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Financial claim for failure to settle a debt





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Background of the case:

A group of heirs (our Client) filed a lawsuit demanding the defendant to pay back a sum of SAR 100,000 he received from their bequeathed as a loan. The defendant failed to repay the bequeathed the said amount before his death nor to his heirs.

Summary:

The defendant failed to keep his promise of repayment and did not repay SAR 100,000 he took as a loan from the deceased by way of cheque. The legal heirs approached us for our legal assistance in the recovery of their claim, and we filed the case which ended up with the Court ruled in favour of our Client, ordering the defendant to pay back the entire claim amount to our Client.

Details:

The defendant requested for a loan of SAR 100,000 from the father (legator) of our Client, our Client's father issued a cheque with a value of SAR 100,000 as a loan, and the cheque can be drawn from a local bank within the Kingdom. After receiving the cheque, the defendant promised that he would repay the cheque amount later and he presented the cheque encashed the said loan. After the death of our Client's father, and our Clients came to know that their legator had given a loan of SAR 100,000 to the defendant and our Clients who are legal heirs of deceased father demanded repayment, but the defendant refused to repay stating that it was not a loan.

Following default, the heirs approached us to help them and file a case on their behalf to recover the cheque amount from the defendant who defaulted promise and failed to return the amount he took as a loan by cheque.

We filed a case against the defendant, and both claimant and defendant attended the first hearing. The Court examined both parties' submissions with a series of questions. When the Court asked the defendant about the claim amount, the defendant admitted that he had collected the cheque of SAR100,000 from the Client's father, but not as a loan as claimed by the plaintiff, but as an attorney fee for a case.

The defendant further told the Court that, he has been working for the company of our Client's father for over 36 years, and he was acting as his attorney to file and follow up a case on his behalf before the General Court in Jeddah.

The defendant told that the value of such case was estimated at SAR 10,600,000 (Ten million and Six Hundred Thousand Saudi riyals), saying his share therein was 50%. Asked about the amount he received by cheque; the defendant replied that he used to receive any amount of money from the company of our Client's father on the basis of being part of his end-of service gratuity. He said he collected several amounts of money at different occasions on such basis.

Regarding the claim amount (SAR 100,000) he received by cheque on which this case was filed, the defendant told the Court that he did receive the said amount by cheque, but for a specific purpose. He clarified that he entered into an agreement with one of the legal heirs of our Client's father, which states that he collected the said amount on the condition that it will be his fees of a case with a value of SAR 10,600,000 wherein he is appointed by the Client's father to represent him in this case and such fee shall be deducted from his share after winning the case.

We requested the Court to ask the defendant about his end of service benefit claim and his attorney fees in the case he claimed that he was defending by virtue of a power of attorney on behalf of the bequeathed aforementioned, the defendant replied that he instituted a legal action against the heirs (the claimants) so he could get such entitlements and fees, and said this case has not been yet settled by the Court.

Asked about the value of the financial amounts he claimed in that case, the defendant told the Court that he had no information about such values, saying that his attorney is the one who knows the facts and information of the case and he is following up before the Saudi courts.

From that context, we pleaded to the Court to apply one of the general principles of judiciary and of the higher Court in particular, which stipulates: "Confessor is responsible for the confession he/she makes, unless he/she backs off". The defendant had admitted that he received the said amount, and did not back out of his confession. However, he denied the basis on which he received the amount.

The defendant collected the amount as a loan, and not as attorney fee (as he claims). Further, he failed to produce to the Court an evidence to substantiate his claims. Since, there was no evidence available from the defendant the Court ruled in our Client's favour.

Court ruling:

The Circuit No. 36 of the Riyadh general courts passed a judgment ordering the defendant to pay our Client (the heirs) a sum of Sar 100,000 (One Hundred thousand Saudi Riyals), on the grounds that the defendant admitted to have collected the said amount, and failed to produce to the Court any proof or evidence to corroborate his claims. The court ruling had been unappealable and final.

Ruling date:2019

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