that field, then they would be off the hook and they would be *patur/exempt* from paying. As long as they just inadvertently

gave bad information and it wasn't because of negligence or something like that. It just happened to be that they mistakenly gave bad advice. So, if they're an expert in the field, then they're going to be off the hook and they're not going to have to pay.

However, if the person giving the advice for free is not an expert in the field, and it was clear that the information they were giving was going to be relied on for the decision to buy the car or to give the loan, then they would be held responsible for the damages and loss which was incurred.

He brings over here, therefore, if someone wants to give advice to his friend on money matters and stuff like that, and he does not want to be held responsible or sued in case the advice is not good, he should clearly say that "I'm not taking any responsibility for any of the advice that I'm giving you". In such a situation, he would then be *patur/exempt* from any claim.

He says over here, there is a case where even if someone does give advice and he wasn't an expert, then he would still be off the hook. Such a case would be where the information was right, just some outside event happened which he didn't know about when giving the advice.

For example, in a case of lending money, B says that C has money. B tells A, C has money backed up to pay you, because he knows that he had a very large inheritance, or he had a lot of money. However, unbeknownst to B, there was a big fire, *chas v'shalom*, and C had lost all his money a few days before. B, who gave the advice, did not know that there was this major fire/loss of the backup money and that the C currently had lost all of his assets.

In such a case, it would be a case of an *ones*, and B wouldn't be held responsible.

*Please note that these halachos are intended to inform and educate the reader/listener in general. For any specific questions which arise, it is recommended to speak over the exact case with a competent halachic authority in order to assess the halacha accordingly. You can send your questions in to us as well by replying via WhatsApp to our halacha Q & A number on the group, sending an email to Ask@MoneyHalacha.com, or via our contact page at MoneyHalacha.com/contact-us

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