Dispute Resolution for Residential Property Transactions

Unhappy with the service of your salesperson? Having a dispute on the amount of commission payable?

What should you do? You are encouraged to first discuss the matter with your salesperson. If the matter is not resolved, approach his estate agent. If you are still unable to get a satisfactory resolution, you can consider making use of the Dispute Resolution Scheme under the Council for Estate Agencies (CEA).

CEA Dispute Resolution Scheme

CEA has implemented a Dispute Resolution Scheme in January 2011. The Scheme consists of 2 Sub-Schemes - mediation and arbitration, to resolve disputes and contractual matters between consumers and estate agents.

It covers disputes arising from or relating to provision of estate agency work for residential property transactions. The Scheme is open to consumers who have entered into the prescribed estate agency agreements.

When you make use of the Scheme, please take note that:

- Estate agents are required to participate in the Scheme once you have elected to proceed with mediation or arbitration.
- The selection of the dispute resolution centre will be made by you, the consumer.
- You may choose to opt directly for arbitration without going through mediation. However, mediation is encouraged as a first step.

The use of the Scheme can also be initiated by the estate agent by asking their client in writing whether he wants to go for mediation and if so, which dispute resolution centre they elect to go to.

Case Study
Consumer engaged a salesperson to sell her property. The salesperson found a buyer and transaction closed at the offered price. However, there was a dispute between the consumer and salesperson on whether the offered price included the furniture in the property. The case went for mediation and it was resolved through a mediator with a reduction in commission payable by the consumer.
Dispute Resolution Centres

The dispute resolution centres appointed by CEA are as follows:

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<tr>
<th>Appointed Mediation Centres</th>
<th>Appointed Arbitration Centres</th>
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<tbody>
<tr>
<td>• Consumers Association of Singapore</td>
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<tr>
<td>• Singapore Institute of Surveyors and Valuers</td>
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<tr>
<td>• Singapore Mediation Centre</td>
<td>• Singapore Institute of Arbitrators</td>
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What is the difference between mediation and arbitration?

Mediation is a process where the mediator facilitates the consumer and estate agent in trying to resolve a dispute and come to a mutually acceptable agreement. The decision is left to the parties and is not dictated by the mediator. As for arbitration, it is a process where the arbitrator will consider the issues of both parties and arrive at a decision which is binding on both parties.

Do I have to pay a fee for the Dispute Resolution Scheme?

You do not have to pay a fee to CEA. However, you have to pay the Appointed Centre for the mediation or arbitration according to the scale of fees stipulated. The fee may be higher for arbitration compared to mediation. You can refer to CEA’s website at www.cea.gov.sg for details.

What types of complaints are not handled by CEA or its Dispute Resolution Centres?

CEA looks into complaints involving estate agency work, estate agents and salespersons. However, CEA will not be able to take action on disputes between landlord and tenant, or buyer and seller (including buyer and property developer), which do not involve an estate agent or a salesperson. Disputes involving agents in marketing land banking products are not within the scope of CEA. For allegations of criminal wrongdoing such as fraud and cheating, CEA will refer such complaints to the Police.

Can CEA conduct the dispute resolution instead of referring consumers to the Centres?

CEA is not empowered by law nor does it have the expertise to resolve disputes between client and agent over commission, fees, etc. On the other hand, the Appointed Centres have the expertise with mediators or arbitrators familiar in resolving disputes.

For more information, you can visit our Frequently Asked Questions (FAQs) on CEA’s website at http://www.ifaq.gov.sg/cea/apps/fcd_faqmain.aspx.