

S/N 19/2021 – Causing or Allowing to Be Made an Advertisement Containing False Statement and without Obtaining Seller’s Prior Agreement

Facts of Case

The Respondent was at all material times a registered salesperson.

In or around August 2019, the seller of a condominium property (the “**Property**”) engaged Salesperson X to assist him in selling the Property. Salesperson X mentioned to the seller that her colleague from the same estate agent would also market the Property. However, Salesperson X did not specifically tell the seller who her colleague was i.e. the Respondent, and the Respondent did not inform the seller that he was working alongside Salesperson X to market the Property.

On 4 August 2019, the Respondent caused or allowed to be made an advertisement for the Property (the “**Advertisement**”) on an online property portal. The Advertisement contained, among other things, the following information:

- (a) Sale price: S\$1,450,000 (negotiable); and
- (b) Maintenance fees: S\$250 / month.

On 5 August 2019, Salesperson A saw the Advertisement and showed it to his client, the eventual buyer of the Property (the “**Buyer**”). Salesperson A then arranged a viewing of the Property on the same day as his client was interested in the Property.

The viewing of the Property on 5 August 2019 was conducted by the Respondent, and attended by the Buyer and Salesperson A. The Respondent’s colleague, Salesperson X, was not present at the viewing as she was overseas. During the viewing, the Buyer asked the Respondent some general queries about the Property, including the amount of maintenance fees payable. In reply, the Respondent informed the Buyer, in the presence of Salesperson A, that the maintenance fees were \$250 per month.

After the viewing, the parties negotiated on the sale price of the Property, with the seller’s counter-offer being \$1.42 million.

The Buyer viewed the Property another two times subsequently. At the third viewing of the Property on 9 August 2019, the Buyer was introduced by the Respondent to Salesperson X. After the viewing, the Buyer decided to purchase the Property at the seller’s offered price of \$1.42 million and issued a cheque for 2% of the purchase price in exchange for the issuance of an Option to Purchase for the Property (“**OTP**”).

On 11 August 2019, the Respondent asked Salesperson X, through WhatsApp, about the maintenance fees payable for the Property. Salesperson X replied that the maintenance fees were “*per quarter approx. 1200*”. Upon realising that he might have advertised the maintenance

fees wrongly, the Respondent took down the Advertisement from his active listings on the online property portal. The Respondent did not convey this information to the Buyer or Salesperson A.

The Buyer exercised the OTP on 19 August 2019, but only discovered in or around November 2019 that the maintenance fees were not the advertised amount of \$250 per month.

At all material times, the maintenance fees for the Property were never \$250 per month. In fact, the maintenance fees had been increased from \$378 per month to \$540 per month (before GST) as of 1 July 2019. At no point in time prior to the signing of the OTP did the Respondent correct the statement in the Advertisement or his earlier representation to the Buyer at the first viewing on 5 August 2019, i.e. that the maintenance fees for the Property were \$250 per month. The Respondent failed to take reasonable care and steps to verify the amount of maintenance fees payable for the Property and had inserted a figure of \$250 in the Advertisement recklessly and without any reasonable basis. The Respondent did not check with the seller, Salesperson X or obtain this information from the MCST of the Property before listing the Advertisement.

At all material times, the seller also did not know the Respondent personally and was not informed in writing of the Respondent's name and CEA registration number. The seller had not given written consent to the Respondent to post the Advertisement.

Charges

The Respondent faced the following charges:

Charge 1 (Proceeded)

For causing or allowing the Advertisement to be made that contained a statement which was false, by stating that the maintenance fees for the Property was \$250 per month when it was in fact \$540 per month, in contravention of paragraph 12(4)(a) of the Code of Ethics and Professional Client Care.

Charge 2

For causing or allowing the Advertisement to be made without obtaining the prior agreement of the Property's seller, by not informing the seller of his name and CEA registration number in writing and not obtaining the seller's written consent to advertise the Property prior to making the Advertisement, in contravention of paragraph 12(4)(d) of the Code of Ethics and Professional Client Care.

Outcome

Pursuant to a plea bargain, the Respondent pleaded guilty to Charge 1, with Charge 2 taken into consideration for sentencing.

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.

In sentencing, the Disciplinary Committee noted that the Respondent's deliberate failure to rectify the false statement in the Advertisement after he became aware of it was an aggravating factor. The false statement was brought to the Respondent's attention by Salesperson X before the Buyer had exercised the OTP and the Respondent could have informed the Buyer of the correct amount, but instead deliberately and knowingly remained silent and allowed the Buyer to exercise the OTP.

The Disciplinary Committee also took into account the Respondent's early plea of guilt.

Accordingly, the Disciplinary Committee imposed the following financial penalty and disciplinary order on the Respondent:

Charge 1: A financial penalty of \$3,000 and suspension of 4 months.

Fixed costs of \$2,000 was also imposed on the Respondent.