

**Mohammed Akhtar and others**

v

**Schneider and another**

[1996] SGHC 60

High Court — Small Claims Tribunal Appeal No 12 of 1995

Warren L H Khoo J

19 March; 2 April 1996

*Courts and Jurisdiction — Jurisdiction — Small Claims Tribunal — Misrepresentation — Whether claim exceeded tribunal's jurisdiction***Facts**

The first respondent bought what was described as a semi-antique, hand-knotted carpet from the appellants for \$10,000. At the time of the purchase, the he saw that there was a small repair patch of about a square centimetre. He asked the appellants whether there were other repairs and was assured that there were only a couple of others of about the same size, to be expected in a semi-antique carpet. On that assurance, he agreed to buy the carpet and paid the price by two cheques of \$5,000 each, one dated the date of the purchase and the other dated a month later. He discovered that there was a repair as big as a man's hand, and also noticed a few worn patches. He tried to sort things out with the appellants but to no avail. So he stopped payment on the post-dated cheque, and lodged a claim with the Small Claims Tribunal seeking to return the carpet and to claim back the \$5,000 which he had paid. The referee accepted that a case of misrepresentation had been made out and ordered the appellants to return the \$5,000 paid, and the first respondent to return the carpet. The appellants submitted that the claim exceeded the tribunal's jurisdiction as the invoice was for \$10,000.

**Held, allowing the appeal:**

(1) The claim was in the nature of a claim for rescission of the contract on the ground of misrepresentation. The return of the money was merely a consequence of the claim for rescission being upheld. So the value of the claim was not \$5,000 but \$10,000, the latter being the value of the contract sought to be impugned: at [5].

(2) The monetary jurisdiction of the tribunal would be determined by the quantum of the claim and not by the value of the underlying contract if the claim did not involve a dispute about the underlying contract. In the instant case, there was a dispute about the contract. So it was the value of the claim in that dispute which should be taken as the value of the claim for the purpose of considering the question of jurisdiction: at [6].

**Legislation referred to**

Small Claims Tribunal Act (Cap 308, 1985 Rev Ed) s 5(3)

*Samuel Chacko and Sham Chee Keat (Manjit & Partners) for the appellants;  
Susan Tang (Francis Khoo & Lin) for the respondents.*

2 April 1996

**Warren L H Khoo J:**

1 This is an appeal from a decision of the learned referee of a Small Claims Tribunal. The appellants contend that the tribunal had no jurisdiction to entertain the claim.

2 For the purpose of this appeal, the facts can be very shortly stated. Although there were two persons named as claimants in the title of the proceedings below, it appears that only the first respondent, Mr Schneider, took any part. So I shall refer to him alone. On 8 August 1995 Mr Schneider bought what was described as a semi-antique hand-knotted carpet of a Shah Abbasi floral design from the appellants (“the sellers”) at the price of \$10,000. At the time of the purchase, Mr Schneider saw that there was a small repair patch of about a square centimetre. He asked the sellers whether there were other repairs. He was assured that there were only a couple of others of about the same size. This was to be expected in a semi-antique carpet. On that assurance, Mr Schneider agreed to buy the carpet. He paid the price by two cheques of \$5,000 each, one dated the date of the purchase and the other dated a month later, 8 September 1995. Two weeks later, on his return from a business trip, Mr Schneider discovered that there was a repair as big as a man’s hand, and he also noticed a few worn patches. He was unhappy. He went back to the sellers to try to sort things out. But they were not helpful. So he decided to stop payment on the post-dated cheque. On 19 September 1995, he lodged a claim with the tribunal, seeking to return the carpet and to claim back the \$5,000 which he had paid by the first cheque. On 18 October 1995, the claim came before the learned referee. After hearing the parties, the learned referee accepted that a case of misrepresentation had been made out. He ordered the sellers to return the \$5,000 paid, and the purchaser to return the carpet.

3 The sellers had submitted that the claim exceeded the tribunal’s jurisdiction. They pointed out that the invoice was for \$10,000. The learned referee rejected the submission. Before me, the sellers’ counsel repeated their challenge to the tribunal’s jurisdiction. I think the point is well taken. Section 5(3) of the Small Claims Tribunal Act, as amended by Act 17 of 1995, reads as follows:

Except where this Act expressly provides otherwise, the jurisdiction of a tribunal shall not extend to a claim —

- (a) which exceeds the prescribed limit; or
- (b) after the expiration of one year from the date on which the cause of action accrued.

4 In the absence of a ministerial order to the contrary, the prescribed limit is \$5,000.

5 In the instant case, the claim was in the nature of a claim for rescission of the contract on the ground of the sellers' misrepresentation. Although the sum of money sought to be returned was \$5,000, the return of the money was merely a consequence of the claim for rescission being upheld; unless the contract was held to be rescinded, there would be no question of upholding the claim for the return of the money. So the value of the claim was not \$5,000 but \$10,000, the latter being the value of the contract sought to be impugned.

6 The learned referee says that the monetary jurisdiction of the tribunal is determined by the quantum of the claim and not by the value of the underlying contract. That is no doubt right if the claim does not involve a dispute about the underlying contract. In the instant case, there was such a dispute about the contract. So it is the value of the claim in that dispute which should be taken as the value of the claim for the purpose of considering the question of jurisdiction.

7 I therefore held that in so far as the tribunal purported to uphold the claim of rescission of the contract, it had exceeded the jurisdiction conferred on it by the Act. I allowed the appeal.

Headnoted by Yeo Hung Hee.

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