



# Authority Update



## CEO/Registrar

The Authority received a large number of new licence applications ahead of the new prescribed qualifications that came into effect on 1 July 2010. In June, we received 815 new licence applications, bringing the total number of new licence applications since the Authority commenced its activities on 17 November 2009 to over 2000.

If you have made an application to the Authority for a new licence please allow 4-6 weeks for this to be processed. We will let you know the outcome of your application once it has been processed.

The number of complaints being made to the Authority remains steady with an average of 14 complaints being received each week. The Complaints Assessment Committees are meeting regularly and as of 30 June have made 59 determinations - of these, 6 have been of unsatisfactory conduct. See below for some more complaint numbers.

In response to requests to provide translated versions of the two Approved Guides, the Authority will be publishing the Approved Guides in the following six languages: Maori, Samoan, Tongan, Chinese, Korean and Hindi. These will be available in late July 2010 in electronic format (i.e. PDF) from the Authority's website.

Janet Mazenier stepped down from her role as Chief Executive/Registrar in mid-June. The recruitment of a new Chief Executive/Registrar for the Authority is underway. In the interim, Margaret Steel, the Authority's Licensing Manager, is acting in this role.

Margaret Steel  
Chief Executive/Registrar (Acting)

## Complaints Update

This section that provides some high level information about complaints being received by the Authority. The numbers below are for the period of 17 November 2009 to 30 June 2010.

<b>Number of:</b>	<b>17/11/09 -28/2/10</b>	<b>1/3/10 -30/6/10</b>	<b>Total year ending 30 June 2010</b>
Complaints/allegations:	220	336	556
Complaint Assessment Committee (CAC) hearings held:	15	81	96
CAC decisions not to inquire:	5	21	26
CAC determinations made:	0	59	59
- Unsatisfactory Conduct:	0	6	6
- No further action:	0	51	51
- Charges laid before the Disciplinary Tribunal:	0	2	2
Appeals	0	3	3
Reviews of license application decisions before Disciplinary Tribunal:	0	5	5

You can view the determinations that have been published to date by clicking [here](#).

## Professional Conduct and Client Care Rules

It is important that all licensees understand the Professional Conduct and Client Care Rules. The Code sets out the standard of professional conduct and client care required of agents, branch managers and salespersons. It applies to all aspects of real estate agency work and will be used as a reference point for discipline.

Each newsletter highlights a different section of these rules. This newsletter looks at rule 10.

### 10. Information about complaints

**10.1** An agent must ensure that there are written in-house procedures for dealing with complaints and dispute resolution.

**10.2** A licensee must ensure that prospective clients and customers are aware of these procedures before they enter into any contractual agreements.

**10.3** A licensee must also ensure that prospective clients, clients, and customers are aware that they may access the Authority's complaints process without first using the in-house procedures; and that any use of the in-house procedures does not preclude their making a complaint to the Authority.

**10.4** A licensee employed or engaged by an agent must advise the agent within 10 working days of becoming aware of:

- a. any complaint made to the Authority against them, the decision of the Complaints Assessment Committee made in respect of that complaint, and any order made by the Committee in respect of that complaint; and
- b. if the matter proceeds to the Tribunal, then the decision of the Tribunal in respect of the matter, and any order made by the Tribunal in respect of the matter.

# Unsatisfactory Conduct Determinations



Following is an overview of recently published determinations of unsatisfactory conduct. Under [section 78 \(h\)](#) of the Real Estate Agents Act 2008, Complaints Assessment Committees may decide to publish their decisions. This is done to ensure that the disciplinary process remains transparent, independent and effective.

Click [here](#) to read the determinations in full.

## Complaint Number: CA2378532

**Determination made:** 5 July 2010

**Overview:** The Committee concluded that the licensee's conduct would be reasonably regarded by agents of good standing as being unacceptable and breached Rule 13.1 of the rules of the Institute on the basis his conduct did not reflect well on the member or the real estate profession.

**Determination:** Finding of unsatisfactory conduct under [section 72](#) of the Real Estate Agents Act 2008. Order under [section 93](#) of the Real Estate Agents Act 2008 censuring the Licensee.

## Complaint Number: CA2364483

**Determination made:** 9 June 2010

**Overview:** The Committee concluded that an inappropriate level of pressure had been brought to bear against the complainant.

**Determination:** Finding of unsatisfactory conduct under [section 89\(2\)\(b\)](#) of the Real Estate Agents Act 2008. Orders under [section 93](#) of the Real Estate Agents Act 2008 censuring the licensee, ordering a refund to the complainant and that the licensee apologise to the complainant.

**Please do not reply to this newsletter. If you wish to contact us please call us on 0800for REAA (0800 367 7322) or email us at [info@reaa.govt.nz](mailto:info@reaa.govt.nz).**

## Things to Remember

### Approved Guides:

Licensees are required to provide copies of the relevant Approved Guide before an agency agreement is signed and before a sale and purchase agreement is signed. You must also get written acknowledgement that the Guides have been received.

### Disclosure of rebates, discounts or commissions:

Every agency agreement must contain a statement by the agent about rebates, discounts and commissions. This statement must be as described in [Form 1](#) of the Duties of Licensees Regulations 2009.

### Written appraisals:

An appraisal of land or a business must be provided in writing to a client by a licensee; must realistically reflect market conditions; and must be supported by comparable information on sales of similar land in similar locations or businesses (Rule 9.5 of the Professional Conduct and Client Care Rules 2009).

### Conflict of interest:

Under [section 134](#) of the Act, if a licensee is carrying out real estate agency work directly or indirectly for a client, he or she cannot acquire the property or business concerned without the consent of the client. The same applies to any person

related to the licensee.

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**Trust accounts:**

All money received by an agent in relation to a real estate transaction must be paid to the person who is lawfully entitled to that money, or in accordance with that person's instructions. Until the money has been paid out it must be held in the agent's trust account.

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Further information can be found in the [Compliance](#) section of the Authority's website.

visit: [reaa.govt.nz](http://reaa.govt.nz)

