

# TIP OF THE MONTH



## February Tip of the Month:

### Avoiding and managing conflict of interest situations

As a property agent, your clients are looking to you to offer independent and unbiased advice. However, there may be some instances when your personal or professional interests may be seen as competing with, or are different from, that of your clients'.

Under the Council for Estate Agencies' (CEA) [guidelines](#), all property agents have a duty to avoid potential conflicts of interest.

Examples of situations when conflicts of interests could arise include when an agent:

- Is a family member or business associate of the other transacting party/the other transacting party's agent
- Is from the same property agency as the other transacting party's agent
- Receives referral fees from a company whose services are recommended by the agent to a client e.g. bank, renovation company
- Is collecting a co-broke commission from the other transacting party's agent
- Is collecting a "token fee" or other benefits from the other transacting party who has not engaged an agent but has asked the agent to help with some paperwork

If you find yourself in a situation where a conflict of interest arises, you must:

- Disclose the conflict of interest to your client in writing immediately. E-mails and text messages are acceptable, but just mentioning this to your client verbally is not.
- Obtain your client's written agreement that he/she is aware of the conflict of interest and that he/she is agreeable that you can continue to represent him/her. You can continue acting for your client only if you have received written approval to do so.

Check with your KEO if you have any questions on how to manage the situation.

For more details on what to do when conflicts of interest arise in a transaction you are handling, refer to Section 1.3 of the [Professional Service Manual](#).

*[Information accurate as at 28 February 2019]*

*Brought to you by the Council for Estate Agencies*