

# CONSEQUENCES OF THE CRISIS IN THE HORSE TRADE

These days, a great deal is being written about the crisis in the horse trade. Many horse owners are being forced to sell their horses for less than the horse would perhaps have been worth in better economic times. This is a well-known fact. Attorneys are being approached with increasing frequency by riders who have horses in their stables whose owners are not paying (or who have stopped paying) the bills, or even owners whom the riders can no longer reach, who have effectively stuck the riders with the costs of their horses. This is often also a consequence of the crisis.

What is the best way to deal with this situation?

Since different legislation applies to this situation in Europe and the U.S., it will be discussed from the standpoint of each continent separately in this article.

## EUROPE

There are horse owners who stable their horses with riders and simply fail to pay the invoices. Pursuant to European legislation, riders may invoke their right of retention in these types of situations. The right of retention is the right of a creditor

to refuse to turn over property it has possession of to the debtor until the latter has paid for the goods or services. In other words, as long as invoices remain unpaid, the rider may retain possession of the horse, and refuse to surrender the horse to the owner should the latter wish to come collect the horse. The horse in question may however not be sold (yet); the rider actually does not have any right to summary execution.

Often, exercising the right of retention is a way to ultimately compel the owner to make payment

since he will, after all, wish to have access to his horse. Should the owner continue to refuse to make payment, it is possible to present the claim to the court for collection. In simple cases as those described above, the court will award the rider's claim relatively quickly since the owner is obligated to pay pursuant to the training contract and the invoices under consideration. Armed with a ruling, the rider can then enforce the judgment. The owner is in fact required to pay on the basis of this judgment. If payment is still not forthcoming, the rider is entitled to

enforce the judgment; in other words, sell the horse in question (via a public sale or auction) so that he may use the proceeds from the sale to cover his costs. This last point is however not always satisfying since the value of horses has declined significantly as a result of the crisis, to such an extent that the proceeds from the sale are not always enough to cover the full amount of the costs owed. When entering into a contract, this eventuality should always be taken into consideration.

In concluding an agreement or contract, it is also therefore crucial that all of the horse owner's contact and other details are recorded so that it is always possible to contact this party, and to ensure that the invoices are sent to the correct address. To ensure this, the other party could always request a copy of the owner's passport. Furthermore, the passport must always be left behind with the horse. Although this is already a requirement under European legislation, it is therefore also important with respect to potential recovery options.

Verifying the owner's details is a particularly good way of preventing a variety of problems. After all, when the place of residence or domicile is unknown, it can be extremely difficult to determine the options for recourse, even when the judgment is in the plaintiff's favour. The importance of clear records of all details also naturally applies to the situation in the U.S. described below.

## UNITED STATES

If the aforementioned situation were to occur in the U.S., the rider would have more rights with regard to the horse's owner than he would in Europe. The right of retention is

provided for differently in most of the states in the U.S. In the United States, the right of retention not only includes the right to retain possession of property until payment is executed, it also gives the creditor the right to sell the property (in this case, the horse) and cover his costs from the proceeds. These rights of retention are even set out separately for each group in some states. The exact contents vary from one state to another however. For example, there is the Stableman's Lien (or Agister's Lien), the Stallion Service Lien (or Breeder's Lien), the Veterinarian's Lien, Judgment Liens, the Auctioneer's Lien and Contractual Liens. The ways in which these rights of retention are related to one another will not be addressed here as they extend beyond the scope of this article. Perhaps this is a topic for discussion in a subsequent article. In any case, what is important to know is that riders in the U.S. are better protected from delinquent owners than riders in Europe.

In conclusion, I would like to recommend to the riders who care for or train third-party horses that should you be confronted with a delinquent payer, take action quickly and do not allow the situation to continue for years unchecked. In the event of a failure to pay, it is key to send the case to collection quickly to prevent being saddled with costs for years at a time. <<

If you would like to receive further information on this topic or other equine-law related subjects, please feel free to contact European Equine Lawyers via [info@europeanequinelawyers.com](mailto:info@europeanequinelawyers.com), or Equestes via [info@equestes.com](mailto:info@equestes.com).



Luc Schelstraete



Ellen van Bussel



## Some of the members of the Equestes Expert Panel are:



**Dr. Erik Bergman (The Netherlands)**  
International veterinarian. Expert in the field of Equine Locomotor Pathology and Reproduction.



**BVBA Advocatenkantoor Bert Beelen (Belgium)**  
International equine attorney at law and mediator.



**Dr. Philippe Benoit (France)**  
International (team)veterinarian. Expert in Lameness and Sport Medicine.



**Prof. Dr. Ian Blackshaw (France)**  
International attorney at law and mediator. Expert in International Sports Law and International Business Law.



**Ms. Nicoline Hyldahl (Denmark)**  
International equine attorney at law.



**Dr. Jan-Hein Swagemakers (Germany)**  
International (team)veterinarian. Expert in Sport Medicine.



**Dr. Frans van Toor (The Netherlands)**  
International veterinarian. Expert in Equine Locomotor Pathology.



**Dr. Jonas Tornell (Sweden)**  
International (team)veterinarian.



**Dr. Thomas Weinberger (Germany)**  
International veterinarian. Equine specialist and expert in law and insurance cases.



**Dr. Hans Wilderjans (Belgium)**  
International veterinarian. Expert in Lameness and Surgery (orthopedics and soft-tissue).

