That a person is bound by the acts of an agent which fall within his apparent authority though they were not actually authorized is an application of the wider doctrine of estoppel. It is clear that to have an estoppel there must not only be a representation, but also a reliance on that representation. It is not enough that the principal holds out the agent as having certain authority, there must also be a reliance on such holding out. The conduct of the person claiming the estoppel is as important as that of the person against whom it is claimed.

[...]

The correct proposition of law is that a principal is bound by an act within the authority apparent to the person dealing with the agent.

[Set out in detail.]

16 The essential factors giving rise to an estoppel are . . . (1) A representation or conduct amounting to a representation intended to induce a course of conduct on the part of the person to whom the representation is made. (2) An act or omission resulting from the representation : per Lord Tomlin, Greenwood v. Martins Bank [1933] A. C. at p. 57.

Referring Principles:
- II.4 - Agency by estoppel / apparent authority