



Real estate agent fined for late deposit of rent cash (Chukwudi Nnamdi Ejindu / Black Swan Real Estate)

A real estate agent has been reprimanded and fined \$3,000 by the State Administrative Tribunal for failing to exercise due skill, care and diligence over the depositing and recording of payments from tenants.

Chukwudi Nnamdi Ejindu, trading as Black Swan Real Estate of Landsdale, had accepted 13 cash payments from tenants between January 2013 and June 2014 and held them in his office safe. It took between four and 14 business days for the cash to be deposited into the agency's trust account in breach of the Real Estate and Business Agents Act, which requires the money to be deposited as soon as practicable.

The agency also took two to six days to record ten electronic payments from tenants in their trust account ledger when this is required to be done by the following business day after receipt.

Acting Commissioner for Consumer Protection Gary Newcombe said it's essential that trust accounts are operated according to the law in order to maintain the public's confidence in the industry.

"Real estate agencies and property management companies hold large amounts of money in trust for tenants and property owners – that's why there are strict rules surrounding the handling of those funds and regular auditing of trust accounts," Mr Newcombe said.

In this instance, the agent's failure to bank his clients' money promptly resulted in the clients' money being stolen by thieves breaking in to the office.

"Taking up to two weeks to place clients' money into a trust account is not seen as soon as practicable at law, nor is it acceptable", said Mr Newcombe.

"While the affected clients eventually received their money, agents, property managers and their employees should be aware of the procedures relating to the handling of bond and rent payments from tenants and make sure there are systems in place to ensure the funds are handled and accounted for in accordance with the law."

More information on the obligations of real estate agents and sales representatives is available on the Consumer Protection [website](#) or enquiries can be made by email: consumer@commerce.wa.gov.au or by calling **1300 30 40 54**.