



Real estate agency and property manager fined

A South Perth real estate agency and its former property manager have been fined by the State Administrative Tribunal (SAT) for breaching the Real Estate and Business Agents Act in the management of two rental properties and the operation of their trust accounts.

Prosser Real Estate Pty Ltd, trading as Swan River Real Estate, was fined a total of \$15,000 and ordered to pay Court costs of \$2,500. Former property manager Julia Barratt-Hill was fined \$8,000 and ordered to pay Court costs of \$1,000. Licensee Lorraine Florence Prosser was fined \$5,000 for failing to properly supervise the agency business and ensure Ms Barratt-Hill, an employee of the agency from 2003 to December 2011, complied with the industry Code of Conduct between 2009 and 2011.

Consumer Protection took disciplinary action against Ms Barratt-Hill in relation to fabricating an owner's statement, knowingly misleading owners of a property into believing their property was tenanted when it wasn't, failing to deal with rent payments in relation to a property in an organised and competent way, and failing to keep owners of a property informed about the lease agreement when asked repeatedly. These various offences occurred in 2011.

Prosser Real Estate Pty Ltd was fined \$5,000 over the property management breaches and a further \$10,000 for unlawful transactions related to their trust accounts as well as failing to keep full and accurate accounts that could be conveniently and properly audited as required by the Act. The trust account breaches relate to the 2009, 2010 and 2011 audit years and arose out of being liable for the actions of Ms Barratt-Hill.

In determining the penalty, the SAT took into consideration the fact that the company and its Directors had reimbursed funds into the trust account and no clients were out of pocket as a result of the breaches.

Commissioner for Consumer Protection Anne Driscoll said there is an obligation for all licensed real estate agents and their employees to adhere to all laws related to the operation of their agency.

"The basic foundation of the Code of Conduct is for agents to have fair, honest and transparent dealings with property owners at all times in terms of disclosure of accurate information about the tenancy, the provision of copies of lease agreements and the timely release of financial statements," Ms Driscoll said.

"It is also an obligation of licensed real estate agents to operate their trust and operating accounts in a way that complies fully with the law. Financial records should be kept up to date and organised in such a way that allows for easy checking and auditing."

More information on the obligations of real estate agents and sales representatives is available on the Consumer Protection website: www.commerce.wa.gov.au/cp/real_estate or enquiries can be made by email: consumer@commerce.wa.gov.au or by calling 1300 30 40 54.