

BANK ACCOUNT BY MINORS

By

Qaiser Javed Mian

Director Research

Punjab Judicial Academy

Lahore

- **Section -103 (Chapter 10) of the U.S. Contract Act reads as follows:-**

“ The contracts of an infant are voidable at the option of an infant, but he may enforce the contract against the adult. However, an infant may be held liable in quasi contract for the reasonable value of necessaries furnished him; and he will be liable on such contracts as he entered into under authority or direction of law, and also on contracts to do what he was legally bound to do and so could have been legally compelled to perform.”[\[1\]](#)

[\[1\]](#) *Lawrence P. Simpson, “Law of Contracts”, Second ed. West Publishing Co. (1965) p.215.*

- **Section-11 of the Pakistani Contract Act (1872) reads as follows:-**

“Who are competent to contract. Every person is competent to contract who is of the age of majority according to the law to which he is subject, and who is of sound mind, and is not disqualified from contracting by any law to which he is subject.”

- **The relevant Pakistan Case Law on the subject is as follows:-**
- Contract/Agreement with a minor can be held void if it is executed against the interest of minor, but a Agreement/Contract has been made by any person for the interest of minor as the minor is going to obtain any benefit from it, then it is the discretion/sweet will of the minor to accept or reject it when he becomes a major. [\[2\]](#)

[\[2\]](#) See e.g. *“Parveen v. Jehana”*, 2007 CLC p.1877.

- Sale of property by several persons including minor – validity – such sale to the extent of minor would be void.[\[3\]](#)

[\[3\]](#) See e.g. “*Muhammad Arif v. Muhammad Hafeez*”, 2007 MLD p. 1983 (Maulvi Anward-ul-Haq, J).

- Agreement to sell in favour of minor, specific performance of – validity – Minor was beneficiary of such agreement, therefore, Section-11 of Contract Act regarding inability of the minor to contract is not applicable.[\[4\]](#)

[\[4\]](#) See e.g. “ *Muhamdi v. Ghulam Nabi*”, 2007 SCMR p. 761.

- Sale of minor's property by his father as a natural guardian. Such sale would be invalid unless expressly proved to be for benefit or welfare of minor – Onus would lie on vendee. Vendor not of 18-years, sale was void abinitio.[\[5\]](#)

[\[5\]](#) See e.g. “ *Muhammad Zofigan v. Muhammad Khan*”, PLD 2004 Lah. P.255 (Muhammad Said Ali, J).

- Appointment of Guardian by court. Guardian has to act within four corners specified by court and the authority given by the court to the guardian could not be further delegated – Each act – sale of property etc has to be for the benefit of the minor with prior permission of the court.[\[6\]](#)

[\[6\]](#) See e.g. “*Faqir Muhammad v. Zahoor Ahmad*”, 2003 YLR p. 874.

- Contract with minor is void abinitio – Court in a suit brought by minor to get such contract avoided, minor has to return the benefits received under a void contract.^[7]

^[7] See e.g. *“Municipal Committee Jhang v. Muhammad Al Mehtab”*, 2002 CLC 1006 (Muhammad Sair Ali, J).

- Agreement executed by a minor “himself” is void under Section-11 of the Contract Act and an agreement entered into on his behalf by his guardian/parent is valid and binding.[\[8\]](#)

[\[8\]](#) See e.g. “*Sharif Khan v. Abdul Rehman*”, 2000 CLC p.4.