



Bailor

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DEFINITION of Bailor

A bailor is an individual who temporarily relinquishes possession but not ownership of a good or other property under a bailment. The bailor entrusts the possession of the good or property to another individual, known as the bailee. A [bailment](#) is usually a contractual agreement between the bailor and the [bailee](#) that specifies the terms and purpose of the change in possession.

BREAKING DOWN Bailor

A bailor transfers possession, but not ownership, of a good to another party, known as the bailee, in the event of a bailment. While the good is in the bailee's possession, the bailor is still the rightful owner. A bailor/bailee relationship can be illustrated in the management of investment portfolios. A bailor can designate a bailee to supervise an investment [portfolio](#) for a particular time period. While the bailee does not own the portfolio, the bailor entrusts the chosen individual to ensure that the portfolio is in good hands until such time that the bailor can or wishes to resume the duties of managing the portfolio.

Responsibilities of a Bailor in a Bailment Agreement

The bailor does not necessarily have to be the owner of the property they entrust to the bailee. A bailor could be a person who found a lost item such as a wallet dropped in a shopping mall. If they bring the wallet to customer service at the mall and transfer custody,