familiarise oneself with the terms of the trust
ensure all appointments have been properly made
bring trust property under one's control
ensure there are no previous, undetected BOT

Speight v Gaunt 1883 Blackburn general duty of trustees was to act honestly and fairly and to take all those precautions which an ordinary prudent man of business would take in managing similar affairs of his own

Whiteley 1886 Lindley business men of ordinary prudence may, and frequently do, select investments which are more or less of a speculative character; but it is the duty of a trustee to confine himself to the class of investments which are permitted by the trust, and likewise to avoid all investments of that class which are attended by hazard

HL Watson the duty of the trustee is not to take such care only as a prudent man would take if he had only himself to consider, the duty is rather to take such care as an ordinary prudent man would take if he were minded to make an investment for the benefit of other people for whom he felt morally bound to provide

Bartlett v Barclays 80 higher standard expected of professional trustees the cases establish that it is the duty of a trustee to conduct the business of the trust with the same care as an ordinary prudent man of business would extend towards his own affairs

Brightman the general rule is that where a trustee is liable in respect of distinct breaches of trust, one of which resulted in a loss and the other in a gain, he is not entitled to set the gain against the loss, unless they arise in the same transaction

Nestle v NatWest CA although there had been errors of judgement on the part of the trustees, including a misunderstanding of the width of their powers of investment, and a failure to review the investments sufficiently often, there had not been any BOT resulting in liability of the heiress

Armitage v Nurse 98 even if the trustees had acted for the wrong reasons, they would still not be liable if their decision could be justified objectively by other valid reasons in essence the breach must cause the loss

Wight v Olswang No 1 99 CA where a trust instrument contains a clause qualifying the extent of the trustee's duties, or otherwise exempting him from liability unless guilty of dishonesty, the court should construe the clause restrictively against the trustee, but should bear in mind that the clause was inserted by the settlor, rather than the trustee himself, so that a strict contra proferentem approach would be unfair

Armitage v Nurse 98 on BOT Millet a BOT may be deliberate or inadvertent; it may consist of an actual misappropriation or misapplication of the trust property or merely of an investment or other dealing which is outside the trustees' powers; it may consist of a failure to carry out a positive obligation of the trustees or merely of a want of skill and care on their part in the management of trust property; it may be injurious to the interests of the beneficiaries or be actually to their benefit

s.44 Pension Act 95 such care and skill as is reasonable in the circumstances

ss. a any special knowledge held

ss. b acts as trustee in the course of a business or profession reasonable to expect of a person acting in the course of that kind of business

s.1 TA 2000 making investments, acquiring land etc whether under the Act or otherwise, unless excluded by the trust deed

s.61 AT 25 pre conditions for the grant of relief "reasonably" the bank was liable because they had failed adequately to supervise the management of the company owned by the trust. since the very grounds of their liability was their negligence they could not be said to entitled to relief under s.61 as they had not acted reasonably

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