

ADVICE ON

LOANING or LEASING a HORSE or PONY



Horse Trust



The British Horse Society

Registered Charity No. 21004



To loan or lease a horse or pony may appear an attractive solution to alleviate the capital cost associated with buying a horse or pony of your own.

However, both loaning and leasing are rife with potential problems for the unwary. Frequently, the arrangement is nothing more than an unwritten understanding between friends and, if things go wrong, it may ultimately be the horse's welfare that suffers.

....Put it in Writing ?

The British Horse Society strongly advocates that in all circumstances there should be a written agreement which both parties sign. Ideally, this should be drawn up by a solicitor. The object of such an agreement is to pre-empt problems and protect the interests of both parties. The agreement should be fair and reasonable, and both parties should be clear about exactly what they have agreed to.

Any agreement should not be entered into without due consideration being given to the responsibilities of both parties involved in the undertaking. It may be considered

that many of the points can be taken for granted between friends, but circumstances do change and it is only sensible to be business-like and have a signed agreement to which both parties can refer.

Any disagreements that may arise between the two parties must not be permitted to interfere with the minimum standards of care and general welfare of the animal involved. In such disputes the original agreement should be examined in order to clarify what was agreed at the outset of the lease or loan.

Understanding Your Responsibilities

Taking a Horse or Pony on Lease or Loan

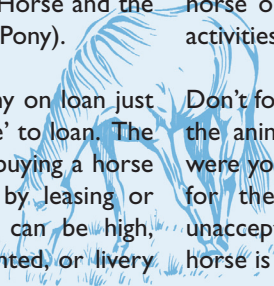
Before starting to look for a horse or pony it is very important to consider the reasons for acquiring one. Unfortunately, so many owners or loanees find themselves in difficulties because they have underestimated the commitment involved in terms of cost and time or even the effect on their whole way of life. (For further information please read the BHS advisory leaflets on Buying Your First Horse and the Cost of Keeping a Horse or Pony).

Don't take any horse or pony on loan just because it is available or 'free' to loan. The capital cost associated with buying a horse or pony may be alleviated by leasing or loaning, but 'running' costs can be high, particularly if stables are rented, or livery

fees have to be met, and all feedstuffs are bought in.

As with buying a horse or pony, leasing or loaning should not be entered into lightly. You must consider the facilities and resources required to keep a horse, your riding ability and the type and suitability of the horse or pony that is available. Is the horse or pony healthy and capable of the activities you intend to pursue?

Don't forget that you are as responsible for the animal's health and well-being as if it were your own, and this responsibility lasts for the duration of the loan. It is unacceptable to believe that because the horse is going back to its owners soon, you



don't have to attend to its essential health care requirements.

Always ensure that you have a written agreement with the horse's owner, even if they are a very good friend. Loaning or borrowing horses can give rise to disputes

and can be a fairly sure way to lose friends. Furthermore, the contract should be mutually acceptable; don't agree to something if you don't intend to put it into practice. Is the contract fair and reasonable or does it bind you to impractical constraints that would reduce your

Leasing or Loaning your Horse or Pony

enjoyment of the horse?

The concept of leasing or loaning your horse, as opposed to selling it, can appear very attractive for many owners. The owner can ensure that the animal goes to, and remains at a good home, but still play a part in its future. It is particularly useful for those owners who wish the loan to be only a temporary arrangement, such as those owners who are going away to college or taking a spell abroad.

Before loaning your horse or pony, carefully 'vet' the loanee to ensure that they are going to adequately provide for your animal. All owners should think very carefully about their horse's welfare and, to the best of their ability, check that the arrangements for care of the animal are going to provide for the individual's needs. This is especially important if you are

loaning out a horse that is, for example, suitable only for light hacking or as a companion, because there could be welfare implications if the animal were then to be used for other purposes.

Draw up a contract to protect your own interests (but in a manner that is fair and reasonable) and above all, those of your horse. How will you ensure that the arrangements within the contract/agreement are carried out? You may wish to review it on a regular basis or make provision for visiting the pony. Unless it has formed part of the original agreement, do not expect to march in and be able to do as you like with your horse on any such visits. If you have any cause for concern, such as a breach of contract, contact a solicitor who will be able to advise you on the best course of action.

