

S/N 12/2015 – Bringing Disrepute to the Industry by Misleading Clients about the Identity of the Sub-Landlord, Failing to Declare Conflict of Interests, and Advertising Breaches

Facts of Case

The Respondent represented three sub-tenants in the lease of various rooms in a landed property ("**the Property**").

On 10 September 2011, the Respondent leased the Property from Mr C for a year from 1 October 2011 to 30 September 2012. The Respondent then proceeded to advertise rooms for lease and in the advertisements used a mobile phone number not registered with the CEA.

The sub-tenants responded to the advertisements separately, and all of them engaged the Respondent as their salesperson. Each time, the sub-tenants would be informed by the Respondent that a Ms D was the sub-landlord, which was not true as the Respondent was the sub-landlord. He also did not reveal that Ms D was actually his mother-in-law. They were also unaware that the bank account they were paying the rent into was the Respondent's bank account.

Sub-tenant E paid him a commission of \$600, sub-tenant F paid him a commission of \$1,200 and sub-tenant G paid him a commission of \$900 for representing them in the rental transaction of the Property.

CEA investigations revealed that the Respondent had also failed to advise the sub-tenants to stamp their respective room rental tenancy agreements with the Inland Revenue Authority of Singapore ("**IRAS**"), and that he had advertised using 2 mobile phone numbers that were not registered with the CEA on various online advertisements.

Charges

The Respondent faced the following 13 charges:

Charges 1, 2 & 3

For bringing discredit or disrepute to the estate agency industry by misleading 3 sub-tenants respectively that Ms D was the sub-landlord of the Property, when in fact he was the sub-landlord of the Property, in contravention of paragraph 7(1) read with paragraph 7(2)(a) of the Code of Ethics and Professional Client Care.

Charges 4, 5 & 6

For accepting an appointment by and continuing to act on behalf of the 3 respective sub-tenants, his clients, where to do so would place his interests in conflict or potential conflict with those of his clients and without declaring, in writing or at all, his interests which were in conflict or potential conflict with his clients, and which arose by reason that he was the sub-landlord of the Property, in contravention of paragraph 13(1) read with paragraphs 13(2)(a) and 13(2)(c) of the Code of Ethics and Professional Client Care.

Charges 7, 8 & 9

For failing to conduct his business with due diligence, despatch and care, and in compliance with all laws when he failed to do all reasonable acts to ensure that no law was infringed by any person, by failing to advise his 3 clients, the sub-tenants, that they needed to stamp their room rental tenancy agreements with the IRAS as required under the Stamp Duties Act (Cap. 312), in contravention of paragraph 5(1) read with paragraph 5(2)(b) of the Code of Ethics and Professional Client Care.

Charges 10, 11, 12 & 13

For failing to ensure he was correctly and clearly identified in his advertisement for 4 properties in Yishun, Bukit Panjang, Tampines, and Yio Chu Kang, by failing to ensure that his contact number registered with the CEA was stated in the 4 advertisements, and instead stated a mobile phone number which was not registered with the CEA, in contravention of paragraph 12(1)(a) read with paragraph 12(2)(a) of the Code of Ethics and Professional Client Care.

Outcome

Following a trial, the Disciplinary Committee found that the Respondent was guilty of Charges 1, 2, 3, 4, 5, 6, 7, 10, 11 and 13, and imposed the following financial penalties and disciplinary orders on the Respondent:

Charges 1, 2 & 3: A financial penalty of \$2,500 and a suspension of 5 months for each charge.

Charges 4, 5, & 6: A financial penalty of \$4,000 and a suspension of 6 months for each charge.

Charge 7: A financial penalty of \$800.

Charges 10, 11, & 13: A financial penalty of \$800 for each charge.



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.

The suspension orders for Charges 3 and 4 were ordered to run consecutively while the suspension orders for the remaining Charges were ordered to run concurrently, therefore amounting to a total suspension of 11 months. Fixed costs of \$1,000 was imposed on the Respondent.