Company Not Liable for Fraudulent Purchases Made on Its Charge Account



Mr. F, made over $10,000 worth of purchases on a trucking company's expense account at a store where the company maintained a corporate charge account. The problem is that Mr. F wasn't an employee of the company and had no authority to use the account. **The question:** Did the company have to pay for the purchases? The Sask. court said no. The ruling would have been different had the company given Mr. F "apparent or ostensible authority" reasonably leading the store to believe he was acting as the company's agent. In addition, the company had a 25-year trusting relationship with the store and almost always paid its bills on time. While also an innocent victim, the store's recourse was to go after Mr. F for the money [*Unified Auto Parts Inc. v George Sterner Trucking Ltd.,* 2022 SKPC 22 (CanLII), May 16, 2022].