

GUIDE TO THE VOLUNTARY BROKER RESOLUTION PROCESS FOR BROKERS

This Guide outlines the Voluntary Broker Resolution Process (VBRP), a process designed to satisfy minor consumer complaints through discussion between the consumer, the industry professional, and their broker. If successful, this process avoids or ends a formal complaint with RECA and any subsequent conduct review. The Voluntary Broker Resolution Process is part of RECA's Alternative Complaint Resolution program.

Alternative Complaint Resolution

Alternative Complaint Resolution (ACR) aims to resolve a complaint involving minor issues while avoiding formal investigation outcomes. RECA may recommend the ACR to complainants when appropriate as it may resolve their complaint quicker than a formal investigation. The complaint must be in RECA's jurisdiction.

RECA may also recommend ACR to industry professionals when there is a no formal complainant but RECA has received information indicating a minor breach of the legislation.

VBRP

The broker manages the VBRP, and as a result, the broker has control over the timing and location of the process, and whether they want to proceed with negotiation on their own directly with the dissatisfied client or customer or whether they want to hire a professional mediator.

Requirement of all parties to consent to the process in writing

For a broker to proceed with the VBRP, all parties must consent to the process in writing. The process must enable them to participate freely without the risk that information subsequently being used against them in any legal proceedings.

If RECA suggests the VBRP as the result of a complaint, RECA will provide the broker with the necessary VBRP Agreement and corresponding release form, which all parties must sign prior to beginning the process and upon successful completion, respectively.

Failure to obtain written consent may place the broker, the brokerage, and the brokerage's associate or associate broker at risk. It could also result in an insurance provider denying coverage under an E&O professional liability insurance policy.

How to Proceed

As a broker where do you start? How do you create an effective process to resolve a dispute with a client?

Frame the issue: Look at the nature of the issue. Is it a negotiable issue? If so, **frame the issue using neutral words**. For example, if the client's complaint is: "the real estate professional is not showing the listed property for sale often enough and is generally not providing sufficient service," reframe the issue back to the client, for example: "You would like to discuss marketing of the property."

Prepare yourself: Make sure you know what questions you need answered or factors you must consider and/or discuss before beginning the VBRP. By asking and answering the following questions on your own, in advance, it will become clearer what you need from the negotiations with the client:

- What has happened?
- How does what happened affect me (feelings)?
- What do I need out of these negotiations?
- What issues need clarification (i.e. what have I assumed as being true but might not be)?
- What is my relationship with this person? How will our relationship affect my negotiation style?
- How does the client see your relationship? How might that affect the way he/she chooses to negotiate with me?
- If this negotiation is not successful what alternatives do I have?
- If this negotiation is not successful what is my worst case scenario?
- What are the client's alternatives if this negotiation is not successful?
- What is the client's worst case scenario?
- What do I want to negotiate?

Choose whether to negotiate or mediate with the complainant:

Mediation involves the parties to the dispute together with a trained facilitator (often called a mediator).

You may think your years of negotiating experience have prepared you for a VRBP, but negotiating when the matter affects you personally makes objectivity difficult. A mediator brings a background in inter-personal conflict management, negotiation, and mediation to the negotiation table. A mediator can create trust in the room and preserves relationships between the participants, even through the most difficult discussions.

The mediator facilitates only, and cannot dictate any terms of resolution to you.

Even if negotiation with a complainant fails, you can attempt to begin mediation at any time if all parties agree. However, remember that an unsuccessful negotiation can cause harm to relationships and negatively affect the willingness of the parties to continue working towards a resolution. This is something to consider before proceeding with negotiation before mediation.

Agree to a time and place to meet: Don't just dive into discussions. Agree on a time and place for formal VRBP discussions. All parties should come ready to speak about the issue at hand. Unpreparedness can lead to defensive attitudes and behaviour. Even if the parties agree to speak by telephone, agree in advance to a set time to speak so that all parties come prepared for the discussion.

Upon completion of a successful VRBP brokers have the responsibility to ensure:

- all parties sign the appropriate release
- the brokerage and/or any professionals registered with the brokerage fulfill all obligations that gave rise to the release.

