33. Tracing in equity – the tracing process

Reading: *Hudson*, sections 19.3 and 19.4

1. **Need for prior equitable interest / proprietary base**
   Reading: *Hudson*, para 19.3.2
   Re Diplock [1948] Ch 465
   Boscawen v. Bajwa [1995] 4 All ER 769

2. **Mixture of trust money with trustee’s own money**
   Reading: *Hudson*, para 19.4.1
   a) **Honest trustee approach**
      Re Hallett’s Estate (1880) 13 ChD. 695 - presumption of trustee honesty.
   b) **Beneficiary election approach**
      Re Oatway [1903] 2 Ch. 356 - beneficiary election.
      Foskett v. McKeown [2000] 3 All E.R. 97 - fraudster mixing innocent volunteers’ money with own money; disapproving Hallett in part, now there is no restriction to a lien.