Best Practice Real Estate

Internal Policies - Changing Owner's Bank Details Policy

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Applicable Department

- Leasing / Property Management
- Accounts, Trust & Office Administration
- Sales / Project Marketing
- Virtual Assistant & Remote Support Team

Terms of Reference

- Whenever an Owner (RRP) asks to have their bank details changed in the Property Management Software for either payment of rent, or any other disbursement by the Company, prior to doing this, you must first ensure that they have authority to request the change. For RRP, this authority is found within the Exclusive Leasing & Managing Authority

Objective / Aim

- As an Agency, we have an obligation to follow good business practice and only take instructions to change bank account details, from our Owners (RRP) that are in writing, and Owners (RRP) that are stated on the Leasing & Managing Authority as being a registered Owner (RRP), supported by the Proof of Ownership documents

- **(Best Practice Real Estate)** has an obligation to each registered Owner / RRP to protect the rental distribution, by implementing and enforcing strict systems and procedures that would prevent any change in their bank details from occurring without the knowledge of ALL of the registered Owners / RRP

- All instructions to make a change to the bank details must be in writing – <u>under no circumstances</u> is any Staff member permitted to change an Owner's / RRP's bank details as a result of a verbal (over the phone or in person) instruction or email instruction

- Each registered Owner must first complete a separate Change of Bank Details Request Form

- The aim of having a specific form that **EACH** of the registered Owners / RRP **MUST** complete is so that there is a strict procedure in place that would reduce the chances of an Owner's / RRP's bank account details being changed without their knowledge & consent, either through fraud of by accident

Reasons Why the Following Procedure Must Be Followed

- There have been many cases where as a result of a marital, or relationship breakdown, that one of the Owners has tried to take control of the finances of the other party without their knowledge, by redirecting the rent to another bank account

The Procedure to Follow is:

- Never take this instruction over the telephone or in any other form of communication such as email, or letter unless you have first checked that the person initiating the change has the authority to do so

- For Property Management – first refer back to the Exclusive Leasing & Managing Authority to confirm that the person making the request is in fact a registered Owner / RRP

- If there is more than 1 registered Owner / RRP, then you must also seek written instructions from the other registered Owners / RRP, prior to initiating the change. It is best to communicate to any other registered Owner(s) / RRP independently of the person requesting the change, to ensure that they are aware of the request, and consent to the change

- It would not be wise to simply ask the person who has made the initial request, to arrange for other registered Owners to provide a written request, or to arrange for them to get other Owners to sign documents, without personally speaking to the other registered Owners

- Be aware of forged documentation. Refer signatures back to the original Exclusive Leasing & Managing Authority to cross reference signatures. If in doubt, seek instruction from a Senior Manager or Director before initiating any changes

- Simply because you have assumed that a Client is a Registered Owner / RRP because they may be married to a registered Owner / RRP, does not necessarily mean that they have any *‘legal entitlement’* to the rent or any other money as a registered Owner / RRP, therefore they may also not have *‘legal authority’* to change the bank account details

- Each party must sign the document as the Registered Owners / RRP

- Once the change has been made in the Property Management Trust Account Software, and only after the forms have been completed by each party, then a **“Change of Bank Details”** letter is to be sent to each registered Owner / RRP. If there is a married couple and the husband & wife are both registered Owners / RRP, then a separate letter addressed to each Owner / RRP is to be sent to inform them that as per their written request, their bank details have been updated, even if they live at the same address

- The Change of Bank Details letter is to be countersigned by 2 Staff members – the first is either the **Property Manager** or the **Trust Account Manager**, and the ***letter must also be signed by a Director in every instance*** a request has been made, and bank details changed

- Once the change has taken place, the “Written Instruction” from each Owner / RRP, along with the “Change of Bank Details” letter for each Owner / RRP, must be scanned and stored in the RRP file of the property with the Property Management Trust Account Software, and the original documents must be kept in the RRP file

- The RRP can download the “Change of Bank Details Form” from within the RRP section of the **(Best Practice Real Estate)** website, or the Property Manager can email the forms to the Registered Owners / RRP

- Scanned, photocopied or emailed documents of the “Change of Bank Details” form should not be accepted. There is a requirement to keep the original document in the RRP file for audit purposes, which is why scanned documents cannot be used, unless you are using an electronic tracking software program - i.e Inspection Express, DocuSign or similar

- For Owners that have multiple properties, then a separate form for each property must be presented

- Be careful when checking the authorities for Owners of multiple properties that they are in fact the Registered Owners – sometimes married couples or partners in a relationship will have properties also in their own name only. Do not change the bank details in this instance

- Where a property is owned in a Super Fund, Trust or Company Structure, then the same principles apply as above however replacing the Company Director or Authorised Signatory / Secretary as the Registered Owner