For more information, contact
the



REAL ESTATE COUNCIL OF ALBERTA:

202, 1506 11 Avenue SW, Calgary, AB T3C 0M9

T: (403) 228-2954 or

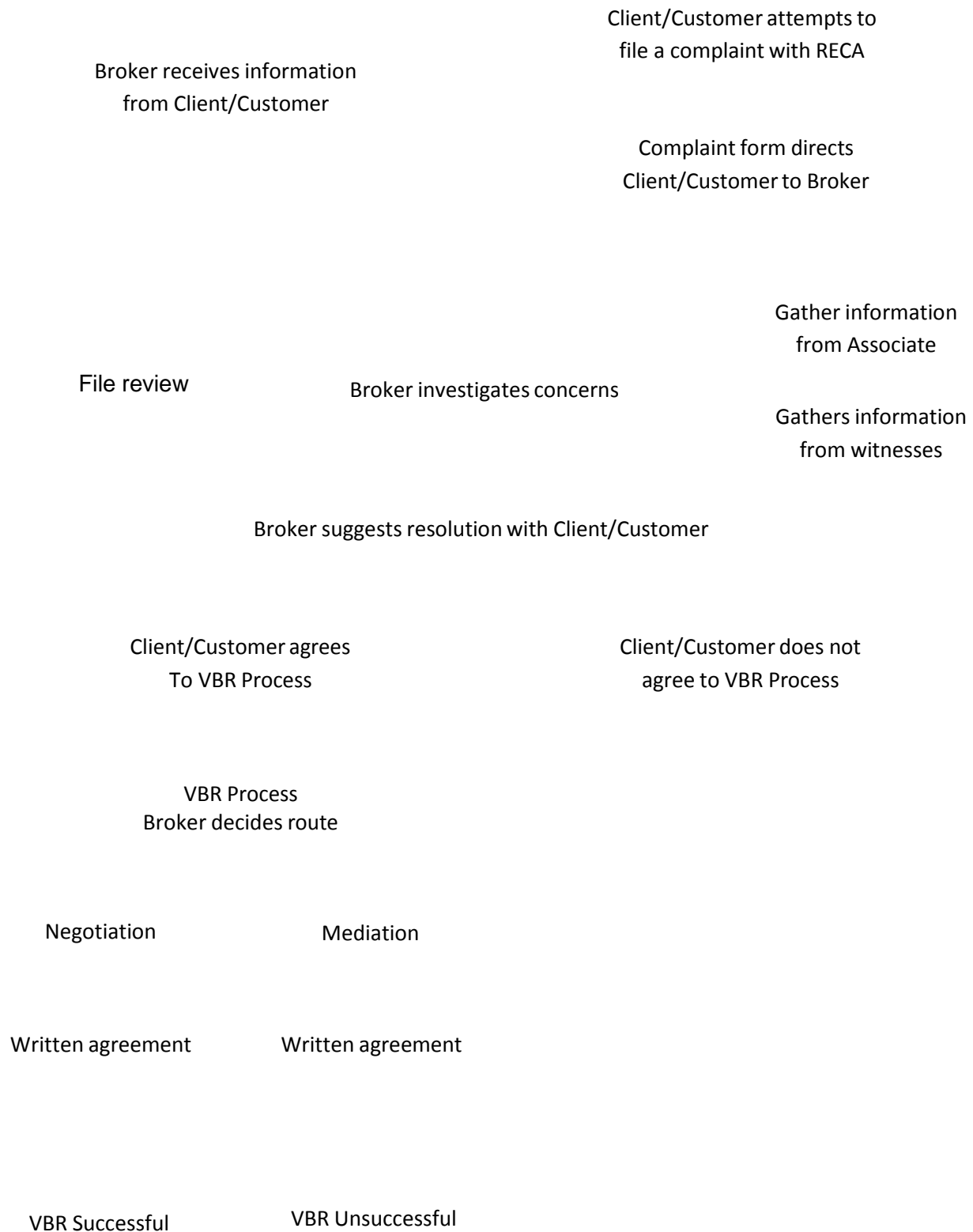
1-888-425-2754

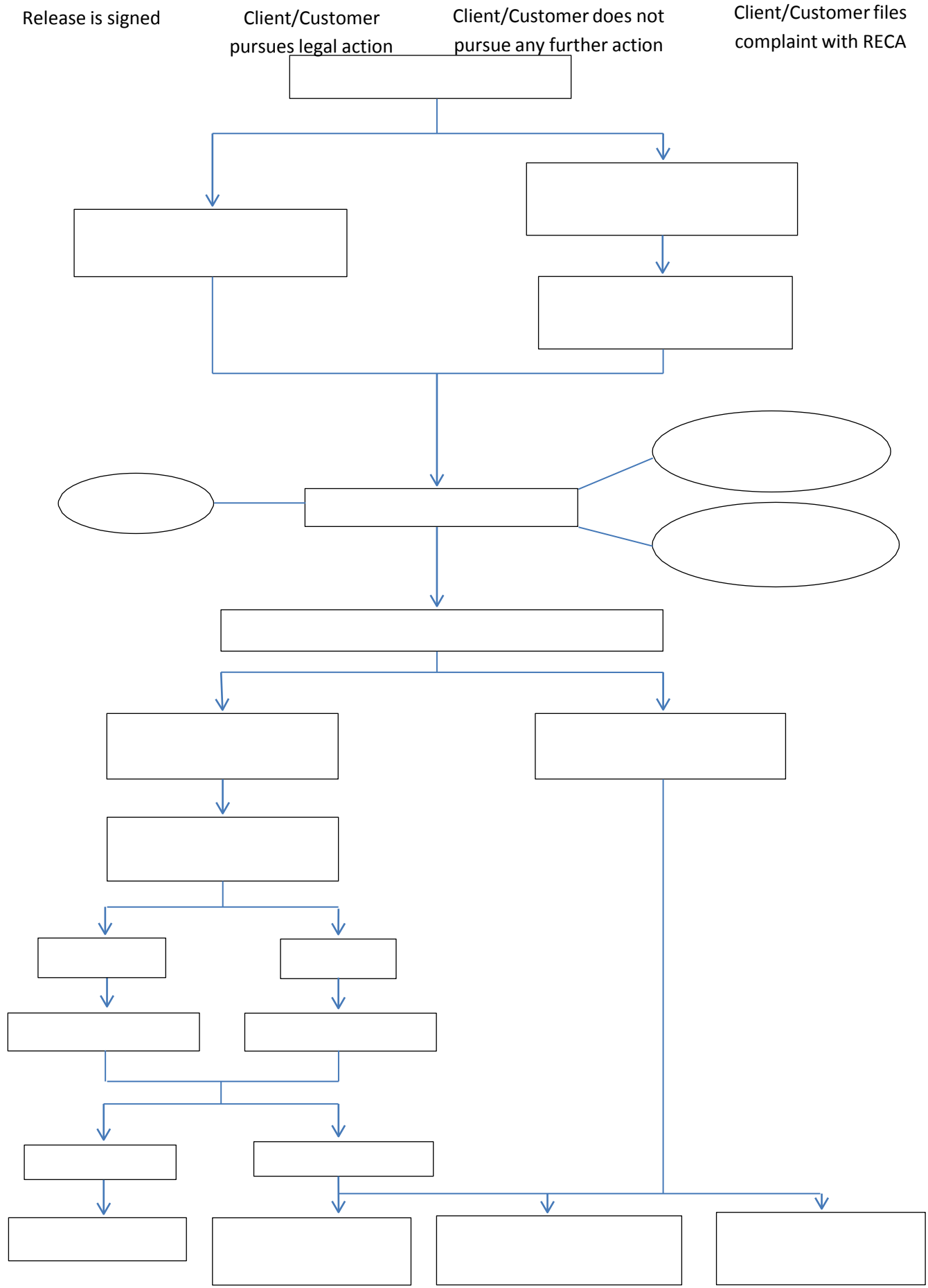
F: (403) 228-3065

www.reca.ca

VBRP Flow Chart: Prompted by Client

Client/Customer is dissatisfied





VRP Flow Chart: Prompted by Investigation

Client/Customer files complaint with RECA

RECA commences an investigation

RECA notifies Broker of investigation

Gather information
from Associate

File review

Broker investigates concerns

Gathers information
from witnesses

RECA suggests Voluntary Broker Resolution

All parties agree to Voluntary
Broker Resolution

Broker/Associate/Complainant does not agree

Voluntary Broker Resolution Process
Broker decides route

Negotiation

Mediation

Written agreement

Written agreement

VBR Successful

VBR Unsuccessful

