Real Estate Case Study
Discrimination against tenant

Case Details:

Our insured was accused of discrimination against a tenant. It was alleged out insured had refused to lease out a property to 'immigrants'. The complaint was made directly to the Anti-Discrimination board.

The matter was then investigated and our insured confirmed they acted upon the owner's instructions on whom to accept as eligible tenants. The publicity exposure on this topic, regardless of fault, would have been detrimental.

Mediation occurred and a reasonable sum was presented to the claimant of which was accepted. Upon negotiations, the matter was resolved prior to any court attendance.

Although the instructions had filtered through to the insured via the owner, it was still our insured's responsibility to abide by the Anti-Discrimination Act. Any breach of such act would incur severe consequences on reputation.

Case Outcome:

Policy Response

The policy responded as the insured had acted on negligible manner by breaching their professional conduct and duty of screening suitable tenants by way of discrimination due to ethnicity and race upon instruction of the owner. The insured did not agree with the methodology of the owner to screen tenants, however the insured did not dispute nor question the owner's instructions. This left the insured exposed to a claim being lodged against them. Defence fees were covered under the policy less the excess settlement to the claimant which was made.

Reduce Your Risk:

> If any employee is uncertain or questioning the appropriate action, please check for any relevant governing acts such as the Anti-Discrimination Act;
https://www.humanrights.gov.au/employers/good-practice-good-business-factsheets/quick-guide-australiandiscrimination-laws

> Complete a checklist for 'screening' tenants and cross check this with another peer to mitigate any possible areas of concern;

> Make sure all staff are aware of how to appropriately screen tenants and property owners to confirm proper conduct and care has been taken.