

S/N 8/2020 – Failure to Verify Accuracy of Information Obtained from Third-Party Property Listing Portal, Failure to Conduct Title Search to Verify Ownership of Property & Making Advertisement Which Contained Inaccurate Information of Floor Area of Property

Facts of Case

The Respondent was engaged by A (the “**Seller**”) sometime on or around March 2017 as the exclusive salesperson to market A’s Housing and Development Board (“**HDB**”) flat. A informed the Respondent that he, A, was the owner of the HDB flat. The Respondent did not conduct a title search or take any reasonable steps to confirm that A was the owner of the HDB flat.

Prior to advertising the HDB flat, the Respondent retrieved information on the HDB flat’s floor area through a mobile application provided by a third-party property listing and information portal. The mobile application indicated that the floor area of the HDB flat was 90 square metres.

The Respondent did not take any steps to verify the information retrieved from the third-party mobile application and proceeded to advertise the HDB flat. The Respondent’s advertisement stated that the HDB flat was “90 sqm” in size and on a high floor with a view of “MBS”. The listing details of the advertisement also stated that the HDB flat was “969 sq ft” in size (equivalent to approximately 90.02 square metres).

In fact, the HDB flat was 85 square metres in size.

At around this time, C and D (the “**Buyers**”) had engaged Salesperson X to assist them in looking for a HDB resale flat to purchase. The Buyers had intended to purchase a HDB resale flat that had a floor area of at least 90 square metres.

Salesperson X saw the Respondent’s advertisement and arranged for the Buyers to view the HDB flat. The first viewing on 26 March 2017 was attended by the Buyers and Salesperson X (the Respondent was not present). At the second viewing of the HDB flat on 28 March 2017, the Buyers and Seller agreed on the selling price of the HDB flat, and the Buyers paid the option fee of \$1,000 through Salesperson X.

On 29 March 2017, Salesperson X forwarded the Option to Purchase to the Buyers. Between 1 April 2017 and 3 April 2017, the Buyers discovered that the floor area of the HDB flat was actually 85 square metres, and not 90 square metres as advertised by the Respondent. The Buyers eventually did not exercise the Option to Purchase and the transaction was aborted. The Buyers tried to obtain a refund of their option fee but the Seller was not agreeable to this. The Buyers therefore suffered a loss of \$1,000 in option fee monies.

At all material times, the Respondent had failed to take reasonable steps to verify that information retrieved from the third-party property listing and information portal i.e. the floor area of the HDB flat was accurate.

Charges

The Respondent faced the following 3 charges:

Charge 1

For failing to comply with the applicable laws and in particular the practice guidelines of the Council for Estate Agencies, by failing to conduct a title search on the Singapore Land Authority's Integrated Land Information Services to verify the owner of the Flat and failing to give a copy of the said title search to his client, as required by paragraph 1.7.2 of the Professional Service Manual Practice Guidelines issued by the Council for Estate Agencies, in contravention of paragraph 4(1) read with 4(2)(a) of the Code of Ethics and Professional Client Care (the "**Code**").

Charge 2 (Proceeded)

For failing to conduct his work with due diligence and care, by failing to take reasonable steps to verify the information obtained from the third-party property listing and information portal on the floor area of the HDB flat, in contravention of paragraph 5(1) of the Code.

Charge 3

For causing to be made an advertisement which contained inaccurate information, by advertising the HDB flat as having a floor area of 90 square metres when the actual floor area was in fact 85 square metres, in contravention of paragraph 12(4)(a) of the Code.

Outcome

Pursuant to a plea bargain, the Respondent pleaded guilty to Charge 2, while Charges 1 and 3 were taken into consideration for purposes of sentencing.

In sentencing, the Disciplinary Committee ("**DC**") took note of the financial loss of \$1,000 incurred by the Buyers as being due to the Respondent's misrepresentation and that no compensation was made by the Respondent.

The DC also noted that the Respondent had intimated an early admission to the proceeded charge and there was no evidence of any adverse record against the Respondent.

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

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

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