

Realtors file suit against Move, NAR over 'fake leads' scheme

The 8 Realtors are seeking class action status in their lawsuit against Realtor.com for allegedly selling unvetted and fraudulent buyer and seller leads

by [Marian McPherson](#)

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Eight Realtors from California, Nevada, Washington, Florida, Georgia and New York State have filed a class action complaint against Realtor.com parent company Move for the alleged sale of unvetted and fraudulent leads through Move Network sites, including Realtor.com, ListHub and UpNest.

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Move parent company News Corp and real estate lead generation technology platform Opcity and The National Association of Realtors are named as co-defendants for their role in the alleged scheme to sell fake buyer leads. The plaintiffs are seeking damages equal to the amount they spent on Realtor.com leads alongside any punitive and exemplary damages approved by the Court.

“Defendants’ unlawful conduct alleged herein is so widespread that it has caused harm to the goodwill of each prospective class member and the residential real estate agency (and brokerage) business as a whole,” court documents read. “Defendants have previously been sued for nearly identical conduct and resolved such lawsuits; but yet continue to operate the Scheme and the

The lawsuit claims Move scrapes data from owned, controlled, operated and affiliate websites, web properties, digital and social media sites to gather information about users who are searching for common real estate terms (e.g., real estate, property, house, mortgage) or seem to be in the market for other large, non-real-estate purchases, such as vehicles.

These users are then presented as fully-vetted, high-intent leads on Realtor.com’s suite of buyer and seller lead generation solutions, including Connections Plus, ReadyConnect Concierge (formerly Opcity), Market VIP and ListHub. Beyond the alleged selling of no-intent leads, the suit also claims some leads cannot be verified as an “actual, living human being.”

The lawsuit alleges 40 to 50 percent of Realtor.com leads have no intent to purchase real estate or cannot be verified as a real person. Furthermore, they said, Realtor.com sells the same group of leads (a minimum of 36-40 per month) to multiple agents — breaking a promise of lead exclusivity.

“Defendants further misled, defrauded and intentionally deceived each of the Plaintiffs (and each potential member of the class) by representing that by paying subscription fees, enhanced subscription fees and other payments; each such real estate agent was obtaining specific benefits which had a high likelihood to generate business and clients for each such real estate agent,” court documents read.

The plaintiffs said they notified Realtor.com about the issues with low quality leads and requested refunds. However, Realtor.com’s sales team either denied refund requests, offered credits that could be used to purchase more leads, or suggested agents purchase higher-tier subscriptions to get better lead quality.

“Each such Plaintiff complained about the Fake Leads and sought refund(s) and/or partial refunds from the Defendants,” court documents read. “However, the Defendants then would engage in the Attrition Program (which included showing or reciting the Fraudulent Terms to each such Plaintiff) and asserting that each such Plaintiff was not entitled to any such relief.”

“In each such situation, Defendants failed and refused to refund the monies paid by the applicable Plaintiff and/or to offer any reasonable make-good therefor,” it added.

The suit claims senior executives, managing agents, managers, directors and officers at News Corp, Move, Realtor.com and NAR knew of agents’ growing complaints about lead quality and “willfully and consciously” ignored the alleged sale of unvetted and fraudulent buyer and seller leads.

The plaintiffs specifically called out NAR for allegedly “aiding and abetting,” as they trusted Realtor.com’s products and services due to its connection with the Association.

“NAR is (and at all times was) independently and intimately aware of the Scheme and complicit therein through NAR’s relationship with and reliance upon the other Defendants to build its membership ranks,” court documents read. “NAR allows and contributes to its affiliation with its co-defendants to act as a broad endorsement of the conduct alleged herein (and the co-defendants’ Fraudulent Scheme itself) so that the Plaintiffs and each member of the prospective class trusted and relied upon NAR’s affiliation with the other Defendants and based at least in part on that relationship chose to do business with the other Defendants.”

“NAR actively and passively induced each of the Plaintiffs (and each member of the prospective class) to do business with the Defendants,” it added.

When asked about the suit, a NAR spokesperson said the Association “does not own or operate Move, Inc.” and “will address these false allegations in court.”

A Realtor.com spokesperson told Inman late Monday the company doesn’t “intend to comment on pending litigation and will vigorously defend ourselves against all claims contained in the lawsuit.”

This isn’t the first Realtor.com has been sued over its lead generation business. In 2018, two real estate agents and a former Move sales representative filed separate suits in the Los Angeles Superior Court with claims that Move/Realtor.com willfully misrepresented the quality of leads they sold to agents.

In one suit, California agent John Herkenrath and Ohio agent Tina Wilson [said they paid \\$500 and \\$120 per month](#), respectively, for buyer leads. However, Herkenrath and Wilson said the leads were “useless” as they included the wrong contact information or weren’t interested in purchasing a home.

Meanwhile, former Move sales representative Brian Bobik’s [suit alleged he was wrongfully terminated](#) for refusing to defraud agents by charging them for services they never ordered or received, or charging their credit cards without authorization. He also claimed Move refused to accommodate his disability, attention deficit disorder.

Bobik's lawsuit was dismissed without prejudice in April 2019. Herkenrath and Wilson's suit was dismissed without prejudice in January 2020, after they failed to file a timely response to a court order. Both parties had two years to refile the suits after the dismissals; however, they didn't.

Read the full filing below:

(See attached)