

Full Minute of Proceedings (Hearing date : 4 September 2000)

I. Introduction

1. This claim arose out of a commission dispute between the Respondent, housewife, and the Claimant, holder of an Estate Agent (Company) licence and Respondent's estate agent, over the purported purchase of the Property which failed to materialise.
2. Throughout the proceedings the Claimant was represented by Mr. Wong, its authorized person, and the Respondent by a relative, Ms. Chow. The Respondent is illiterate and requires the assistance of Ms Chow in order to follow the proceedings.

II. Matters Not In Dispute

3. The Respondent, occupier of a public housing estate flat, wished to purchase a private residential flat under the Home Purchase Loan Scheme ("the Loan"). She is illiterate. It is a condition of the scheme (as applicable to the Respondent's class) that a successful applicant has to return her public housing flat to the Housing Authority within 60 days of the assignment of the purchased flat, or of the receipt of the first loan installment. An applicant may purchase a property from the private market (but not the Housing Authority's Secondary Market) before the Approval in Principle for the Loan is given by the Housing Authority.
4. The Respondent submitted her loan application to the Housing Authority on 2 June 2000. On 17 June 2000 she signed an estate agency agreement ("EA Agreement") in the prescribed form (Form 4) appointing the Claimant as her estate agent. The following day (18 June) her husband, Mr. Chan, also signed a similar agency agreement with the Claimant.
5. The Claimant, through its employees, showed the Property and other flats to the Respondent and her husband on many occasions. Her husband had indicated an interest in the Property. A Miss Chan of the Claimant handled the Respondent's case, but she has now left the Claimant.
6. At about 9 p.m. on 19 June 2000, Miss Chan, with the knowledge of her

supervisor Mr. Wong, called uninvited at the Respondent's home to explore the possibility of a deal over the Property. Miss Chan was persuasive during the visit, and the Respondent signed certain document, later known to be a provisional agreement for sale and purchase in relation to the Property ("Provisional Agreement"). Certain vital information on it, such as price, date of completion, and commission payable, were uncertain at that stage and were left blank. Respondent's husband, RW1, also gave Miss Chan a cheque for \$5,000 issued in favour of the Vendor of the Property.

7. Hectic negotiation on the phone among the parties followed hard on the heels of Miss Chan's departure. She and Mr. Wong made about 5 to 6 telephone calls to the Respondent the same evening, the last well past midnight.
8. The following morning (20 June) Miss Chan telephoned the Respondent to say that the Vendor had accepted her offer of \$1,520,000. Later the same afternoon the Respondent told the Claimant that she wished to rescind the purchase.
9. The Claimant tried to persuade the Respondent to carry on with the purchase, but to no avail.
10. On 10 July 2000 the Respondent reached a settlement agreement with the Vendor by forfeiting to him the \$5,000 deposit and paying an extra \$1,000 as compensation for defaulting on the purchase.
11. The Claimant claim \$30,400 against the Respondent, half representing the agency commission payable by her as purchaser, and the other half payable by her as the defaulting party in place of the vendor.
12. The Respondent counter-claims \$6,000 against the Claimant, being the settlement sum she paid the vendor.

III. The Issues

13. The issues before me in respect of the claim are:
 - a. have the Claimant carried out their side of the bargain to earn the commissions claimed?
 - b. if so, is the Respondent liable to pay the commissions claimed?
 - c. if the answer is again yes, then are there any matters that I should consider in

deciding the appropriate amount that the Respondent should pay the Claimant?

14. As for the Counter-claim, the issue is whether the \$6,000 settlement sum was incurred by the Respondent as a result of any neglect on the part of the Claimant in carrying out their duties as her estate agent.

IV. The Hearing

15. The hearing was originally scheduled for 1 September 2000. At the request of the Claimant, and with the consent of the Respondent, it was postponed to 4 September 2000.
16. Mr. Wong, representative of the Claimant, gave evidence for the Claimant. Miss Chan has resigned and was not called as a witness.
17. On the other side, the Respondent gave evidence, so did her husband, Mr. Chan.
18. All evidence were given under affirmation.

