**QUASI CONTRACT**

A quasi contract is a retroactive arrangement between two parties who have no previous [obligations](https://www.investopedia.com/terms/o/obligation.asp) to one another. It is created by a judge to correct a circumstance in which one party acquires something at the expense of the other.

The contract aims to prevent one party from unfairly benefiting from the situation at the other party's expense. These arrangements may be imposed when goods or services are accepted, though not requested, by a party. The acceptance then creates an expectation of [payment](https://www.investopedia.com/terms/p/payment.asp).

* A quasi contract is a retroactive arrangement between two parties who have no previous obligations to one another.
* It is created by a judge to correct a circumstance in which one party acquires something at the expense of the other.
* The plaintiff must have furnished a tangible item or service to another party with the expectation or implication that payment would be given.
* The defendant must have accepted, or acknowledged receipt of, the item but made no effort or offer to pay for it.

Quasi contracts outline the obligation of one party to another when the latter is in possession of the original party's property. These parties may not necessarily have had a prior agreement with one another. The agreement is imposed by law through a judge as a remedy when Person A owes something to Person B because they come into possession of Person A's property indirectly or by mistake. The contract becomes enforceable if Person B decides to keep the item in question without paying for it.

Because the agreement is constructed in a court of law, it is legally enforceable, so neither party has to agree to it. The purpose of the quasi contract is to render a fair outcome in a situation where one party has an advantage over another. The defendant—the party who acquired the property—must pay restitution to the plaintiff who is the wronged party to cover the [value](https://www.investopedia.com/terms/v/value.asp) of the item.

**Quasi-Contract Meaning**

Quasi-contract refers to the obligation of the contract created out of the order by court with the aim of not letting one party to get unfair benefit out of the situation at the expense of other parties where there is the absence of initial agreement among the parties and there is a dispute between them.

**Explanation**

Quasi-contracts is the agreement imposed by the law, which outlines the obligation of one party towards another party in case the former possesses the property of the latter party, i.e., something is acquired by one party at the expense of another party.  The court creates these to avoid unjust enrichment of any party overpayment against good or service. Since the court creates these, so neither party can disagree with the same, and they are obliged to follow it.

**Examples of Quasi-Contract**

* A person orders some perishable items online by providing his address and paid for the same. At the time of the delivery of the goods, the delivery man delivers it to the wrong address. The receiving party then, instead of denying the delivery, accepts the order and consumes the same.
* The case went to the court and the court then ordered to issue a quasi-contract according to which the recipient has to pay back the cost of the item to the party who the person who paid for the item initially. So, in this case, the benefits of the goods have been enjoyed by the receiving party, so such a receiving party is bound to give compensation to the former party.

**Features**

The features are as follows:

1. Usually, the quasi-contracts provide the right to the money.
2. There is an absence of the contract or the mutual consent among the parties, and thus it is imposed by the law and is not the outcome of any agreement.
3. They are based on the concept of equity, good conscience, justice, and principles of natural justice.

**Requirements of Quasi-Contract**

There are certain types of the requirement that are required for a judge to fulfill for making a ruling for the quasi-contract as discussed below:

1. The plaintiff of the case must have provided service or tangible goods to the defendant, and the plaintiff had the impression that he would receive payment against such good or service.
2. Also, the plaintiff should be able to justify that the defendant would be unjustly enriched if he would receive goods or services without its payment.

**Types of Quasi-Contract**

#### 1 – Section 68

It states that in case there is a person who is not capable for entering into any contract, and the supplies are provided to him or to anyone to whom the incapable person is bound legally to support by the third party, then the supplier third party is entitled to recovering the price of such supplier from the incapable person’s property.

#### 2 – Section 69

It states that in case there is a person who has an interest in payment of money and pays on behalf of another person who is bound to pay by the law, then the person who made the payment is entitled to get reimbursement by another party (on behalf of whom he has paid).

#### 3 – Section 70

It states that in case a person does anything for the other person lawfully or gives the delivery of something without intending to do the same gratuitously where the receiving party has enjoyed the benefits of the same. Then such a receiving party is bound to give compensation to the former party.

#### 4 – Section 71

It states that in case there is a person who finds goods that belongs to another party and takes such goods into his custody, then the former has responsibility the same as that of a bailee.

#### 5 – Section 72

It states that in case there is a person who has been paid or delivered mistakenly or under the coercion, then he must repay or must return the same back.

### Difference Between Quasi-Contract and Contract

The contracts are the expressed ones that are approved by the parties under consideration as the matter of law where they share interests and consequences though specifically expressed conditions. In contrast, under quasi-contracts, the obligations are enforced by the law enforces based on the conduct of the parties under consideration to prevent the undue advantage of one party over the cost of another party.

### Advantages

The advantages are as follows:

* It prevents the undue advantage of one party over the cost of other parties as it is based on the principle of the Unjust Enrichment.
* It is created by order of the court, so none of the parties involved can attempt to disagree with such orders. So all the parties involved are obliged to follow it.

### Disadvantages

The Disadvantages are as follows:

* The enriched party will not be held liable in the cases where the benefit received by him was tendered negligently, unnecessarily, and by the miscount.
* It is generally created only to the extent it was necessary for preventing unjust enrichment, and the plaintiff has to forgo all the expected profit which he would have earned in case there exists a whole expressed agreement between the parties involved.

### Conclusion

There are situations when there is no contract between the parties. Still, even then, certain social relationships create specific obligations that some parties are required to perform by order of the court. These obligations are known as the quasi-contracts since the same obligations are created as that would have created in case of the regular contract. These Quasi-contracts are created based on principles of justice, equity, and good conscience.