

## **S/N 17/2021 – Misleading Another Salesperson and Thereby Bringing Discredit to the Estate Agency Industry**

### **Facts of Case**

At all material times, the Respondent was a registered salesperson of a licensed estate agent (“**EA**”) and had represented the tenant K.

At all material times, another registered real estate salesperson G represented the landlords (the “**Landlords**”) of the residential property (the “**Property**”) which K had leased for 2 years from 23 March 2015 to 22 March 2017 (the “**Tenancy Period**”) at the monthly rent of \$3,500.

Sometime in early 2015, the Landlords engaged G’s services to help them look for a tenant for the Property.

In or around the same period of time, K, being a foreigner, engaged the Respondent’s services to help him look for a suitable property to rent for his stay in Singapore. The Respondent introduced K to the Property.

In or around 22 March 2015, K and the Landlords entered into a Tenancy Agreement. The Respondent witnessed the execution of the Tenancy Agreement.

Under Clause 2 of the Tenancy Agreement, K was to pay a security deposit of \$7,000 to the Landlords (the “**Security Deposit**”), which K paid on the same day of signing the Tenancy Agreement. The Landlords were entitled to deduct monies that may become due or payable by K under the Tenancy Agreement, but must return the balance thereof no later than 14 days after the expiry of the Tenancy Period, which would be by 5 April 2017 (the “**Balance Deposit**”).

Throughout the Tenancy Period and at all material times, K communicated with only the Respondent on all issues relating to the Property. K did not have any contact with the Landlords or G. The Respondent would then liaise with G who would convey the issues to the Landlords.

On 8 February 2017, G sent a Whatsapp message to the Respondent asking if K would be renewing the lease of the Property.

On 10 February 2017, the Respondent replied via Whatsapp asking if the monthly rent would be reduced to \$3,000 or \$3,100 and said that if the monthly rent is good for K, K would renew the lease of the Property.

On 14 February 2017, G asked the Respondent via Whatsapp to try to renew the lease with K asking the Respondent to try for the monthly rent of \$3,000.

On 19 February 2017, G asked the Respondent via Whatsapp whether the Respondent had spoken to K yet. The Respondent replied that she had but there was no response from K.

On 22 February 2017, G again asked the Respondent via Whatsapp if there was any reply from K and the Respondent replied “*not yet*”.

On 8 March 2017, the Respondent told G via Whatsapp that she *“only managed to get [K] this afternoon. He still firm \$3,200”*.

On 13 March 2017, G told the Respondent via Whatsapp *“OK let’s close off at \$3,200 for 2 years”*.

On 14 March 2017, G emailed the Respondent the renewal letter for the lease so that the Respondent could get K to sign the letter.

On 19 March 2017, the Respondent informed G via Whatsapp that *“[K] wants to include dip[lomatic] clause b4 he sign. U amend and email me. I meet him sign tmr as he leaves tues night”*.

On the same day, the Respondent also forwarded an email that was *allegedly* sent by K dated 16 March 2017 to G. The email states, *“please amend 2 year diplomatic clause and I can meet you next mon at office to sign actual copy”*.

Accordingly, on 20 March 2017 at 12:37 am, G emailed the Respondent the renewal letter with the amended diplomatic clause and asked the Respondent to get K to sign the next day.

On 20 March 2017 at 11:35 am, the Respondent emailed K the renewal letter for the **first** time and stated:

*“Hey K,  
The landlord had proposed to renew your lease per the attached addendum, ie, \$3,200 for another 24months. I am not sure if you had found another place or willing to consider the proposal as your lease expires on 23rd March. The latest transaction at [the condominium of the Property] is about \$4.50psf. (Your unit is 872sqft and hence, I feel the pricing is pretty reasonable).  
Kindly review and let me know your thoughts so that we can close this quickly?”*

Later, on the same day at 10:07 pm, the Respondent told G that she has *“asked [K’s] secretary to get him sign & I pick up tmr lunch”*.

On 21 March 2017, K emailed the Respondent to thank her for the note dated 20 March 2017 and asked her to visit the reception of his workplace any time on 23 March 2017 to pick up all the keys/pass of the Property.

On 22 March 2017 at 12:31 pm, the Respondent replied via email:  
*“Do i confirm that you will not be renewing?”*

On 22 March 2017 at 12:33 pm, K emailed the Respondent:  
**“Confirmed, I’m not renewing.”** [Emphasis added in bold]

On 22 March 2017 at 12:40 pm, the Respondent replied via email: *“ok”*.

On 22 March 2017 at 2:59 pm, K then emailed the Respondent to inform her that the keys to the Property were at the reception of his workplace and she could go and pick them up anytime she liked.

Under the Tenancy Agreement, the Tenancy Period expired on 23 March 2017. Although K had clearly conveyed his decision not to renew his lease of the Property on 22 March 2017, which was acknowledged by the Respondent, the Respondent failed to inform G and/or the Landlords promptly of K's decision and continued to perpetuate the impression that K had signed the renewal letter.

K did not renew the lease of the Property because by then he had already rented another private residential property (the "**other property**"). On or around 1 March 2017, K signed the tenancy agreement in respect of a lease of the other property for 2 years from 1 March 2017 to 28 February 2019 at the monthly rent of \$2,600.

On 26 March 2017, G asked the Respondent via Whatsapp "*how signed already?*" and "*I think the old lease expired*".

