

## The Phuket property nightmare

By Jonathan Head

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**The sparkling seas and warm beaches of Phuket are a magnet for sun-seeking holiday-makers and, increasingly, for foreigners seeking a comfortable and cost-efficient retirement. More than 100,000 foreigners have settled on the island - though some now bitterly regret it.**

British expat Ian Rance and Irishman Colin Vard are now living almost penniless with their children on the outskirts of Bangkok as they struggle against overwhelming odds to recover properties they bought on Phuket. Both men lost all their investments through frauds that neither of them imagined were possible.

"I'd made my money in England and had enough to retire I thought. I was looking for a place that was warm, a place that had some rule of law, where I could live in safety and peace," says Rance, a chartered surveyor and professional arbitrator from Hertfordshire, who arrived in Phuket in 2000.

"When I came to Thailand on a trip to Australia it sort of seemed to fit the bill."

In 2001 Rance met and married a Thai woman called Suda and went on to have three children with her. The prime minister at the time, Thaksin Shinawatra, had started a programme called

"Thailand Elite", through which he hoped to attract wealthy foreigners to settle by allowing them to own small amounts of land, something not normally permitted under Thai law.



Encouraged by this, Rance began investing in property, buying two houses, and eventually a restaurant and two pieces of land. But the Thailand Elite scheme never took off, so in the end he did what thousands of other foreigners did - he put the properties either in the name of the company he had already formed to run his consultancy business, or in the name of his wife.

The family home was in his wife's name, but leased to him on a 30-year lease. The company was nominally Thai-owned but Rance, as a director, had majority voting rights - nothing could happen to the company's assets without his approval. He was advised by local lawyers that this was legally quite safe.

But unbeknown to him, in July 2008 Suda began transferring the properties out of the company. In September she also removed Rance as a director. On paper none of this should have been possible. In practice, all she had to do was to forge her husband's signature. The Land Office in Phuket, where property transfers are formalised, was willing to accept a simple forged power of attorney from Rance to change ownership of properties worth hundreds of thousands of pounds, and to cancel his 30-year lease on their home.

To change the control of the company the forged signature had to be notarised by a lawyer - but that presented no problem. A local lawyer did this willingly, without Rance being present. When the BBC confronted the lawyer about this he admitted the signature was his, but claimed it was normal practice in Phuket. The Thai Lawyers Council has since told the BBC this is not true, that it is a serious violation of their code of conduct. But Rance's attempts to sue the lawyer have got nowhere.

Find out more

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He only spotted the fraud in July 2010, when checking his company's tax status. He discovered that all five properties, worth well over £1m (\$1.5m), had been stolen. What began then was, he says, a nightmare period for him. His wife ran away. Four men came into his house and threatened his life if he did not get out of Phuket. His wife phoned him and told him they would kidnap the children if he did not leave the house immediately. Gun crime and murder are not uncommon in Phuket, and Rance decided to flee to Bangkok with the three young boys.

"It was a terrible, terrible time. I really had no time, thinking I was going to be shot, or the kids would be kidnapped. My first thought was to protect the family, try and get some evidence, and get a lawyer on board as quickly as possible."

The evidence Rance has amassed is staggering. Document after document shows the same land agent and two moneylenders, transferring the properties back and forth to his ex-wife in a form of pawnbroking, where she was in effect borrowing at astronomical rates of interest, using the properties as collateral. Rance believes she was being pressurised by relatives to raise the cash. He believes she received only a fraction of the properties' value. She was arrested in 2010, and is now serving a four-year prison sentence.

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But nothing has happened to any of the other parties linked to the fraud. Rance has filed nine criminal and civil suits against them. He has had to travel to Phuket for every hearing, paying for himself, a lawyer, and a translator - hearings which are usually many months apart, and sometimes cancelled at the last minute. Worse, one of the moneylenders has filed a perjury case against Rance, claiming that he knew about the fraud all along. This has resulted in Rance's passport being confiscated, and he is now obliged to report to the police every month in Phuket.

Over five years Rance estimates he has spent the equivalent of £200,000 (\$300,000) on legal fees and other costs relating to the legal battle. The only case he has won resulted in the imprisonment of his ex-wife and the restoration of his company directorship. Yet the same judge



ruled that he had no right to sue the moneylenders for the stolen properties, because he had not been a director of the company at the time.

Rance has hired five lawyers, some of whom he says have overcharged him and sometimes deliberately sabotaged his cases. He has had to petition the Ministry of Justice to find a lawyer he can trust.

"There are many foreigners who have filed cases similar to Ian Rance," says Surin Bumrunghol, who heads the Phuket Anti-Corruption Network, a campaign group. "In many cases the lawyers they hire actually work for the other side, for more money. The reason most of them lose is because of corrupt, incompetent lawyers, and the failure of law enforcement officers to do their job properly."

Since I started working on this story a number of foreigners have contacted me to tell me about their experience of different kinds of fraud on Phuket. In some cases the property deal they have signed up to has not been honoured. But only one other case matches Rance's in almost every detail.

Colin Vard also invested about £1m in Phuket, after a successful career in Dublin as an author and part-owner of a clothing factory. He lost a total of eight properties, over a similar time period. In some cases the same moneylenders who exploited Rance's wife were involved.

Vard's Thai partner, the mother of his son, has been sentenced to 17 years in prison for the fraud but evidence showing the involvement of several other people has been ignored by police. Vard has accused some police officers in Phuket of tampering with his criminal complaints by removing evidence from his files, so the cases fail in court - and he has discovered that the cousin of one police chief actually ended up with one of his stolen properties.



In desperation, in March this year Vard went with his two children into the central branch of a Thai bank he believes is connected to the fraud, and mounted a sit-down protest. He has done the same outside the police headquarters in Bangkok, blocking the traffic. Each time he has been promised a proper investigation.

But after five years, there has been no visible progress. The Thai police have assured the BBC that they are working on his case. The deputy governor in Phuket also promised Vard and the BBC in February that his case would be taken up, but to date nothing has happened.

Ian Rance has a new wife now, and they have a young baby girl. His main priority he says is to provide a proper home for the four children, and put them through school. With the boys' mother in prison, and his funds exhausted, this is a huge challenge. He cannot even consider returning to the UK, because of the requirements regarding income and savings, which in his case are now insufficient.



I asked him what he would say to those considering retiring and buying property in Phuket.

"Don't. Don't come here. The system of law is nowhere near as strong as you think it is going to be, there is no protection for you, and there are gangs of people victimising you. The lawyers have very little in the way of ethics or professionalism."

Thousands of foreigners have settled in Phuket without serious difficulties. But if things do go wrong, they may find it hard to get help from the police or the judicial system.

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