

Consumer protection body launches complaints register

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Rich Harvey, president of the Real Estate Buyers Agents Association of Australia (REBAA), which has been campaigning for stricter regulation property investment advice sector, said the complaints register is "small step" in helping people avoid operators who may not be above board.

"I think the register could have some advantages for the investment advice space," Harvey said.

"There does need to be a clear way for people to let it be known if they've dealt with someone who may have acted unscrupulously and warn other people about that," he said.

While Harvey said the idea of allowing the public to highlight wrongdoing could help clean up the sector, he also believes regulators should be doing more to promote those who are doing the right thing.

A new initiative by one state's consumer protection body could be a step in the right direction in the effort to weed out unscrupulous operators within the property investment advice sector.

NSW Fair Trading this week announced that from 1 July it will start collecting data for its first ever complaints register that will be launched in August.

The register will provide information about businesses that are the subject of 10 or more complaints to NSW Fair Trading in a calendar month. The Complaints Register will be published on the NSW Fair

"I think more should be done to educate people on what to look for when they're seeking advice so they're working with good people from the start," he said.

"Things like encouraging them to make sure that the person they're working with is an accredited buyers agent or sellers agent and that they're a member of an industry body such as REBAA."

While he is supportive of the idea of publically listing operators who receive numerous complaints, Harvey also said he hopes that the register isn't used for the wrong purpose.

"There is the issue of somebody just making repeated vexatious complaints because they have an agenda against a company or individual. You would hope that it isn't manipulated by people just making ridiculous complaints.

"I'd like to know how thoroughly complaints will be investigated to ensure they're legitimate so it's not just 10 strikes and you're on there."

Those concerns from Harvey are echoed by Ben Kingsley, chairman of the Property Investment Professionals of Australia (PIPA).

"I'd hope that the complaints are categorised in some way so somebody isn't being punished for something trivial like being late to a meeting," Kingsley said.

"If you've got a bigger company that is dealing with a lot of people you want there to be some investigation into the complaint so they aren't being put on the register if somebody says they took two hours to return a phone call," he said.

According to information from NSW Fair Trading, it "will also seek to determine whether a complaint was likely to be related to a real interaction with a business," which may include requesting information such as receipts or the time and date of the interaction that generated the complaint.

Complainants must also provide their name and contact details.

Though it is not the comprehensive overhaul of legislation surrounding the sector that bodies such as REBAA and PIPA have been pushing for, Harvey does believe that might not be too much further around the corner.

"At the moment it's a bit of a political football, ASIC don't consider real estate to be an investment class that they should look after so they leave it up to the states and they all have different rules.

"We need regulations of some form that will cover the whole industry in regards to things like education that people need before they can operate and how they can operate after that and I think we'll see something like that in the next two to three years."

Kingsley said PIPA has a similar goal in mind for how they would like to see the space regulated.

"The ultimate outcome we want is for the industry to be regulated so that anybody providing investment advice about real estate has to be qualified to do so," he said.

"At the moment there is a lot of concern about rogue operators masking themselves as educators and mentors. Really these companies are just masquerading as that with no balance, no consideration of the risk profile of investors and just trying to shoehorn them into purchases that benefit them and not the investor."

<http://www.brokernews.com.au/news/breaking-news/consumer-protection-body-launches-complaints-register-213227.aspx>