V. Evidence of Mr. Wong, for the Claimant (CW1)

19. Mr. Wong was the supervisor of Miss Chan. He followed closely, but did not directly handle, the Respondent's case. Where his testimony was hearsay, I reminded the Respondent and her representative to cross-examine in detail, and would look for corroboration.
20. He said the Claimant first came into contact with the Respondent in around April 2000 but no deal was concluded. He knew at the time that they were contemplating the Loan. The Respondent and her husband (RW1) signed estate agency agreements with the Claimant on 17 June (Exh. C3) and 18 June (Exh. C8) respectively.
21. Miss Chan and himself showed the Property and other flats to the Respondent and her husband on 18 June. At one of the flats, the Respondent or her husband indicated that if the price was right, they could buy without waiting for the Loan. The vendor asked for \$1.52 million and they counter-offered \$1.5 million, and no deal was struck.

22. He also heard the Respondent saying that the public housing flat they currently occupied had a southern aspect, and she was loathe to give it up. The husband showed great interest in the Property, while the Respondent was more interested in the flat she counter-offered \$1.5 million.
23. In the evening of 19 June Miss Chan asked him if she should follow up with the Respondent as her husband had shown interest in the Property. He gave the go ahead. About 2 hours later Miss Chan returned with the Provisional Agreement signed by the Respondent but with only the property address, Respondent's name, and identity card number filled in. She said the Respondent was offering \$1,48 million only, and there was a gap of \$50,000 to \$60,000 with what the vendor asked for.
24. He then followed the negotiation closely, and was right beside Miss Chan when she phoned the Respondent and her husband. The vendor was concerned about a late completion date, as that meant he had to pay more mortgage installments. He overheard the husband telling Miss Chan that if the date of formal agreement was agreed to be 3 July, and date of completion 20 July, then he would agree to \$1.52 million. He heard Miss Chan reminding the husband that in that event they had to pay 30% purchase price at completion, and the rest by mortgage finance. They could not then wait for the Loan.
25. The husband then asked how much money was involved. He and Miss Chan did some calculation and then told the husband that the figure was around \$0.5 million.
26. Mr. Wong understood that early the next morning (20/6) Miss Chan took the Provisional Agreement to the vendor, who lived at the Hollywood Terrace, Central, for signing. She did not see the vendor the night before as the vendor said it was getting late. She then phoned the husband at 9:15 a.m. to say that the deal was done, and asked the husband to deposit \$5,000 in his cheque account. At around 12:30 noon the husband confirmed with Miss Chan that the money had been deposited.
27. At around 3:00 p.m. the same day the Respondent told Miss Chan that she could not get mortgage from the many banks she approached, and accused Miss Chan of misleading her about mortgage being obtainable. It was significant, Mr. Wong said, that even at that stage the Respondent had not accused them of misleading her

about the Provisional Agreement, if at all.

28. Mr. Wong then talked with the Respondent directly. He told her that the Chartered Bank was prepared to give her the mortgage and gave her the contact numbers of the 2 bank staff whom she could approach. The Respondent and her husband disregarded his advice.
29. Mr. Wong and Miss Chan visited the Respondent's at 7:00 p.m. the same evening (20/6). They refused to talk. Mr. Wong reminded the husband that the deal was confirmed with him the night before, who replied that he was sick then and did not know what he had said.
30. Mr. Wong volunteered the admission that details of the Provisional Agreement had not been explained to the Respondent at the time she signed it, not in particular the clause on payment of commission in the event of default, because at that moment nobody was sure if there would be an agreement. But he was adamant that terms such as price, completion dates and agency commission etc. were specifically discussed and agreed with the husband before the Provisional Agreement was completed and signed by the vendor.
31. Mr. Wong also said no land search was done on 19 June. It was done only on 22 June because they were not certain if the deal would be rescinded or not. He said he has asked their Tsuen Wan office to carry out a land search a few days earlier in accordance with company policy, but could not find record of that having been done.
32. Mr. Wong also conceded that the Respondent was illiterate. He thought, though, the husband could read and write.

VI. Evidence of the Respondent

33. The Respondent is an illiterate housewife from a fisherman background. The housing estate flat which she and her family presently occupy is registered in her name, and she had submitted an application to the Housing Authority under the Home Purchase Loan Scheme.
34. Her evidence did follow the outline of events stated above. She however maintained that at all times she told Miss Chan that she needed the Loan no matter

which property she bought.

