

APPENDIX.

PART I.

BANK.

1807. *November 20.*

CHARLES FERRIER, Trust Disponee of Robinson and Company, *against*
BRITISH LINEN COMPANY.

CHARLES FERRIER, trust-disponee on the estate of Robinson and Company, brought an action against the British Linen Company for a sum of £563, belonging to that estate, which had come into their hands. They pleaded compensation, in part, upon a bill for £240 drawn by Robinson and Company, which had been discounted for the British Linen Company by their agent at Inverness, and had been dishonoured. Ferrier refused to admit this compensation. The Lord Ordinary found, "That the defenders are entitled to retain the amount of the bill discounted by their agent for £242."

The pursuer reclaimed.

Argument for pursuer.—The British Linen Company have no interest in the payment of bills discounted by their agents. The whole risk of discounting lies on the agents from whom the Company equally receives repayment of the sums advanced for discounting, whether the bills are honoured or not. The Company are therefore not entitled to plead compensation on this bill.

Argument for defender.—Not necessary to be stated.

The Court were quite clear that the British Linen Company were not only entitled, but bound to plead compensation for the benefit of their agent, who could not be regarded as discounting for his own behoof, though he was liable by the conditions of his office for the loss on the bills he discounted.

The Court, therefore, "adhered to the interlocutor of the Lord Ordinary."

Lord Ordinary, *Newton.*

Act. *Wolfe Murray.*

Alt. *Daw. Cathcart.*

Robinson & Ainslie, W. S. and J. Gitchrist, W. S. Agents.

Walker, Clerk.

M.

Fac. Coll. No. 8. p. 29.

No. 1.

A bank is entitled to plead compensation upon bills discounted by its agents, although the agents be liable to the Bank for payment of the bills.