



Government of  
Western Australia

# Complaint handling guidelines

for the settlement and real estate industries



**REBA**  
Real Estate & Business Agents Supervisory Board



## **Introduction**

This booklet has been developed by the Real Estate and Business Agents Supervisory Board (REBA) and the Settlement Agents Supervisory Board (SASB). REBA and SASB are the statutory authorities responsible for regulating the real estate and settlement industries in Western Australia.

This booklet presents general recommendations that are considered essential for the internal management of complaints by real estate and settlement agencies in Western Australia. It is hoped these guidelines will assist agencies to develop and implement their own internal complaints handling process.

## **Acknowledgements**

Use of the following principal reference materials is acknowledged in the drafting of this manual:

- Complaints handling (AS 4269—1995).
- Customer satisfaction—Guidelines for complaints handling in organizations (AS ISO 10002—2006).
- *Review of Complaint Handling and Dispute Resolution in Real Estate in Victoria*, 1 May 2001 by Logie-Smith Lanyon.
- *The Art of Giving Quality Service* by Mary S Gober.
- *Making Legal Compliance Work* by Brian Sharpe.

## **Disclaimer**

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## The internal complaints handling process

### Why have a complaints handling process?

REBA and SASB recognise that even the best run real estate or settlement agency may receive complaints from time to time. If handled properly, complaints can provide valuable feedback on agency practice.

Handling complaints well is good for business. Research shows that around 90 per cent of customers who have a problem and **do not** complain stop doing business with the agency. Around 50 per cent of customers who **do** complain continue to do business with the same agency. This percentage is higher when complaints are handled well. An agency that makes it easy for customers to express a complaint therefore has a much greater chance of retaining that customer or having the customer recommend the agency to others.

An internal complaints handling process provides the framework for an effective and consistent process for dealing with any complaints received and ensures that complainants are dealt with in a fair and courteous manner. The Boards' experience is that unresolved problems often result in formal complaints being lodged with REBA or SASB.

Sometimes complainants may be satisfied by a small reimbursement for expenses or lost income caused by what they believe is the error of an employee of an agency. Agents

would do well to give consideration to the monetary value of their time and how much of it may need to be spent defending themselves against the allegations of a dissatisfied customer. Incorporating provisions for compensation in a complaints handling process can actually be cost effective in the long run.

Improving the complaints handling process therefore has benefits for consumers, government regulators and agents. For real estate and settlement agents, it can lead to enhanced customer perceptions of individual agencies as well as of their industries as a whole. REBA and SASB therefore encourage all agents to implement the complaints handling process outlined in this booklet as a matter of priority.

### An early warning device

An effective complaints system is an integral part of every agency's feedback system. A large number of complaints is a reliable indicator that something is wrong or that employees may not be fulfilling all of their duties.

Real estate agents and settlement agents are not required by law to have an internal complaints handling process to resolve consumer complaints, however, the establishment of an internal complaints handling process can benefit both the agency and its customers.

An internal complaints handling process can generate useful customer feedback that may be utilised to improve the service provided by the agency.

## Attitudes to complaints generally

Agents sometimes consider receiving complaints as a painful, awkward situation that they hope will not happen to them. As a result, they may handle complaints with fear, embarrassment and defensiveness. These attitudes may lead to rude behaviour towards complainants or attempts to shift blame elsewhere, without agency practices or areas of concern being reviewed and addressed where appropriate.

Customers may also develop negative attitudes towards agents. They may be reluctant or embarrassed to confront the agent or angry at having to spend time and effort in trying to solve a problem. Furthermore, the inconvenience and expense involved in lodging a complaint may make customers feel resentful towards the agent. Customers often decide simply to take their business elsewhere.

Agents must develop two basic attitudes:

- a view that complaints are useful; and
- a commitment to remaining calm when dealing with angry customers.

## Purpose of an internal complaints handling process

The purpose of an internal complaints handling process is to:

- enhance the customer/agency relationship by expediting resolutions;
- recognise, promote and protect customers' rights, including the right to comment and complain;
- provide an efficient, fair and accessible mechanism for resolving complaints without losing customers;
- provide information to customers on the complaints handling process of the agency;
- facilitate the monitoring of complaints to improve the quality of service;
- enable the agency to maintain confidence in the quality of its service;
- assist agency licensees to comply with the requirement to supervise their employees;
- provide agents with the confidence to cope with complaints and angry customers; and
- promote consistency in handling complaints.

## Essential elements of an internal complaints handling process

An effective internal complaints handling process contains a number of key elements. These are set out below.

## 1. Commitment by the agency

Commitment by the agency to the proper handling of complaints is demonstrated by:

- a written policy on complaints handling available to agency staff so that they are aware of the procedures that will be followed when complaints are made about them;
- a culture that acknowledges customers' right to complain and which actively solicits feedback from customers;
- a positive attitude by every employee and principal of the agency to resolve complaints fairly and efficiently; and
- a feeling of confidence by complainants that they can utilise an agency's internal complaints handling process without fear of reprisal from the agent.