35. On 18 June she and her husband was shown a flat in addition to the Property by Miss Chan. At that flat she had the opportunity to talk to the vendor direct. They could not agree on the price but she did ask if he could wait till her Loan was approved. That vendor said it was alright, but eventually no deal was done.
36. She and her husband went to a temple at Sam Shing Village to ask for blessing in the afternoon of 18 June, but the temple was closed. That visit was at the prompting of Miss Chan, but that was not an indication that she had already decided to buy the Property.
37. At around 9:00 p.m. on 19 June, Miss Chan visited her uninvited. Her husband was out getting medical treatment, so they had a short chat. About 5 to 10 minutes later her husband returned, and Miss Chan tried to persuade them to buy the Property while they were having dinner. Miss Chan told her to sign at 4 to 5 places over certain multi-ply document. When asked, Miss Chan said it was nothing but just to show “sincerity” to the vendor. She also saw her husband writing out a cheque to Miss Chan, but did not know for what amount, as Miss Chan said it was needed just to “test the price”. The Respondent did not know what document she had signed, as she had never bought a flat before. She reminded Miss Chan that she needed the Loan, as her husband was a “sam hong” (carpenter/ plumber) worker and would have difficulties getting a bank loan.
38. Miss Chan left at around 10:00 p.m. and phoned back around midnight about the Property. As she did not understand she let her husband do the talking. Miss Chan had at no time explained any of the clauses of the multi-ply document to her, and she had no idea what they were.
39. At around 11 a.m. on 20 June Miss Chan phoned her and said the purchase was concluded. She queried whether Miss Chan had told the vendor that she was waiting for the Loan. At Claimant’s suggestion, she tried HSBC and Dah Sing Bank for the mortgage but both turned her down. The Claimant never mentioned anything about mortgages to her before 20 June.
40. Miss Chan had never asked her if she needed any property information form or any land search. She only received the EA Agreement and Provisional Agreement from Miss Chan.

41. Respondent has just received notice that her Loan application was successful. But due to the bad experience she had undergone, she no longer wanted to buy any property.

VII. Evidence of Mr. Chan, husband of the Respondent (RW1)

42. His evidence in the main agreed with that of the Respondent.

43. He is doing “odd-job” with an unstable income. It would be difficult for him to get bank mortgage, so he always told Miss Chan that he could not buy any property before the Loan was approved.

44. In the evening of 19 June, he did not feel well so he went to see a doctor. He returned home after 9:00 and Miss Chan kept on pressing him to purchase the Property. Eventually he gave Miss Chan a cheque in the vendor’s favour to show “sincerity” as suggested by her. He knew the document the Respondent signed was certain “agreement” but did not ask as he was sick and tired. Miss Chan had not explained any of the clauses to him.

45. Miss Chan called many times after she left. At one of the calls he told her to stop bothering him and said he would rather refund her the \$300 taxi fare she said she had paid for the trip to the vendor. Miss Chan did provide him with the figure of \$0.5 million a purchaser needed to come up with in order to buy a property valued at \$1.5 million.

46. Early the next morning (20 June) Miss Chan told him by phone that the deal was done. He was to deposit cash into his bank account in order not to have the cheque bounced. He did so between 9:30 a.m. to 10:00 a.m. Miss Chan phoned again at 11:00 to confirm the deposit.

47. He knew the Loan application required 2-3 months processing time, and that it would be difficult to find a property at the right price and at the same time to have the vendor agreeing to wait for the loan approval.

48. At one point during the hearing he admitted telling Miss Chan in April 2000 that he had lost money in the stock market and therefore was no longer interested in buying a property. When cross-examined he said he had never purchased any

shares. On re-examination he explained that he said he suffered loss in the stock market only in order to dispose of Miss Chan.

(VIII) Duties of an Estate Agent

49. Prior to the implementation of the *Estate Agents Ordinance*, Cap. 511 (“the Ordinance”), the duties of an estate agent consisted of those duties expressly agreed between the parties, plus those implied under common law.

50. With the implementation of the Ordinance and the *Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation* (“Practice Regulation”), certain duties of an estate agent are expressly stipulated, either in the Practice Regulations or in the prescribed estate agency agreements. Estate agents are also guided in their behaviour by a *Code of Ethics* issued by the Authority.

51. Under section 33 of the *Estate Agents (Determination of Commission Disputes) Regulation*, an adjudicator shall determine all commission disputes in accordance with the prevailing laws, the estate agency agreement and any other agreement regarding commission or other fees, and take into account the usages of the trade applicable to the transaction.

