

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.

S/N 3/2014 – Misleading Conduct that may Bring Disrepute to the Estate Agency Industry

Facts of Case

The Respondent's client, the seller, had agreed to pay him a commission of 2% of the transacted price of the property being sold.

However, the Respondent informed the buyer's salesperson that he was only receiving a commission of 0.5% of the price, and therefore the buyer's salesperson should seek his own commission from the buyer. The Respondent did so because he did not wish to share his commission with the buyer's salesperson.

The Respondent's misleading statement was found out by the buyer and the buyer's estate agent arranged a meeting with the two salespersons. At the meeting, the Respondent agreed to share 0.5% of the price (out of his commission which was increased to 3%) as co-broke commission with the buyer's salesperson.

Charges

The Respondent was charged for misleading conduct that may bring discredit or disrepute to the estate agency industry by providing misleading information to another salesperson regarding commission paid by his client, in contravention of paragraph 7(1) read with paragraph 7(2)(a) of the Code of Ethics and Professional Client Care.

Outcome

The Respondent pleaded guilty to the charge.

The DC ordered the Respondent to be suspended as a salesperson for 3 months and to pay a financial penalty of \$2,000.

Fixed costs of \$1,000 were also imposed upon the Respondent.