



**MAY TIP OF THE MONTH:**

**Protecting the interests of vulnerable clients**

When salespersons facilitate property transactions for their clients, they have a duty to protect and act in their clients' best interests. When it comes to vulnerable clients, this duty should be duly and reasonably amplified.

**Who are vulnerable clients?**

Vulnerable clients are those who would require greater attention and considerate treatment as a result of physical, mental, or emotional impairment, or who, for any other reason, are unable to make rational decisions on the property transaction.

They also include persons who are illiterate, under financial distress, and persons who have no means of sustenance or family support.



In September 2017, CEA's Disciplinary Committee [imposed](#) on a salesperson a financial penalty of \$6,000 for two charges of breaches to CEA's [Code of Ethics and Professional Client Care](#), and a 7- and 4-month suspension for each charge of misconduct when dealing with his elderly client.

The salesperson had failed to ascertain if his elderly female client, who suffered from dementia and was illiterate, was fully aware of the nature and consequences of the sale of the flat before proceeding with the sale.

### **How should salespersons protect the interests of their vulnerable clients?**

- ✓ Duly and reasonably exercise more care and diligence when assisting them with their property transaction(s).
- ✓ Consider advising that appropriate persons such as the client's family members/relatives be involved in discussions regarding the transaction, if necessary.
- ✓ Take their client's vulnerability into consideration when giving any information, advice or guidance, particularly if any decision the client makes is based solely on that information or advice.
- ✓ Explain to their client that any decision that may have legal implications should be discussed with the client's legal adviser, or consider advising the client to put the salesperson in contact with the legal adviser, if the salesperson is concerned with the decision being made.
- ✓ Ensure that there is no discrimination against vulnerable clients.
- ✓ Ensure that no undue pressure or influence is unethically exerted on vulnerable clients, or that they are not induced, to continue with or complete their property transaction(s).

More information and guidelines on how salespersons should render their service to vulnerable clients can be found in section 1.9 of the [Professional Service Manual](#).

[Read More](#)

Information is accurate as at 18 May 2020.

This email was sent to all real estate salespersons by the [Council for Estate Agencies](#).

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