

2.7 Deputy D.J. De Sousa of the Minister for Economic Development regarding ‘gazumping’ within the property market:

What action, if any, is the Assistant Minister and his department taking to combat ‘gazumping’ within the property market and will he be bringing proposals forward to regulate estate agents against this?

Senator A.J.H. Maclean (The Minister for Economic Development):

If I may, I will defer to my Assistant Minister. I have a conflict in this area.

Connétable L. Norman of St. Clement (Assistant Minister for Economic Development - rapporteur):

Two questions there. Despite being contrary to the Jersey Estate Agents Code of Conduct there is no doubt ‘gazumping’, while not widespread, does happen as it does in other places, although to be fair in the current economic climate ‘gazundering’ is more prevalent at the moment. Sadly, to eliminate such behaviour from the market would require a complete overhaul of the property transaction legislation. The other question about regulation of estate agents; estate agents are, of course, to an extent regulated. They are required to comply with the anti-money laundering and ‘know your client’ requirements, but there is a case, I think, for some regulation of estate agents. Some 3 or 4 years ago, the Consumer Council did some excellent work in this area and the Minister and I have agreed and have, in fact, asked our officers to consult with the Consumer Council further to see if that work that they did 3 or 4 years ago can be updated, to consult further with the estate agents and their clients to see what appropriate regulation could be introduced to the benefit of the consumers.

2.7.1 Deputy D.J. De Sousa:

Yes, I was ready at hand with all the information that the Consumer Council did put together. Really, it is all ready to go forward. It has been ready for 4 or 5 years now. Will the department please look at bringing this forward? We are all aware of the case last year that was highlighted to us and it is not fair when people are losing thousands and thousands of pounds and they then cannot go on to buy other properties.

The Deputy Bailiff:

I am not sure how concise that was, Deputy. Assistant Minister?

The Connétable of St. Clement:

As I said, we have asked our officers to talk further with the Consumer Council, but regulation of estate agents will not impact on gazumping. Gazumping is because of the nature of our Property Transaction Law. I am sure the Deputy will realise that estate agents do have to act in the best interests of their client, and if they receive offers for properties they are obliged to inform their client, otherwise they in turn could be liable for not informing their client. At the end of the day, it is a matter for the client to decide which offer he or she accepts for a property.

2.7.2 Deputy T.A. Vallois:

Can I ask if the Assistant Minister will be taking the lead on this work and if the Minister for Economic Development will be kept out of the actual work that is ongoing due to his conflict?

The Connétable of St. Clement:

Yes.