

S/N 4/2022 – Failure to Conduct Business with Due Diligence, Despatch and Care by Misrepresenting to Buyers

Facts of Case

The Respondent was at all material times a registered salesperson.

On or around December 2019, the Respondent was engaged by the sellers (“**Sellers**”) of a property.

On or around 25 April 2020, the eventual buyers of the property (“**Buyers**”) came across the Respondent’s listing of the property on the PropertyGuru website. The Buyers then arranged for a virtual viewing of the property which took place through the Zoom video-conferencing platform on 16 May 2020.

After the virtual viewing, the Buyers were interested in the property and arranged for a physical viewing of the property on 2 July 2020.

At the first physical viewing of the property on 2 July 2020, the Buyers asked the Respondent if the flooring of the property was made of vinyl material. Without consulting or verifying with the Sellers who were also present, the Respondent relied only on his experience as a salesperson and verbally assured the Buyers that the flooring was made of vinyl material. Thereafter, the Buyers made an offer for the property and concurrently requested for a second physical viewing of the property.

Prior to the second physical viewing of the property which took place on 6 July 2020, the Buyers’ offer for the property was rejected by the Sellers and the Buyers informed the Respondent that they would only be able to make a counteroffer to purchase the property after this second physical viewing.

On 6 July 2020, the Buyers attended at the property for the second physical viewing. On this occasion, one of the Sellers was present. The second physical viewing concluded without any issues and none of the parties mentioned about the flooring of the property.

Subsequently, the Buyers made a counteroffer to which the Sellers were agreeable, and an Option to Purchase was issued to the Buyers on or around 8 July 2020.

On or around 14 July 2020, in the course of enquiring on renovation matters for the property, the Buyers were informed by their interior designer that based on the photographs of the property extracted from the Respondent’s PropertyGuru listing, the flooring of the property seemed to be of laminate material and not vinyl.

On the same day, the Buyers contacted the Respondent via WhatsApp to again confirm the flooring material of the Property. The Respondent again assured the Buyers that the flooring

of the property was made of vinyl. This representation was based only on his experience as a salesperson and without first consulting or verifying with the Sellers.

On 22 July 2020, the Buyers attended at the property to exercise the Option to Purchase. On this occasion, the Buyers, the Sellers and the Respondent were present. When asked by the Buyers, the Respondent again confirmed verbally that the flooring of the property was made of vinyl material. The Buyers thereafter exercised the Option to Purchase.

As their interior designer reiterated his opinion on the flooring material on 22 July 2020, the Buyers further contacted the Respondent on 23 July 2020 with a list of questions requiring confirmation including that of the flooring material. The Respondent relayed the list of questions to the Sellers on the same day, and this was the first time that the Respondent had brought up the question of the flooring material to the Sellers.

On 24 July 2020, the Respondent conveyed the Sellers' confirmation that, among others, the flooring of the property was made of laminate material and not vinyl. Upon being confronted by the Buyers, the Respondent admitted that he had made a mistake regarding the flooring material and informed the Buyers that he could persuade the Sellers to back out from the transaction and issue a full refund of the monies paid if the Buyers did not want to proceed with the transaction. However, the Respondent also told the Buyers to give him a response on the same day as there were many potential buyers who would want to purchase the property.

The Buyers responded to the Respondent on 25 July 2020 and confirmed that they wished to proceed with the purchase of the property. When the Buyers contacted the Sellers directly to ask if the Respondent had checked with the latter on the flooring material at any point of the entire sale process, the Sellers answered in the negative.

The Buyers eventually incurred the total sum of \$6,566.04 to dismantle the laminate flooring and install vinyl flooring for the property.

At all material times, the Respondent did not take any reasonable steps to verify the flooring of the property before making the misrepresentations to the Buyers.

Charges

The Respondent faced the following two charges:

Charge 1

For failing to conduct his business and work with due diligence, despatch and care by misrepresenting to the Buyers on or around 2 July 2020 that the flooring of the property was vinyl when it was in fact laminate, during the first physical viewing of the property on 2 July 2020, in contravention of paragraph 5(1) of the Code of Ethics and Professional Client Care.

Charge 2 (Proceeded)

For failing to conduct his business and work with due diligence, despatch and care by misrepresenting to the Buyers on or around 14 July 2020 that the flooring of the property was vinyl when it was in fact laminate, through WhatsApp messaging to one of the Buyers on 14 July 2020, in contravention of paragraph 5(1) of the Code of Ethics and Professional Client Care.

Outcome

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

Charge 2: A financial penalty of \$4,000 and a suspension of 2 months.

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