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Damages in Breach of Contract Expectation or Reliance?

Broadly, damages quantify the sum of money required to put the Plaintiff back in the financial position they would have been in, but for the breach or wrong. In breach of contract cases, two types of damages are often contemplated:

Expectation Damages - the loss of profit suffered by the Plaintiff as a result of the contract being breached. This by its nature deals with events that have not happened, and will not happen. Variables and uncertainties make these financials difficult to quantify - particularly in a way that is effective in an adversarial process. Having an experienced expert can cut down your time spent and increase your chance of success.

Reliance Damages – the money spent by the Plaintiff in reliance on the (breached) contract. These are sometimes referred to as “wasted expenditures”. While these damages are often much smaller than the expectation damages, they deal with moneys actually expended. That is to say, they can be ascertained with much less uncertainty.

Some Plaintiffs claim both, which raises the issue of double counting. On the other hand, reliance damages provide a fall back, if the expectation damages prove to be too uncertain.

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