

Media Release

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Negligent real estate agent banned

Managing trust money is a very serious responsibility. One real estate agent obviously thought otherwise.

Today in the District Court, Neil David Weatherly, was prohibited, until further order, from holding a land agents registration, being a director of a body corporate that is a land agent and being employed by or engaged in a business of a land agent.

Weatherly, who was the manager and a director of a real estate company, Weatherly Real Estate Pty Ltd (WRE) failed to properly manage WRE's trust account.

The Commissioner for Consumer Affairs, Mr Mark Bodycoat said that Weatherly was grossly negligent in his management of the account.

"He failed to keep proper accounting records, failed to have the trust account properly audited, paid money into the trust account which was not trust money and paid money out of the trust account to persons who were not entitled to it. The Land Agents Act, 1995, (the Act) has strict guidelines regarding the management of trust monies."

Mr Weatherly's lack of financial management came to light when WRE collected rent monies for rental properties and failed to forward this to the landlords to whom these monies were due. WRE also forwarded rental monies to some landlords when in fact they had not collected the monies from the tenants. On one occasion WRE collected rental payments of about \$5000 from a tenant and then forwarded more than \$15 000 to the landlord for rent for the corresponding period.

"On another occasion a landlord did not receive money from WRE for over 11 months even though the tenant had paid rent during that period."

WRE's land agent registration was cancelled in 2001 as it failed to submit an audit report as is legally required. Through complaints received from property owners, Office of Consumer and Business Affairs (OCBA) found a web of financial mismanagement and appointed an administrator to the trust account. Weatherly's individual land agents registration was cancelled in 2003.

The Act requires that all land agents be registered. All agents who maintain a trust account are required to have this account audited annually by an independent auditor. Any problems identified by the auditor are reported to and dealt with by OCBA. The Office also conducts a random and independent auditing program. The Act sets out a range of penalties for agents who fail to properly manage the trust account.

To report problems with real estate agents, consumers should contact OCBA on (08) 8204 9777 or 131 1882 for regional callers. Further information is also available at www.ocba.sa.gov.au.



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