Going back to basics to prevent fraud

It is an unfortunate circumstance of life that there will always be people who try to take advantage of others or try to get something for nothing. Fair Trading has issued warnings this month about such circumstances.

Just this month in the ACT, a homeowner had their investment property sold fraudulently without their knowledge. The owner of the property lives and works overseas and had the property managed by an agency within Canberra. Unfortunately, the owner was not aware that someone posing as them contacted the agency and had the property sold.

This follows cases of similar frauds in Western Australia from 2010, where similar methods were used; namely the “non-owner” contacting the managing agent for a change of details and eventually a request to sell the property. Because the legal owners were all living overseas, all documentation was dealt with electronically, the offers all put to the owner through the new contact details, and the process flowed as any normal sale would. In NSW, all agency agreements have to be served within 48 hours of them being signed by the vendor. As far as the Property, Stock and Business Agents Act 2002 is concerned, email is NOT a valid method of service.

Another scam appears to have occurred within property management where the same method is used to have all bank accounts changed for receiving of rent monies, and is not found out until the real owner contacts the agency because they haven’t received their rent for a specific period of time.

Some of you reading this will be thinking “how is that even possible?” while others of you will know exactly how. We rely so heavily on the technology around us and the “other people” that assist within the sale process that we take for granted that the people on the phone, or email or even standing right in front of us are who they say they are, especially when they say they want to sell their home.

It’s time to get back to basics.

www.acop.edu.au
Rather than relying solely on the email you receive from an owner, call them!

Use the technology we take for granted and skype them!

If you receive an email from an owner advising you that they need to change their details, call them on the number you have on file to verify the requests. They will feel more comfortable answering a couple of quick questions from their property manager to verify a change of details knowing that you are trying to protect their interests!

Some of our recommendations (that we have been discussing for years in CPD classes) that may be beneficial for your agency include:

• Requiring 100 points of Identification from all owners wanting to sell property

• Requiring photo identification of the property owners when they list their property for management. This is a reference point if they ever want to sell the property, and your only option of contact is to use technology such as Skype - then you can at least look back into your file and check their photo ID to see if you are actually speaking with the owner of the property

• Setting up secret privacy questions when setting up new managements, as you would if you were setting up any type of online accounts or even email addresses

• Restricting proceeds of sales being paid to overseas banks, as overseas banks do not have to co-operate should there be some fraud involving one of their account holders, as has been found in two of the cases from Western Australia

Do not rely only on the solicitor/conveyancer to check the vendor’s details. You are the first point of contact and have a duty to your clients to care for their interests.

Til next time,
Wishing you every success in your business ventures,
Rosy Sullivan

__________________________________________________________

Business Broking Agency Practices Course
for existing Real Estate, Strata and Stock & Station Licensees

Thurs 7th to Fri 8th August
at Sydney CBD.

Ring 1300 88 48 10 to book!
These past few weeks have been exciting and busy for our office. We have had a very successful commercial & retail sales & leasing skills course and a Sales for Real estate course here in the CBD; and as always we were all over the State running training for the Certificate of Registration and CPD.

In winter it’s very common to become lazy with your fitness as it’s much easier to rug up sit back and relax. There must be something in the College water as the majority of the staff are out and about training for all different reasons. We have some staff coming up with their own style of detox and training programs, some going for jogs or walks at lunch time, some walking from shop to shop buying shoes and one training for a marathon. However all of these staff members will not rule cake out of their diet.

As you all know it is a favourite past time of the College to put on cake for any reason at all, but we had very good reason for our latest cake as we recently celebrated Feamie’s birthday. Feamie has expressed to the office that her birthday lasts for a whole week and with any luck we may get a few cakes.

Rosy and John have been out for a beautiful lunch with the creative team from Smooth FM this week. The lunch was to brainstorm a few different ideas on how to further improve our radio advertising. Luckily Rosy gets on well with Smooth FM and she was inundated with gifts to bring back to the office for the staff. So if you see any of the staff drinking a cup of coffee with a Fitzy and Whippa beer cooler, you will understand why.

The College would like to wish you all the best of luck with your upcoming business dealings.

Online CPD now available for Real Estate Sales, Property Management, Business Broking, Strata, Stock and Station and On-site Residential Property Management.
Is it Time You Upgraded to Your Licence?

ACoP runs an Experienced Agents Property Licence Program which, in conjunction with Recognition of Prior Learning (RPL) assessment, will enable you to complete your Real Estate Licence qualification in 5 days with take home assessments.

We will also assist you with completion and submission of your licence application to NSW Fair Trading free of charge.

Free Assessment
Send us your resume & copies of any qualification transcripts you may have for a free and confidential preliminary RPL assessment.

Certificate IV in Finance & Mortgage Broking
Monday 25th - Wednesday 27th August

Diploma of Finance & Mortgage Broking Management (Upgrade Course)
Thursday 28th - Friday 29th August

Why not try online CPD for $99?