

The Law Reports for April comprise (1895) 1 Q.B., pp. 533-672; (1895) P., pp. 121-162; (1895) 1 Ch., pp. 421-577.

BILL OF EXCHANGE—ALTERATION OF BILL—DUTY OF ACCEPTOR—NEGLIGENCE—ACCEPTANCE OF BILL SO DRAWN AS TO FACILITATE ALTERATION—ESTOPPEL—BILLS OF EXCHANGE ACT, 1882 (45 & 46 VICT., c. 61), s. 64, s. 8. 1—(53 VICT., c. 33, s. 63 (D.)).

*Schofield v. Londesborough*, (1895) 1 Q.B. 536; 14 R. Mar. 233, is an appeal from the decision in (1894) 2 Q.B. 660 (noted *ante* vol. 30, p. 681). It may be remembered that the defendant unfortunately fell into a trap artfully contrived by a swindler of the name of Sanders (now serving his time as a convict). This man, to whom the defendant was indebted in £500, presented to the defendant for his acceptance a bill of exchange so drawn up as to admit of its being raised by the filling in of blank spaces, so as to make it appear to be a bill for £3,500. It also bore stamps for a bill of that amount. The bill was signed for £500, and subsequently fraudulently raised to £3,500 by Sanders, and then negotiated by him, and came into the hands of the plaintiff for value and without notice of the fraud. It was claimed that the defendant had contributed to the fraud by his negligence in signing the bill with the blank spaces left, and bearing stamps for an amount in excess of what was payable for £500. But Charles, J., had decided that the plaintiff was not liable for more than £500, and this decision the Court of Appeal (Lord Esher, M.R., and Rigby, L.J.) have affirmed (Lopes, L.J., dissenting), the majority of the court holding that the plaintiff was not estopped by his conduct from setting up the true facts, that he had not been guilty of negligence, and, even if he had, the forgery of Sanders, and not defendant's negligence, was the proximate cause of the plaintiff's loss. Lopes, L.J., on the other hand, was of the opinion that the acceptor of a bill owes a duty to subsequent holders to take reasonable precautions against fraudulent alterations, that the defendant had failed in this duty, that his negligence was the proximate cause of the plaintiff's believing that the bill was valid for the larger amount, and that the defendant was consequently liable for the latter amount. The majority of the court considered the Bills of Exchange Act is a complete codification of the law on the subject, and that the case came within the express provision of s. 64 (53 Vict., c. 33, s. 63 (D.)). *Young v. Grote*, 4 Bing. 253, is characterized by Lord Esher,