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## Dunlop Haywards fraud order raises stakes for Cobbetts

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Cobbetts is under increasing pressure after a fellow defendant in a major fraud and negligence case was ordered to pay £10m last month.

A summary judgment in the case brought by Cheshire Building Society saw Dunlop Haywards told to make an interim payment of £10m.

Negligence experts believe that the Manchester-based law firm, which is understood to be facing a claim of less than £2m, could now be liable for an increased amount if Dunlop Haywards is unable to pay.

The case centres on a property fraud committed by an employee of Dunlop Haywards — the surveying unit of property services firm Erinaceous — and alleged negligence by

Cobbetts, regarding the over-valuation of a property.

Dunlop Haywards said it is covered by professional indemnity insurance to pay the £10m. However, Cobbetts could be in the firing line if there is a problem with Dunlop Haywards' insurance or another reason why the company is unable to pay. Erinaceous is reported to have had financial difficulties in the last year.

The case against Cobbetts has not yet been heard although a case management conference is scheduled for the beginning of March. Many believe the case will proceed to trial.

Partnership specialist Ronnie Fox commented: "If Cobbetts has been negligent and if Dunlop Haywards cannot pay, it might increase the amount of Cobbetts' liability."