tackling property transaction woes effectively

Most consumers can expect their residential property transactions, be it sales, purchase or leases to complete nary an incident. Still, disputes do arise.
While you can expect better consumer protection for property transactions today, your first avenue of recourse should still be to talk it out with the salesperson and the estate agent. After all, the dispute could have been just a simple case of miscommunication.

**WHAT ARE SOME TOP COMPLAINTS RECEIVED?**

Common complaints received include:
- Unprofessional or poor services rendered by salespersons
- Advertisements with misleading information or posted without prior consent from property owners
- Misconduct by salespersons

For one complainant who was buying a property, he only discovered that the actual property area was smaller than advertised after signing the Option To Purchase (OTP). This was uncovered after conveyancing work by the complainant’s lawyer.

There was a case where the salesperson gave wrong advice with regard to the amount of money that the complainant could collect after the sale of his property, resulting in a shortfall in actual proceeds.

In one case involving conflict of interest, after the complainant signed the OTP, he found out that his salesperson was actually the spouse of the flat owners’ salesperson.

There was also a case where the salesperson collected commission before the first appointment, disappeared thereafter and left the client stranded.

Since coming into operation in October 2010, the CEA has received over 1,900 complaints, or around four per day. Over 75% of the complaints have been resolved thus far, and CEA is looking into the remaining cases.

**Encouraging competitive commission rates**

Disagreements over commission rates are a common cause of dispute. Do note that CEA does not fix the commission rates charged by estate agents and salespersons. This is to allow market forces to drive more competitive pricing in the industry. On your part, you can find out the different commission rates charged and negotiate the commission rate before engaging an estate agent or salesperson. CEA is unable to help you negotiate or reduce commission payments.

**SYSTEMATIC COMPLAINT-HANDLING**

For issues such as misconduct and misrepresentation by salespersons, you may formally lodge a complaint with
CEA in person, in writing, by telephone (hotline: 1800 643 2555), fax (6643 2575) or by email (feedback@cea.gov.sg).

CEA will assess your complaint to see if it falls within the Council’s jurisdiction, and investigate further where warranted.

You will be assigned an Investigation Officer, who will record your statement at CEA’s office. The allegations made against the party concerned may be set out in writing, giving the estate agent or salesperson the opportunity to respond. Additionally, interviews with witnesses and other related parties, review of relevant documents and materials, plus site visits may be conducted if necessary.

Law enforcement agencies and other government authorities may join in the investigation where necessary. If there is sufficient evidence found, CEA will take the appropriate disciplinary or prosecution action.

At the end of the process, you will be notified in writing of the outcome.

**FORMAL SCHEME TO OVERCOME DISPUTES**

If your contractual dispute cannot be resolved, you can make use of the CEA’s Dispute Resolution Scheme, provided you have signed your agreement with a licensed estate agent using CEAs prescribed Estate Agency Agreement.

Under CEA’s Dispute Resolution Scheme, you can seek to resolve disputes using the mediation or arbitration sub-schemes.

Generally, mediation sees the mediator facilitating the consumer and estate agent to come to a mutually acceptable agreement. The decision is left to both parties and is not dictated by the mediator.

Either party, be it yourself or estate agent, can initiate mediation. You as the client selects the mediation centre.

Should mediation fail, either party can initiate arbitration. This is where the arbitrator considers the issues of both parties and arrives at a decision which is binding on both. Again, you as the client selects the arbitration centre.

You may choose to proceed directly to arbitration without going through mediation.

In both mediation and arbitration sub-schemes, you may opt not to proceed with the action if it is initiated by the estate agent. However, the estate agent has the option of pursuing a Small Claims Tribunal claim or civil suit against you.

Here are CEA’s prescribed Dispute Resolution Centres:

**Approved Mediation Centres**
(a) Consumers Association of Singapore
(b) Singapore Institute of Surveys & Valuers
(c) Singapore Mediation Centre

**Approved Arbitration Centres**
(a) Singapore Institute of Arbitrators
(b) Singapore Institute of Surveys & Valuers

Scheduled fees for the Dispute Resolution Centres, as well as the Rules and Annexes, Forms can be accessed at CEA’s website at www.cea.gov.sg under the Consumers section.

However, do note that some complaints are not handled by CEA or its Dispute Resolution Centres. These include disputes between landlord and tenant, or buyer and seller, which do not involve a salesperson. CEA is also unable to look into complaints from buyers who purchase directly from local or foreign property developers. Disputes involving agents in marketing land banking products are not within the scope of CEA.

For allegations of criminal wrongdoing such as fraud and cheating, CEA will refer such complaints to the Police.

**ULTIMATELY, YOU ARE RESPONSIBLE**

The most important person in a property transaction is You.

The salesperson engaged must deliver service and advise you in your transaction. However, you make the final decisions. You are responsible for the smooth conclusion of the transaction.