

Conveyancers update - March 2018

Consumer Affairs Victoria

Meeting your trust account obligations in 2018

Does your conveyancing business hold trust money? Do you engage an auditor to audit your trust money records each year?

Consumer Affairs Victoria has information and advice about your rights and responsibilities as a conveyancer in Victoria.

You must lodge reports of the audit with Consumer Affairs Victoria within 10 business days of receiving your annual audit report from your auditor.

Conveyancers who do not meet these obligations are breaking the law. For more information about the mandatory trust money handling and accounting requirements, visit the [Trust accounts section on the Consumer Affairs Victoria website](#).

Trust money is not an asset of the business. It cannot be used for general operating expenses under any circumstances.

Misappropriation of trust money carries penalties of up to 15 years' jail and significant fines.

If you are unsure of your trust account obligations, download Consumer Affairs Victoria's guide:

- [Maintaining conveyancer trust accounts: a reference guide \(PDF, 781 KB\)](#)
- [Maintaining conveyancer trust accounts: a reference guide \(Word, 205 KB\)](#)

This guide provides a comprehensive, easy-to-follow overview of all the steps required to set up, maintain and close trust accounts.

Consumer concerns

Consumer Affairs Victoria has revealed that the most common consumer complaints received in relation to conveyancers in 2016-17 related to:

- unsatisfactory services, including concerns about:
 - incorrect details being recorded, such as business and email addresses, telephone numbers and signatures
 - settlement of council fees or miscalculated council rates
 - provision of the correct settlement date
 - provision of section 32 notices (vendor statements) before the contract of sale, or providing incorrectly filled out statements (for example, allegations of false and misleading building inspection reports)
 - information being provided just before settlement.
- disputed or unreasonable conveyancing fees and charges, including concerns about:

- charging for services not specified in the contract
 - provision of quotes with errors and charging extra at a later stage
 - charges for 'research' not stated in the initial consultation.
- not providing required documentation, including:
 - appropriate documentation to local councils such as notice of acquisition, cheques, rates and updated contact details
- documents not being provided in a timely manner, causing delays before they can proceed with settlement or purchasing new property. For example, paperwork for the transactions/details of monies paid to bank/real estate agents and local councils.
- conveyancers failing to provide checklist forms to banks resulting in payments being held up
- conveyancers working without a licence, including:
 - conveyancers operating after their licence has been cancelled
 - offering conveyancing services without having a licence.

These issues have the potential to result in delays and added costs for consumers.

For more information on conveyancers' legal obligations under the *Conveyancers Act 2006* and the Australian Consumer Law, visit our [Conveyancers section](#).