

High alert for property industry after more fraud attempts

Please find attached a media release issued today by Consumer Protection and WA Police about two recent attempts to fraudulently sell property in Western Australia.

This is a timely reminder of the need to be vigilant. It is clear these fraudsters will continue to target agencies in attempting these frauds.

These recent attempts highlight the need for real estate agents, sales representatives and property managers to follow the Guidance Notes issued by the Commissioner for Consumer Protection in November 2011, available from

www.commerce.wa.gov.au/ConsumerProtection/RealEstateGuidanceNotes

Scammers are clearly targeting the property management sections of agencies in an attempt to commence the frauds. One key imperative is that any request for a change of contact details is confirmed using the existing mail and email addresses on file before any change is made. Security questions, which are asked for at every material contact, should be established with owners who have already had their identity confirmed. If these processes were followed in the two recent cases, the attempted frauds would have been uncovered earlier.

As outlined in the media release, agents put their licence at risk if they fail to follow the Code of Conduct, which incorporates identity verification measures to help prevent fraud. Even if the fraud attempts are not successful, agents could still be breaching the Codes of Conduct, leaving themselves open to disciplinary action by the Department.



Government of **Western Australia**
Department of **Commerce**
Consumer Protection



Joint Media Statement

Consumer Protection and WA Police

6 February 2013

High alert for property industry after more fraud attempts

The property industry in WA has been warned to be on high alert after recent attempts by overseas criminals to fraudulently sell two WA homes.

In separate incidents, real estate agents were approached by fraudsters who successfully changed the contact details of the real owners of the properties, who both lived in South Africa. Copies of documents related to the management of the properties were sent to the fake owners by the agents in both cases. Requests to sell the two properties, valued at \$700,000 and \$800,000, soon followed.

In one case, the agent became suspicious after receiving a phone call from the scammer, who had an African accent, wanting an urgent sale for the property that had just sold two months earlier.

In the second case, the agency had received a request to sell the property supported by copies of fake passports, forged signatures and a letter of verification purportedly from the Australian High Commission in Pretoria, South Africa. The alarm was raised when the agency's sales manager identified warning signs of property fraud he had learned in presentations and educational material provided by Consumer Protection, WA Police and REIWA. In this case, scammers requested an urgent sale and promised the agency future sales – similar tactics used in previous scam attempts.

WA Police Major Fraud Squad is investigating both recent incidents. "These new fraud attempts are being investigated with the view of identifying the offenders," said Detective Senior Sergeant Dom Blackshaw.

"The investigation will analyse similarities between these incidents and past successful and attempted property frauds, such as the links to Africa and the methods of contact. It's clear that the criminals are again active and could be targeting other agencies now and in the future, so everyone in the property industry needs to be extra vigilant."

While the frauds were detected fairly quickly, Commissioner for Consumer Protection Anne Driscoll expressed concern and disappointment that these attempts were not detected much earlier by property management staff.

"It's vital, where possible, that these fraud attempts are picked up by real estate agents before the scammers even get to first base and certainly well before any documents and personal details of the real owner are sent to these criminals," Ms Driscoll said.

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“It’s important that real estate agents and their employees independently confirm any change in contact details for the properties they manage. It is clearly stated in the scam prevention guidelines issued to agents that confirmation of changes should first be sent to original contact addresses, both physical and email, that are on file. This will alert the real owners should there be an attempt to steal their identity and ultimately their home.

“Agents should be particularly vigilant when a request for change in details comes from an absentee owner, but all transactions should be thoroughly scrutinised to ensure they are only dealing with the true owner. Agents must rely on good procedures to detect these fraud attempts early.

“During any transaction involving absentee owners, agents should also thoroughly check signatures with originals on file and have any doubtful documents verified by the issuing authority. Requests for urgent sales with promises of future sales should come under greater scrutiny.

“Complacency can be dangerous as these fraudsters will try again in the future. That’s why I remind all real estate and settlement agents in WA that they will put their licence at risk if they fail to follow the Codes of Conduct which incorporate identity verification measures to help prevent fraud. Even if the fraud attempts are not successful, agents could still be breaching the Codes, leaving themselves open to disciplinary action by the Department.”

The Codes of Conduct for real estate agents, sales representatives and settlement agents were strengthened in October 2011 and clear guidelines issued to all agents to ensure more stringent identity checks were carried out to avoid fraud attempts being successful.

“All homeowners, particularly absentee owners, should ensure that their Property Managers have suitable protocols in place to prevent the possibility of their homes being sold without their knowledge or permission. Property owners should insist a security question be set up with their agent to confirm their identity,” the Commissioner said.

More information on the Codes of Conduct can be found on the Consumer Protection website: www.commerce.wa.gov.au/ConsumerProtection/RealEstateGuidanceNotes or agents can call **1300 30 40 54** or email: consumer@commerce.wa.gov.au.

Landgate’s Western Australian Registrar and Commissioner of Titles Joint Practice: Verification of Identity is intended for settlement agents and other conveyancers. The practice introduces more stringent requirements to verify the identity of property owners for documents lodged at Landgate for registration.

The Western Australian Registrar and Commissioner of Titles Joint Practice: Verification of Identity’ is located at Chapter 14 in the *Land Titles Registration Practice Manual* and is available [here](#). Landgate’s brochure about the practice can be downloaded [here](#).

END OF RELEASE

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