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*Please find below a joint media statement released today by Consumer Protection, WA Police and Landgate. The statement concerns their investigation into a recently reported real estate scam.*

*Further information and advice regarding this matter and preventative measures will be provided in the coming days.*

## Taskforce investigates real estate scam

A joint taskforce comprising investigators from Consumer Protection, WA Police Major Fraud Squad and representatives of Landgate is investigating a reported real estate scam.

A couple returning from overseas have advised authorities that their property has been sold without their knowledge or consent and a joint investigation has been launched.

The previous owners were living and working overseas at the time and didn't discover the property had been sold until they recently returned to Perth to inspect the property.

The real estate agent involved has told investigators that he received a phone call from a man claiming to be the owner in February this year inquiring about the property. Shortly after, the agent received an urgent request to sell the property as funds were needed for a business investment, later revealed to be a supposed petro-chemical project.

Detective Senior Sergeant Pete Davies of the Major Fraud Squad said it appears the scam originated in Nigeria and there are some similarities to the fraudulent sale of a Karrinyup property in September last year.

"We are in the early stages of a full criminal investigation and examining computer, phone records and bank accounts," Det Sen Sgt Davies said.

Commissioner for Consumer Protection Anne Driscoll has urged real estate and settlement agents to apply stringent measures to confirm the identity of absentee owners who wish to sell their properties remotely and ensure the person they are dealing with is the legitimate owner.

"It is essential that agents have rigorous procedures and a clear protocol in place to certify that the appropriate person has been identified as the real owner before providing the service," Ms Driscoll said.

"It is critical that when an owner changes their contact details that real estate agents send a confirmation to both the owner's original and new addresses, using all forms of communication. This will confirm that the new details are correct and may alert the owner to any improper activity that is occurring.

"The general principles of 'know your customer' should apply at all times and the standard 100-point identity check used by banks and other institutions should be used as a minimum when dealing with remote clients. While identity fraud is always a risk, these are important prevention measures.

"Signatures should also be carefully checked against original signatures on file and any major differences should prompt further investigation. Agents should also ask questions about the property that only the true owner would know.

"If agents have any doubts about the authenticity of a document, they should seek to have it independently verified by the issuing authority.

Landgate's Registrar of Titles Bruce Roberts said he fully supported the increased measures to refine and improve identity verification by all organisations involved in the selling and transfer of property.

When dealing with an absentee owner, whether they are overseas, intrastate or interstate, Consumer Protection advises agents to make further inquiries regarding identity and seek additional evidence whenever:

- There has been a recent change in address or other contact detail
- Signatures and initials should be carefully checked as they may not closely match originals on file
- The transaction originates from overseas especially from countries known for scams, such as Nigeria
- There is a request for funds to be sent to a different bank account normally used by the client, or to offshore accounts including China
- Sale is urgent as funds are required for investment in a business venture, such as a petro-chemical project
- New email addresses being used are generic such as Hotmail, Yahoo or Gmail
- Communication is not the usual style used by the owner or English may be uncharacteristically poor.
- Witnesses are listed as "Notary Public", especially if residing in a different country to where the owner lives
- There is any doubt as to the legitimacy of the person or the documents presented

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"If anyone involved in the process remains suspicious about a transaction, they should decline to act any further. Ultimately, these steps are no guarantee against fraudulent conduct, but they will minimise the chances of these types of scams being successfully carried out," Ms Driscoll said.

"Agents and lenders are reminded they are obliged to provide their services to existing clients with due care and skill under the Australian Consumer Law, for which a range of remedies are available. The Code of Conduct for Agents and Sales Representatives also makes disciplinary action available to agents who fail to provide services with due care and skill.

"There is no current finding that the agents involved in this latest transaction have failed to act with due care and skill, but it serves as a timely reminder of agents' obligations.

"Since the last successful scam was reported, an extensive Government and industry education campaign was conducted with the real estate and settlement agents, giving advice on how scams can be avoided.

"There is a need for us to continue this campaign and to implement identification verification procedures as part of standard industry practice. Consumer Protection, Landgate, REIWA and AIC will be working intensely and cooperatively in coming weeks to define additional practices in the industry that need to be put into action to minimise the likelihood of property fraud in the future.

#### **Key action points for real estate and settlement agents to minimise the likelihood of identity fraud:**

- Always be vigilant if you are not dealing with an owner face-to-face but, even in this case, identity checks are recommended
- Send confirmation of any change of contact details for clients, especially changes prior to the sale, to the original email and postal addresses and also contact the client at the previous phone number to double check
- Don't rely on a telephone call as a way of identifying the seller – confirm new contacts through pre-existing communication channels
- Don't take documents at face value and actively scrutinise them. Perform at least a 100-point identity check including one item of photo identity incorporating a signature for the parties who have an interest in the property
- Carefully check new signatures and initials of clients with those on file and any relevant personal information
- In the course of providing customer service, do not disclose information or provide documents unless you have verified the owner's identity and confirmed contact details
- If in doubt, verify official documents with the issuing body and not the person who is seeking to rely upon them. Be alert if the witness to any documentation is listed as "Notary Public" from a country known for scams
- Be cautious of new generic email addresses such as Hotmail, Yahoo, Gmail etc
- Don't just press reply to emails – create new emails with the known address as the email sent may be disguised
- Ask questions that only the owner would know or set up security questions if the owner is going overseas
- Exercise caution if the bank account details that are provided by the alleged seller are different from those on file, particularly if it is an overseas bank account
- Consider asking for early payment fees, as some scammers resist making a financial outlay
- Make further inquiries if:
  - For any reason, the transaction appears irregular or unusual
  - Communications from the client, such as letters or emails, are in poor English, or to a different standard than previous communications
  - If the client is reluctant or unable to provide required information or original documents
  - The client is in a remote location or outside of WA. This could include asking questions about the property which only the true owner would know, but others unlikely to know
  - There have been recent changes to contact details
  - Documents originate from overseas
  - The transaction involves a country known for scams
  - The transaction is said to be urgent. For example, funds needed for business investments in a petro-chemical plant
  - Official documents use poor English