On the same day, the Respondent replied via Whatsapp "*I tot May? Shld be done, I need to check as I had to return to Msia for funeral.*"

On 27 March 2017, the Respondent also told G via Whatsapp that "*she [going] [K's] office later*", the renewal letter "*shld be*" ready and that "*[K] said pickup from thur onwards*".

On 28 March 2017, the Respondent told G via Whatsapp that "*the doc is [on the way] to me tdy. [K's] office is couriering to me instead*".

On 29 March 2017, G asked the Respondent via Whatsapp if she has received the document from K. The Respondent replied that "*courier came my place like 9+pm but i already crashed out with the kids due to medication*". G then asked if "*[K] signed the renewal letter*". The Respondent replied "*I hv not seen the doc. Pending delivery to me. Assume yes.*" G told the Respondent "*seems very long communication but still can't get a proper answer*" and the Respondent replied "*yah lor [meaning 'yes']*".

It was only on 30 March 2017 when the Respondent informed G that K was not renewing his lease and that the Respondent's colleague had left the keys to the Property at the guard house.

On 15 April 2017, K messaged the Respondent to enquire about the refund of the Security Deposit of \$7,000 from the Landlords. On 27 April 2017, the Respondent informed K that he was required to pay the bills for some cleaning and repair works amounting to \$340, which would be deducted from the Security Deposit. K agreed and the works were subsequently carried out.

On 29 April 2017, the Respondent informed K that the Landlords would transfer the balance of the Security Deposit of \$6,660 to his account by the weekend. However, the Landlords did not intend to refund the Security Deposit to K nor at any time indicated that the balance of the Security Deposit of \$6,660 would be refunded to K.

In actual fact, the Landlords decided to forfeit the Security Deposit of \$7,000 as they were of the view that K was liable for the unpaid rents from 23 March 2017 to 2 May 2017, the day the premises was handed over to the Landlords. The unpaid rent was calculated to be \$4,776 and the Landlords was of the opinion that they were entitled to double rent of \$9,552 under Section 28(4) of the Civil Law Act 1909 which states, "*Every tenant holding over after the determination of his tenancy shall be chargeable, at the option of his landlord, with double the amount of his rent until possession is given up by him or with double the value during the period of detention of the land or premises so detained, whether notice*

to that effect has been given or not". The Landlords therefore forfeited the Security Deposit of \$ 7,000 but did not wish to file a claim against K for the balance of \$ 2,552.

On 27 July 2017, K received \$660 in his bank account from the Respondent and he considered that \$6,000 has yet to be refunded to him by the Landlords. On 13 January 2018, K lodged a claim with the Small Claims Tribunal ("SCT") against the Landlords for the refund of the balance of his Security Deposit of \$6,000. K then learned at the SCT that the Respondent had fabricated the story that K was negotiating to renew the tenancy between 8 February 2017 and 21 March 2017. K had informed the Respondent on 22 March 2017 that he would not be renewing the tenancy and he did not engage the Respondent prior to 22 March 2017 to negotiate the renewal of his lease with the Landlords.

As the Respondent failed to promptly inform G and/or the Landlords that K was not renewing his lease until 30 March 2017, the SCT held on 12 April 2018 that K was liable to pay the Landlords a sum of \$903, which is the rent from 23 March 2017 to 30 March 2017. This sum is additional to the monthly rent he had to pay for the other property.

In view of the foregoing, the Respondent had misled G by making the representations that K was going to and/or had signed the renewal letter to renew his lease of the Property in the period from 23 March 2017 to 29 March 2017 despite knowing full well that K was not going to renew the lease on 22 March 2017, thereby bringing discredit to the estate agency industry.

The Respondent's misconduct has therefore caused K to suffer a loss of \$903 which was the rent that he had to pay to the Landlords for the period from 23 March 2017 to 30 March 2017 although he was already renting the other property for that period. The Respondent's misconduct had also deprived the Landlords of the opportunity to look for a new tenant to replace K whose tenancy ended on 22 March 2017. The Landlords had thereby suffered a loss of \$3,873 (\$4,776 minus \$903), i.e. the unpaid rent between 31 March 2017 and 2 May 2017.

### **Charge**

The Respondent faced the following charge:

#### **Charge**

Misleading another registered salesperson G who was representing the Landlords, into believing that the tenant K would be renewing his lease of the Landlord's Property in or around the period from 23 March 2017 to 29 March 2017, although K had already informed the Respondent that he would *not* be renewing his lease of the Property on 22 March 2017, and the Respondent had thereby breached paragraph 7(1) read with paragraph 7(2)(a) of the Code of Ethics and Professional Client Care (the "CEPCC").

### **Outcome**

Pursuant to a plea bargain, the Respondent pleaded guilty to the Charge.

The Disciplinary Committee (DC) found the Respondent liable for the disciplinary breach in the Charge and therefore disciplinary action was taken against her.

**Note:** This case was referred to a CEA Disciplinary Committee (DC) before the operationalisation of the Estate Agents (Amendment) Act 2020 on 30 July 2021. With the Act amendments, the maximum financial penalty for disciplinary breaches has been raised and a DC can impose a higher financial penalty on errant offenders.

After hearing parties, the DC imposed the following penalty on the Respondent:

**Charge:** A financial penalty of \$1,500 and a suspension of 2 months.

Fixed costs of \$1,000 was also imposed on the Respondent.