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Real estate agent censured for ethical wrongdoing

In the inaugural decision by a real estate Complaints Assessment Committee (CAC), a North Shore real estate licensee salesperson has been found guilty of unsatisfactory conduct after soliciting as a result of being advised of the sudden death of a property owner, by a neighbour concerned about the widow's ability to cope with the property.

The licensee, was censured by the CAC at a hearing after a complaint was made to the newly formed Real Estate Agents Authority, which manages the CACs, late last year.

The daughter of a recently widowed woman complained after her mother received a condolence card from the licensee soon after her husband's death that included a Prestige business card and a valuation of the mother's house.

The licensee was found by the CAC to be in breach of the authority's Code of Professional Conduct and Client Care for the manner she approached the complainants mother.

Authority Board Chair Kristy McDonald, QC, said the inaugural decision was an example of how the new authority would protect the interests of consumers and raise industry standards.

"We want to increase public confidence in the real estate industry and this decision shows that ethical and moral transgressions will be taken as seriously as any financial impropriety. The sanctions focus on putting things right for the consumer and re-educating the licensee."

The decision also heralded the successful start of the authority's overall complaints process, with another 200 complaints now going through the system, she said.

The Real Estate Agents Authority was launched in November last year under the Real Estate Agents Act 2008 to bring a new regulatory regime to the industry, including an efficient, independent, transparent complaints process.

The first step in this process is for all complaints to go before an independent CAC, made up of three members including one authority board member and an experienced lawyer. For the more serious matters, a CAC will lay a charge before the Real Estate Agents' Disciplinary Tribunal.

“The Authority aims to enhance professionalism through a range of measures including compulsory licensing, the independent and transparent complaints process, a compulsory Code of Professional Conduct and Client Care as well as consumer guidelines,” Ms McDonald said.

“The code, unlike many such codes of conduct or ethics, is enshrined in the regulations, so has the force of law. It will become the benchmark by which standards of conduct will be measured. The licensee and the consumer will have clear guidelines on what is expected,” she said.

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or visit www.reaa.govt.nz for a full copy of the decision.