

WA Auditor-General satisfied with new real estate regulations to stop fraud

By [Nicolas Perpetch](#)

Dated: 18 Feb 2015

Published: ABC News Website

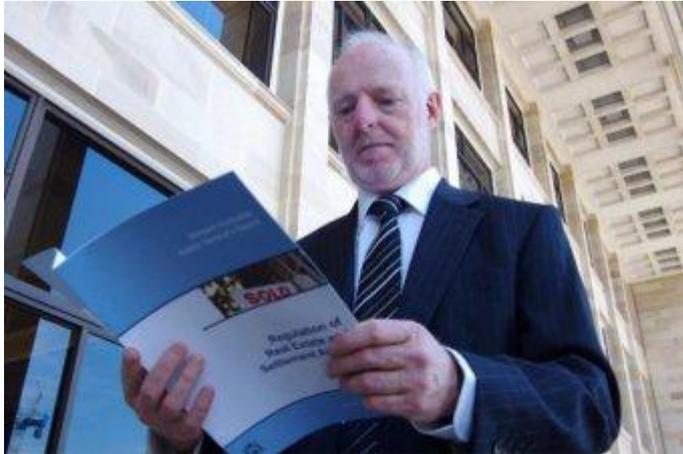


Photo: [Auditor-general Colin Murphy is satisfied new real estate regulations are preventing fraud. \(ABC News: Colin Murphy\)](#)

Related Story: [Arrest in Nigeria over real estate fraud in Perth](#)

Related Story: [Scammers thwarted in attempt to sell WA home](#)

Related Story: [Scammers target two houses in attempted fraud](#)

Map: [Perth 6000](#)

Western Australia's auditor-general is confident new measures to reduce the risk of fraudulent property sales are strong enough to prevent a repeat of recent scams where Nigerian-based fraudsters sold two Perth homes without the owners knowing.

Colin Murphy released his report into the regulation of the state's more than 45,00 real estate agents and more than 800 settlement agents.

Over 9,300 sales representatives have also been registered or licensed.

Mr Murphy found the department had "sound" oversight in place for the real estate industry and the risk of direct financial loss for people buying or selling homes remained low.

In 2010, a man had his Karrinyup duplex sold for \$485,000 by Nigerian-based scammers pretending to be him while he was living in Cape Town, South Africa.

A year later, a Ballajura home owner returned from overseas to discover their house had been sold for \$400,000, again by criminals from Nigeria.

After that, new measures were put in place to reduce the risk, including stronger identity checks.

Anyone wanting to sell their home from overseas must also now present themselves to an Australian consular officer.

FOUR FRAUD ATTEMPTS THWARTED

Mr Murphy said there had been four attempts to fraudulently sell property between October 2012 and February 2013.

"Those new measures are certainly a lot more rigorous than what was in place in the past," Mr Murphy said.

"And they appear to be working because there have been four attempted cases which have been thwarted.

"They've been overturned and people have been caught out. So, in those cases there could potentially have been further frauds but the strength of measures prevented them."

The report concluded the department conducted adequate checks when agents first applied for a licence and on renewal.

But he said it could better monitor agents during their three-year licence.

"There's an opportunity for them to get advice from police during that three-year process about any breaches or crimes that may have occurred over that period," Mr Murphy said.

Since July 2011, the department had investigated 3,624 potential breaches of the relevant legislation for real estate and settlement agents.

The most common types of complaints related to trust account matters, not acting in the best interest of the principal and misleading and deceptive conduct.

Breaches were found in 1,995 cases. The penalties included corrective advice, administrative warnings and prosecutions.

Submitted by: Roger Buhlert – Cardinia Shire Council