IX. Commission Payable by the Purchaser

(a) Has the Claimant earned the commission payable by the Purchaser?

52. The Respondent instructed the Claimant to look for a suitable flat for her. It was common understanding between the parties that the Claimant was to be paid a commission on their successful introduction of a flat to her.

53. The relevant clause is Section 1 of Schedule 3 of the EA Agreement (Exh. C3) which states “*subject to sections 2 and 5 of this schedule, if during the Validity Period the Purchaser through the Agent enters into a binding agreement for sale and purchase with the vendor in respect of one or more of the Properties then the Purchaser is liable to pay the Agent commission upon the signing of the agreement for sale and purchase.*” The commission was agreed to be 1%.

54. The Claimant introduced the property to the Respondent within the validity period of the EA Agreement, and a binding Provisional Agreement was executed.

55. This being the case, I find that the Claimant had in principle earned the commission payable by the purchaser.

(b) Is the Respondent obliged to pay the purchaser's commission?

(i) Did the Respondent realize that she was signing a binding agreement?

56. While I found that the Respondent and her husband might not be well educated, and might have difficulties reading and understanding legal documents, I am not convinced that the Respondent was totally uninformed when she signed the Provisional Agreement.

57. She submitted the loan application to the Housing Authority on 10 June, and signed the EA Agreement with the Claimant one week later. Her mind was set on purchasing a property. Both she and her husband were shown a number of flats by staff of the Claimant. When Miss Chan paid her a home visit in the late evening of 19 June, negotiation was in earnest for a deal on the Property which the Respondent admitted that at least her husband had "shown interest".

58. The Respondent said when she asked Miss Chan what document she was signing, she replied "it was nothing". Miss Chan did not give evidence. Mr. Wong said he talked to Respondent's husband around midnight to confirm the prices and various dates of their offer.

59. In my view, when Miss Chan produced a multi-ply document and asked the Respondent to sign all over it, it would be obvious to even the most uneducated that that document was one of significance, and might be related to the deal for which Miss Chan was handling. Respondent's husband, who was present, conceded that that document was "some agreement". When he was asked to issue a \$5,000 cheque to the Vendor allegedly to "show sincerity", that would certainly have alerted them that a property deal was about to be closed, subject to the vendor agreeing to the price and dates etc.

60. The burden is on the person who has signed an agreement to show that he did not know what deal he has entered into, and it is not a light burden. The Respondent has not discharged that burden.

61. In this regard the Respondent is not assisted by the admission in her settlement agreement with the Vendor (Exh. R3) that she was the “defaulting party”.

(ii) Is obtaining the Loan a condition precedent?

62. The other argument advanced by the Respondent was that the Housing Authority’s approval for the Loan was a condition precedent for her to sign any provisional agreement for sale and purchase.

63. In the first place, both parties agreed that such a condition was not stipulated by the Housing Authority. It may well be a condition dictated by the personal financial circumstances of the Respondent. But had she made that clear to the Claimant?

64. The Respondent said she told Miss Chan specifically that she could not buy a property without the Loan.

65. Miss Chan did not give evidence. Mr. Wong (CW1), however, said he had advised Respondent’s husband of the initial payment which would only be required if they were to finance the purchase without the Loan. The Loan required a lead time of 2 to 3 months, but the Respondent was looking for a flat in earnest already. Mr. Wong alleged that the Respondent told him on 18 June that she might not return her public housing flat which has a southern aspect. The Respondent also went to a temple to get the blessing for a purchase. All these suggested that the Loan was probably desirable, but not a pre-requisite.

66. When Respondent’s husband was told of the vendor’s acceptance of their offer, he duly deposited cash into his cheque account. The Respondent also went to a few banks to find out about mortgage. When she found out that she could not obtain any mortgage, she protested to Mr. Wong about being misled about the bank mortgage, but not about being misled into signing the Provisional Agreement.

67. Even accepting that the Respondent did at the early stage mention to Miss Chan that the Loan was a condition precedent, I found that she had subsequently modified her position and had behaved as if she was prepared to explore the option of financing the purchase by means other than the Loan.

68. My conclusion is therefore that the Respondent had willingly entered into a binding agreement to purchase the Property, knowing its nature, and is therefore liable to pay agency commission to the Claimant.

(c) What is the reasonable amount of purchaser's commission that the Claimant should get?

