

FAST FACTS: RECA and Consumer Protection

- No one wants to be in a position where someone takes advantage of them. Any enforcement process takes time to investigate, gather evidence, and present to an independent body. If someone experiences misconduct, fraud, or harm, not only does it erode trust for the industry—it leaves a lasting impact.
- RECA works within a legislated framework established by the Government of Alberta. This sets out RECA's role in both protecting consumers, establishing, and enforcing rules that promote ethical business practices, and when necessary, enforcing standards.
- It is important to note that some aspects of the real estate industry fall under [RECA's oversight](#), and others are governed elsewhere. If a consumer is not aware of who protects their interests, RECA is happy to speak with them and direct them to the appropriate place.

To read some of RECA's helpful consumer protection tips and updates, please click [here](#).

- In addition to RECA's enforcement procedures, it also oversees the **Real Estate Assurance Fund (Fund)** — also referred to as the Consumer Protection Fund. This Fund compensates consumers for financial loss due to licensee fraud, breach of trust, or mishandling of trust funds when it involves "a transaction in the business of a licensee." Most claims paid in the past have related to the mishandling of trust funds.

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- The Fund's scope and compensation limits are set by Alberta legislation. To qualify for compensation when a licensee commits fraud, consumers must first obtain their own final, certified court judgment first. Legislation has established the Fund as a last-resort remedy—available only after civil proceedings are complete.
- When someone applies for potential compensation under the Fund, a few things must happen.
 1. RECA will communicate with potential claimants (and/or their legal representative). RECA provides claimants with the required forms, documentation lists, and information on compensation limits. If additional information or clarification is required, RECA will request it directly.
 2. Each claim must be reviewed individually because each circumstance is unique, which takes time to ensure a thorough understanding of the facts of each file before a decision can be made.
 3. Once a claim has been reviewed against the requirements of the Fund (as outlined in legislation and findings from the courts or independent Hearing Panels) — RECA will notify potential claimants whether their claim qualifies.
- General information on the Fund can be found at:
<https://www.recaprotects.ca/consumer-protection-fund>.
- The Fund is supported by fees paid by licensees. It is audited annually by an independent external auditor to ensure sound management and compliance with the *Real Estate Act* and *Ministerial Regulation*.

Since 1985, the REAF has provided over \$3.6 million in compensation.