Purplebricks, UK real estate brokerage headed for US, misled consumers, regulator rules

Purplebricks, a low-fee U.K. brokerage that's raised more than $60 million to expand to the U.S., misled consumers with ads that touted "fees saved" comparisons between Purplebricks and traditional real estate agents, a U.K.. regulator has ruled. The ruling, which grew out of a complaint filed by a Purplebricks competitor, highlights Purplebricks' hard-charging marketing strategy and hints toward a potentially chilly reception by U.S. brokerages. The Advertising Standards Authority (ASA), which regulates advertising in the U.K., ordered Purplebricks not to display the ads that were complained about and to ensure that ads making comparisons between Purplebricks and its competitors include "sufficient information" so consumers aren't misled. The ASA issued the order after investigating allegations from Arun Estate Agencies, a traditional U.K. brokerage, that challenged whether Purplebricks' “fees saved” claims were misleading and could be substantiated. "We continue to h...

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