69. An estate agent will have performed his duty if he can secure a binding agreement for sale and purchase over a property which his principal wishes to buy. But he also has other duties, expressed or implied. An adjudicator has to consider all these factors in assessing what is the reasonable amount of commission that an estate agent should receive.

70. In the course of the hearing, I have observed certain matters which I believe should be borne in mind in my assessment:

- a. Miss Chan visited the Respondent uninvited late in the evening of 19 June to persuade her to sign the Provisional Agreement. I decided earlier that the Respondent ought to know from the nature of the conversation, and the document and cheque signed, that she was about to enter into a binding agreement to purchase the Property, perhaps subject to the vendor agreeing to matters such as price and dates. But I also found, and Mr. Wong conceded, that the conversation that evening they had with the Respondent was mainly over the terms of the purchase. There was no attempt by Miss Chan to explain the clauses of the Provisional Agreement to the Respondent. This is most undesirable and a breach of **s. 13(1)(a)** of the Practice Regulation which requires an estate agent to *explain the meaning of each clause of the agreement* before the client enters into an agreement for sale and purchase.
- b. While the Respondent might be willing to purchase the Property with or without the Loan, the Claimant knew or ought to know that she and her husband did not have regular income and might require mortgage finance, and, due to their lack of education and experience, ranked perhaps amongst the least advantaged purchasers. The Claimant had not advised her of the need to obtain bank valuation of the Property which a responsible agent should. Rushing through a deal late in the evening without giving her the opportunity to think through the details, in particular about the mortgage finance issue, can hardly be taken to have followed Clause 3.4.1 of the Code

of Ethics which states that estate agents *should protect and promote the interests of their clients.....*

- c. Schedule 1 of the EA Agreement (Exh. C3) showed that the Respondent had waived the right to receive the Property Information Form. Respondent said she was never asked if she wanted the form, and did not realize she had the right to ask for it. Respondent's husband, who signed an estate agency agreement with the Claimant (Exh. C8) on 18 June, also said he was not asked if he wanted the form. Schedule 1 of that agreement similarly indicated that he had waived his right. I cannot help wondering why he would not wish to get hold of information about the Property when even the Claimant admitted that he had shown interest in it. Claimant could not provide any Property Information Form relating to the Property. This led me to suspect that neither the Respondent nor her husband were informed of their right to the form and therefore there could be no valid waiver, nor was the form available at the time they signed their respective agency agreement. Note 4 of the Property Information Form states that *A licensed estate agent is required to provide to a purchaser the original or a copy of the completed Form unless the purchaser specifically waives his right to receive the same.*
- d. Further, the Claimant, under s. 13(4) of the Practice Regulation, should conduct an up-to-date land search of the Property immediately before the Provisional Agreement was entered into, and give a copy to the Respondent. Mr. Wong conceded that no land search was done in the evening of 19 June as the deal was not certain at that stage. The only land search Claimant could produce was conducted at noon on 22 June 2000. On evidence before me I could only conclude that that was the only land search done by the Claimant, and that the Respondent had been deprived of vital information relating to the Property before she entered into the Provisional Agreement. This was a glaring failure of duty on the part of the Claimant, exposing the Respondent to grave risks.
- e. Under S. 36(1)(a) of the Ordinance, the agent for the vendor (Claimant acted for both parties) should have the prescribed information in possession or control for so long as they so acted. It is apparent that the prescribed information was not in the Claimant's possession or control as required.
- f. Miss Chan visited the Respondent uninvited late in the evening of 19 June. She ought to know that the Respondent could not handle matters relating to

the purchase due to her illiteracy and limited experience (which I soon observed in the course of the hearing). Miss Chan waited for the return of Respondent's husband who happened, and she knew, to be sick and tired that evening. She persuaded them to make an offer and sign the Provisional Agreement. She then called them 5 to 6 times that evening to the point where Respondent's husband offered to refund the taxi fare (\$300 from the New Territories to the vendor at Hollywood Terrace) to her just in order that she would stop bothering them. I noted that Miss Chan only went to see the vendor the following morning, and the as yet unspent \$300 taxi fare was probably mentioned in an attempt to put Respondent in a position of obligation, that Miss Chan had done so much for them already. I found that her behavior amounted to high pressure tactics, and verged on what section 11(c) of the Practice Regulation is targeted against – an agent *should not exercise any undue influence on a client so as to induce him to enter into an agreement for sale and purchase.*

71. Considering that on the one hand the Claimant have performed the main task for which they were engaged by the Respondent, i.e. to find a property and assist in the execution of the Provisional Agreement, and that on the other they had not served the best interest of the Respondent and had many lapses in compliance with regulations, I determine that it is appropriate for the Claimant to receive 30% of the commission payable by the purchaser. The Respondent therefore has to pay the Claimant \$4,560 (\$15,200 x 30%) under this head.

