

Media Release

The Hon Melissa Horne MP
Minister for Consumer Affairs, Gaming and Liquor Regulation
Minister for Ports and Freight
Minister for Fishing and Boating



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CRACK DOWN ON ESTATE AGENT TRUST ACCOUNT AUDITING

Real estate agents are being reminded to make sure they are doing the right thing with their client's money, after Consumer Affairs Victoria was forced to take significant action against misappropriation of trust account funds.

Minister for Consumer Affairs, Gaming and Liquor Regulation Melissa Horne emphasised the importance of following estate agent trust account laws to ensure people handing over money can be confident it is being treated correctly.

The reminder comes as Consumer Affairs Victoria handed out 117 infringement notices amounting to more than \$120,000 and official warnings to agents who did not lodge their trust account audit reports for last year.

While most agents are doing the right thing when it comes to maintaining their trust accounts, agents who don't have their trust accounts audited, or who fail to lodge a copy of the report, face penalties of up to almost \$20,000.

Those found to have spent trust money fraudulently for their own use can face penalties of up to \$82,510 or up to 10 years' imprisonment.

An estate agent must deposit any client money they receive in advance into a trust account for safe keeping, including sales deposits, rent or fees for advertising and maintenance. This includes any rent relief grants received after a rent reduction agreement was registered under the previous coronavirus emergency rental measures.

Due to coronavirus restrictions last year, the Government provided flexibility for estate agents and industry partners unable to access offices and provide access to auditors, with a grace period ending in December to lodge their trust account audit reports for 2019-20.

Audits are a critical consumer protection measure that ensure client moneys are being held on trust and not misused or taken for other purposes.

For more information on estate agent trust accounts visit consumer.vic.gov.au/estateagenttrustaccounts.

Quotes attributable to Minister for Consumer Affairs and Gaming and Liquor Regulation Melissa Horne

"Trust account audit obligations are critical to protecting money that belongs to other people, and estate agents who don't comply will be held accountable."

"Estate agents need to understand their trust account requirements, and anyone who breaks the rules will face the consequences of their negligence."