

ALTA Best Practice #7 – Addressing Consumer Complaints

ALTA Best Practice #7 requires that all real estate attorneys have a complaint policy – not to solve all consumer complaints, but rather to address all consumer complaints.

Every real estate professional is first and foremost in the “customer service” business, and dealing with complaints comes with the territory. For some complaints, there is no readily available solution that will satisfy the complaining party. For example, the phone rings at 4:45p.m. on a Friday and the party on the other end says, “You handled a closing for me back in 2002.” Immediately, we begin to wonder what the problem may be. The caller continues, “I now have a termite infestation. What are you going to do about it?” We are very relieved that this problem is not of our making. Previously, we might have provided an explanation, hung up the phone, and not given it another thought. Now, to comply with ALTA Best Practice #7, we need to document these calls as consumer complaints and refer the caller to the appropriate pest control agency for assistance.

In the example above, we were not in a position to SOLVE the consumer’s complaint; furthermore, the complaint was not related to our professional services provided at closing 12 years ago. Nonetheless, we are now required to document the complaint and our efforts to assist.

ALTA Best Practice #7:

Adopt and maintain written procedures for resolving consumer complaints.

Purpose: A process for receiving and addressing consumer complaints helps ensure reported instances of poor service or non-compliance do not go undiscovered.

What is Required?

The procedures to comply with ALTA Best Practice #7 are as follows:

- Consumer complaint intake, documentation, and tracking.
 - Standard procedures for logging and resolving consumer complaints helps ensure consumers provide the company with sufficient information to understand the nature and scope of the complaint.
 - Develop a standard consumer complaint form that identifies information that connects the complaint to a specific transaction.
 - Set a single point of contact for consumer complaints.
 - Establish procedures for forwarding complaints to appropriate personnel.
 - Maintain a log of consumer complaints that includes whether and how the complaint was resolved.

What if the Complaining Party’s Request is Unreasonable?

While there are many different standards to judge the reasonableness of a complaint, there are some individuals who will never be happy no matter what we do. The American actress and comedian, Lilly Tomlin, once advised that “man invented language to satisfy his deep need to complain.” While we have found that language has numerous beneficial uses, complaining (for good or for bad) is potentially one of the more heated exchanges in human interaction. Many times we find that the more unreasonable the position, the louder the position is articulated. Simply put: the louder the complaint does not make it more reasonable, but it may make it a more immediate threat to our composure.

At some point, the really loud complaints may also be communicated to our community, our business partners, and potentially even our regulatory authorities. Are we certain that they will take our word over those of the complaining party? One thing is certain; the Consumer Financial Protection Bureau (CFPB) will answer the phone or read that email when a complaint is logged. The CFPB has an entire section on its website dedicated to consumer complaints. We would all hope that the complaining party would bring the complaint to us prior to blasting their stories about us all over the community and internet. When that complaint comes in, we should take advantage of the opportunities it provides to resolve the complaint, if possible, to the satisfaction of the consumer and ourselves, to listen and improve processes in our office, and to handle matters before they become unmanageable.

Conclusion

ALTA Best Practice #7 asks us to do the obvious – protect our business’ reputation from being impugned. In a world where any fifth grader can start a website that attacks, it is better to be proactive in addressing complaints. Our business reputation has been built over years, sometimes decades, but it is only as good as the professional service that we provided yesterday. Warren Buffett, who is as successful a businessman as we have seen in our time, warns us that, “It takes twenty years to build a reputation and five minutes to ruin it. If you think about that, you will do things differently.” Addressing consumer complaints must not be perceived as a new onerous requirement, it is simply a business opportunity through which we should adjust our sails and take full advantage.