

## **S/N 3/2018 – Failure to Act According to Client’s Instructions and Protect Client’s Interests**

### **Facts of Case**

The Respondent was engaged by the Sellers to market and sell a Housing and Development Board (“HDB”) flat (the “**Property**”) on an exclusive basis.

At the outset, X (one of the Sellers) had informed the Respondent that she would require an extension of stay of between 3 and 6 months on the Property after completion, as she needed time to find/buy and move into a new property. X lived with her mother and 2 young children, and she had emphasised to the Respondent that the extension of stay was very important as they needed a roof over their heads.

The sale of the Property was eventually agreed upon. Before issuing the Option to Purchase (“**OTP**”), the Buyers verbally agreed to X’s request for an extension of stay of up to 6 months on the Property after completion at X’s option. In return, X was willing to compensate the Buyers at the sum of S\$ 500 per month during the extension period.

As the extension of stay was important to X, she instructed the Respondent to obtain a written agreement with the Buyers on an extension of stay on the Property of up to 6 months after completion at X’s option (the “**Written Agreement**”). However, the Respondent repeatedly delayed obtaining the Written Agreement, despite subsequent reminders from X and her assurances to X to obtain it.

On the day of completion, X was informed by the Respondent that the Buyers wanted to meet her to discuss about the extension of stay. During the meeting, X learnt that the Respondent had not prepared the Written Agreement before completion, and only gave the Buyers a letter for the extension of stay on the day of completion. X was also told there was a misunderstanding, as the Buyers thought the extension of stay would start from the time the OTP was exercised, and not on completion. The Buyers were only willing to grant a further extension of 1 month after completion. However, the renovations for X’s new flat were still ongoing and would take another 2.5 months.

The Respondent was not present at this meeting; X was told that the Respondent did not want to be present. X was also unable to reach the Respondent by phone to clarify the extension of stay; the Respondent did not pick up X’s calls.

Eventually, X negotiated with the Buyers and was allowed an extension of stay of 2 months after completion. X had to rush her contractor to finish the renovations for her new flat. X managed to move out of the Property by the end of the extension, although some of the renovations for her new flat were not properly finished due to time constraints.

## **Charges**

The Respondent faced the following charge:

### **Charge 1**

For failing to act according to her client's instructions and to protect her client's interests, by failing to obtain the Written Agreement, in contravention of paragraph 6(1) read with paragraph 6(2)(a) of the Code of Ethics and Professional Client Care (the "**Code**").

## **Outcome**

Pursuant to a plea bargain, the Respondent pleaded guilty to the Charge.

In sentencing, the Disciplinary Committee ("**DC**") noted the Respondent's failure to act on her client's instructions despite reminders; the period of time involved; the inconvenience, stress and anxiety caused to X; as well as the Respondent's lack of assistance to X to mitigate her failure.

The DC also considered the lesser commission received by the Respondent from X; the Respondent's early admission to the Charge; the Respondent's cooperation during investigations; and her lack of any adverse record.

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

**Charge 1:** A financial penalty of S\$ 1,500 and a suspension of 2 months.

Fixed costs of S\$ 1,000 was also imposed on the Respondent.