X. Commission Payable by the Vendor

(a) Has the Claimant earned the commission payable by the Vendor?

72. Section 1 of Schedule 2 of the prescribed estate agency agreement (Form 3) signed between the vendor and the Claimant (Exh. C6) provides that “*subject to section 2 of this schedule, if during the Validity Period the Vendor through the Agent enters into a binding agreement for sale and purchase with a purchaser in respect of the Property then the Vendor is liable to pay the Agent commission at the rate of 1% of the transacted price upon the signing of the agreement for sale and purchase.*”

73. Clause 8 of the Provisional Agreement (Exh. C4) also states that “*in consideration of the services rendered by the Agent, the Agent shall be entitled to receive HK\$15,200 from the Vendor....Such commission shall be paid not later than 3*

July 2000.”

74. The Claimant introduced a purchaser (the Respondent) to purchase the Property within the agency’s validity period, and therefore has earned the commission payable by the vendor. This is not disputed by the Respondent.

(b) Is the Respondent liable for the Vendor’s commission?

75. Clause 9 of the Provisional Agreement states that *“If in any case the Vendor or the Purchaser fails to complete the sale or purchase in the manner herein contained, the defaulting party shall compensate at once the Agent HK\$30,400 as liquidated damages”*.

76. That is the only basis of Claimant’s claim that the Respondent, as the defaulting party, is liable for the agency commission payable by the Vendor. But the issue is – was the Respondent aware that this clause formed part of the Provisional Agreement before she signed it?

77. I stated earlier that I found the Respondent knowingly entered into an agreement to purchase the Property. Mr. Wong conceded, and I also found, that Miss Chan failed to explain to her clauses in the Provisional Agreement. Therefore the Respondent, though having agreed to the purchase, could not be regarded as having agreed to Clause 9.

78. I observed that the EA Agreement (Exh. C3) has an extra term whereby the Respondent acknowledged that the Claimant was to get 1% commission from the vendor. That clause is superfluous as vendor’s commission was already specified at Schedule 1 of that agreement. I cannot read into this extra term any implied agreement by the Respondent to pay Claimant the commission payable by the vendor in the event of her default.

79. Clause 9 of the Provisional Agreement is not a common place term and is onerous, and it will be unfair to regard it as an implied term, or having somehow been incorporated into the Provisional Agreement. With Mr. Wong’s admission that Miss Chan had not explained Clause 9 to the Respondent, an illiterate with no previous experience in property purchase, I cannot find that the Respondent had agreed to this clause.

80. Suffice it to say that even the vendor's solicitors omitted to pin the burden for vendor's commission on the Respondent as is the usual case in settlement agreement of this nature (Exh. R3). Had they done so I might have been persuaded that the Respondent had accepted such liability.

81. The Respondent is therefore not liable to the Claimant for the commission payable by the vendor.

XI. On the Counter-claim

82. Having decided that the Respondent defaulted on an agreement which she knowingly entered into, I can only find for the Claimant on the counter-claim. The \$6,000 settlement sum incurred by the Respondent was the result of her considered decision not to proceed with the purchase, however the Claimant behaved. The Claimant are not liable for the counter-claim.

XII. On the Costs of Determination

83. In principle the costs of determination are to be shared equally between the parties. I see no reason to depart from the principle, and have so ordered.

84. At the request of the Claimant, both parties are given 7 days for payment, i.e. on or before 11 September 2000.

XIII. Other Observation

85. Having made my determination, I would like to advise the Claimant of one other observation.

86. The duration of the vendor's estate agency agreement (Exh. C6) was said to be from "8th April 2000" to "until sold". Such an indefinite term is against the advice of the Estate Agents Authority, and may incur the wrath of the *Unconscionable Contracts Ordinance* as being unfair to the vendor.

87. Claimant is advised to negotiate and specify a reasonable duration with their client in future.

To Kar Man Stanley
Adjudicator