General Guide to the Types of Lease/Loan

Lease

A lease generally refers to a contract by which a horse is conveyed for a specified time/purpose by its owner (the lessor) to another (the lessee) usually in return for

payment. Leases are generally employed in the case of competition or stud animals, fees being negotiable depending on the animal's ability/productivity etc.

Loan

Basically, a loan refers to 'borrowing/lending' a horse or pony. The type of loan varies depending on its duration, purpose and may include specific

conditions. Usually no fee is involved.

Many owners choose to loan out their animal rather than sell it because they wish

to have some degree of control over its future or the loan may be a temporary arrangement and they may intend to have the animal back in the future. There are

numerous reasons why a horse or pony may be put out on loan and likewise there are several types of loan.

Standard Loan

The standard loan arrangement usually involves a horse that is fit and well which can be worked, but due to individual circumstances, the owner is unable to keep it, perhaps a pony that has been outgrown

or a horse whose owner is going away to college. There may be conditions attached, for example; the type of use the animal can be put to or a stipulation that it must stay in its present yard.

Permanent/Companion loan

Often an animal is loaned permanently because the owner doesn't want to sell the animal but doesn't wish, or is unable to keep it either. Permanent loans are often used for ponies that have been outgrown or companion animals that are old or unable to work. These arrangements must be entered into carefully as frequently animals have been sold on by the loanee

without the owner's knowledge. This is of particular concern in the case of companion animals which, if sold, may face an uncertain future giving rise to concerns for the long-term welfare of the animal. It may be kinder to loan the animal out for a few years and then reassess its future or have the horses humanely destroyed.

Breeding Loan

Mares are frequently loaned out as brood mares. The loanee agrees to look after the mare and in return will put the mare in foal; the foal subsequently becomes theirs. This type of arrangement is fraught with problems. Is the mare suitable to breed from? What happens if the mare doesn't conceive? What if she loses the foal or dies during labour? What if, mid-term, your mare is not being looked after and you have to

take her back for her own welfare? Who 'owns' the foal? (normally an unborn foal/suckling foal is considered to be the property of the mare owner - this gives rise to problems where the stud fee has been met by the loanee). Pregnancy and lactation take a great deal out of a mare; every mare owner must put the welfare of their animal before any commercial interests.

Sharing

Often a horse owner will, due to lack of finances or time, advertise for a 'sharer' to help with a horse. The arrangement may be on a 'help in return for rides' basis, or

shared use of the horse in return for payment towards the cost of keeping the horse. Generally, the horse remains at the yard specified by the horse owner.



Working Livery

'Working Livery' is a similar arrangement whereby a horse at livery is either cared for in part by the livery owner, or reduced

livery fees are charged in return for agreed use of the horse by the livery owner (for example in a riding establishment).

Drawing Up a Written Agreement

The BHS produce a free template loan agreement which may be downloaded from the welfare pages of the website. We recommend a legal expert checks any agreement. The following points should be covered in the course of discussions between the two parties and most, if not all, included in the actual agreement.

Declaration of intent

- The owner may wish to give the lessee first refusal if eventually selling.
- Duration of Lease/Loan - Review date. Notice required if cancelling agreement.
- Fee - if any.
- Insurance - Third Party (legal liability) - both parties should have adequate cover. Horse/Pony - the owner should take out the policy but the lessee may reimburse the premium. Personal Accident - the lessee should be aware that riding is a 'high risk' sport.
- Tack (if included) - use, repair, all risks insurance. All tack should be returned in a good condition.
- Use of Horse - limited or unlimited use (in line with insurance). If leased to a commercial establishment, may the horse/pony be used for hire/reward?
- Rider - named or any rider.
- Veterinary Surgeon - The owner may wish to specify which vet, although the lessee is responsible for 'running costs'. The owner must be informed in advance of major surgery or total anaesthetic.
- Farrier - must be kept regularly shod/ maintenance requirements.
- Feed. Stabling. Fencing. Grazing. (e.g. general standard in accordance with BHS/PC Manual of Horsemanship).
- Special conditions - the lessee should be aware of any vices, allergies etc. Feed supplements or medicaments may be specified.
- Rights of the owner to visit - lessees should be allowed to go about their lawful business but the owner should be advised of any change in management or domicile.



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Published by B.H.S. Welfare Department, 2007