

## **How to make sure your agent is “for real”**

25 April 2012

Although both homebuyers and sellers have the legislated power to stop bogus estate agents in their tracks, many are not aware of the steps they can take – or of the dangers of dealing with people who are not properly qualified or registered to handle property transactions.

“Much publicity has been given to the new compulsory qualifications for estate agents,” notes Ester Odendaal, operations manager for Aida National Franchises, “and since most of the national real estate groups like Aida have gone to great lengths to ensure that all their agents attain these qualifications, there has been a significant increase in professionalism in our industry.

“In addition, the past few difficult years in the property market have brought about a steep decline in agent numbers. But these two factors taken together don’t mean that there are no unqualified and unscrupulous people out there, acting as agents and taking homebuyers and sellers for a ride.

“Indeed, our observation around the country is that at least one in every 10 people operating as an agent at the moment is either not registered with the Estate Agency Affairs Board, as required by law, or is not qualified to be handling property transactions without supervision.”

And, she says, the fact that these “agents” are prepared to openly flout the law suggests that they probably also have little regard for the Estate Agents’ Code of Conduct – or for the new Consumer Protection Act (CPA) – which would put any buyer or seller dealing with them at risk. “Unfortunately, it is also true that such individuals tend to focus their activities around those consumers who can least afford financial loss.”

The biggest danger, says Odendaal, is for homebuyers who might hand over a deposit to a bogus agent, “and there have been several sad cases publicised in recent years about desperate people who did just this in the hope of securing a stand or a home off plan, only to find that the ‘agent’ was nothing more than a con artist who then vanished with all their money”.

Also at risk, of course, are landlords and tenants whose investments and deposits are not in the hands of registered agents with properly audited trust accounts. However, the actions of a bogus or under-qualified agent can also badly affect home sellers – and now especially in the light of the CPA, since they are the ones who will most likely have to rectify any misrepresentation made by that agent to buyers, possibly at great cost.

But there are steps that consumers can take to protect themselves and avoid such situations, and more homebuyers and sellers need to become aware of these, she says. “The first is to deal only with well-established, reputable agencies which obviously have an interest in making sure all their agents are properly qualified and act correctly, and the second is simply to ask an agent with whom you are considering doing business for their current Fidelity Fund Certificate – the proof that they are registered with the Estate Agency Affairs Board.”