

Loaning Horses



Loaning horses can seem an attractive option to both parties. There are many reasons why horse owners choose to loan out their horse rather than selling it and they are generally doing this on the basis that one day they will want the horse back.

Borrowers often get the benefit of riding an animal that they could not afford to buy or to have a horse on trial with the option of returning if it does not work out.

It is vital that a formal loan agreement is entered between the owner and the borrower. The agreement needs to be comprehensive and will provide evidence at a later date if there is a dispute over the loan of the horse.

A non-exhaustive list of matters to consider are detailed below:-

- **General contents of agreement** – the agreement will need to cover the name of the parties, description and name of the horse, address where the horse will be kept, details relating to care, veterinary practice, farrier, length and time of the loan period, notice requirement, insurance etc.
- **Insurance** – you will need to decide who is responsible for insuring the horse and paying the premiums. This should be covered in the loan agreement. Insurance is always recommended as you could be left with paying a large veterinary bill if insurance was not taken out and agreed with the parties at the outset of the loan.
- **Schooling and training** – if you have a horse on loan and spend a large amount of time and money schooling and training the horse, you will not be able to recoup your expenses once the horse is returned unless an agreement was reached at the outset of the loan. Equally, if you as an owner are

expecting the borrower to keep the horse at a certain level of fitness (i.e. for eventing), this needs to be reflected in the agreement.

- **Ownership** – loaning a horse or pony means just that. Loaning does not transfer any rights of ownership. However, remember that if you are the borrower you will still be responsible for the welfare of the animal and you could also be liable if there is an accident involving the horse while it is in your care and possession.
- **Passports** – The Horse Passport (England) Regulations 2004 state that all equine must have a passport. Therefore, the passport must go with the borrower whilst the horse is in his/her care. As the owner of the horse, it is worth photocopying the entire passport to keep with your records in case you need to refer to it in future. A horse's passport does not prove ownership and is only a form of identity. By giving the passport to the borrower, the owner is not transferring title to the horse.
- **Theft** – the horse will always remain the property of the owner, unless a formal transfer of ownership by way of sale or gift has taken place. If you sell a loan horse without the consent of the owner you potentially commit the criminal offence of theft. This may seem obvious, however, situations do occur when the borrower loses contact with the owner and years on sells the horse. The owner then later reappears and is horrified that the horse has been sold. It is therefore important that both parties notify each other if they move or if their contact details change.

Daltons can draft you a bespoke loan agreement tailored to your exact requirements to ensure the relationship of the owner and borrower of the horse stays clear and undisputed throughout the period of the loan.