## 2. Fairness

Fairness includes the right of complainants to:

- have their complaint heard;
- provide and request all relevant information to support their complaint;
- be informed of the agency's response;
- be informed of the agency's decision and the reasons for that decision; and
- have their complaint dealt with confidentially, or on a 'without prejudice' basis, as a standard procedure.

The person against whom the complaint is made must have the right to:

- place all relevant information before the person investigating the complaint;
- state their point of view and recollection of events; and
- be informed of the decision and the reasons for that decision.

## 3. Resources and training

Implementation of an internal complaints handling process involves a commitment on the part of an agency to:

- devote sufficient resources to complaint handling;
- train and support staff responsible for implementing the internal complaints handling process, to ensure they are knowledgeable about the industry and have good complaint handling, communication and problem solving skills;
- ensure staff charged with the responsibility for implementing the internal complaints handling process of the agency are trained to be fair and impartial; and
- ensure the person responsible for administering the internal complaints handling process has sufficient authority to deal with the process effectively.

#### 4. Availability and access to information

The process must be accessible to all, free of charge and well publicised. It should include information to customers about their right to complain. To facilitate this there must be:

- information on how, when, where and to whom to make complaints;
- information about the internal complaints handling process, prominently displayed; and
- information about an uncomplicated process, in plain English and other languages where appropriate.

A complaint form template is provided at the end of this booklet which you can modify to suit your needs.

#### 5. Responsiveness

Complainants must be:

- advised who is handling their complaint;
- advised how long the complaint-handling process is expected to take;
- kept informed of progress on a regular basis; and
- treated courteously at all times.

#### 6. Remedies

Complaints and their outcomes must be recorded. Some of the possible remedies include:

- providing information to the complainant;
- an apology to the complainant;

- a goodwill gift or token;
- providing compensation to the complainant; and
- referring the complainant to appropriate government or non-government agencies.

#### 7. Accountability

The internal complaints handling process must be managed effectively so that:

- performance criteria are set, including the use of complainant satisfaction surveys or other methods of obtaining feedback;
- performance against the internal complaints handling process is monitored and evaluated;
- reports on complaints are reviewed by management periodically to identify recurring or systemic problems within the agency;
- managers and staff who are responsible for administering the agency's internal complaints handling process are accountable for their performance and assessed against best practice benchmarks; and
- regular independent auditing of the process is undertaken.

#### 8. Review of the process

The process must be reviewed regularly to ensure that it is effectively meeting the needs of the agency and its clients.

## Key steps in establishing an internal complaints handling process framework – a checklist

The following are essential steps in setting up an internal complaints handling process.

1. Establish the internal procedure that will be followed when dealing with complaints. This should be in the form of a written policy and made available to agency staff.
2. Train staff responsible for implementing the internal complaints handling process to ensure they are knowledgeable about the industry and have good communication skills. Ensure staff are trained to be fair and impartial when dealing with complaints.
3. Ensure customers are made aware of their right to complain and the procedure for making a complaint is uncomplicated and well publicised. This could include a short sentence on a visible sign or at the bottom of correspondence along the lines of:  
*We value your feedback – please don't hesitate to let us know if you are not satisfied.*  
A complaint form template is provided at the end of this booklet which you can modify to suit your needs.
4. Establish guidelines for keeping the complainant informed of progress on a regular basis. The complainant should be advised

who is handling their complaint and how long the procedure is likely to take.

5. Formulate a list of possible remedies for dealing with complaints and develop a system for recording complaints and their outcomes to ensure consistent responses.
6. Establish a system for evaluating the internal complaints handling process by incorporating performance criteria and a method for monitoring performance via customer feedback.
7. Schedule a regular review of the internal complaints handling process to ensure it is still meeting the needs of both the agency and customers.



## How to deal with a complaint

If your agency has established an internal complaints handling process and someone wishes to lodge a complaint, you may find yourself dealing with a customer on a one-on-one basis. Here are some tips to follow to make sure it goes as smoothly as possible.

### Step one - Listen without interrupting

- Regardless of the attitude of the complainant, listen without interrupting as this is likely to defuse the complainant's emotions.
- Write down all the relevant information.
- Don't argue or deny anything.
- Consider having an independent mediator attend and take notes.
- Just listen.

### Step two - Don't get defensive

- Regardless of a complainant's exaggeration or accusations, don't get defensive.
- Don't start an argument or fight back. If a complainant is abusive or loud and threatening, politely ask the complainant to calm down. Explain that it will help you find a solution if they calm down and explain from the beginning exactly what happened.

While you should be at your patient best in letting a complainant express frustration, you are not expected to take persistent abuse or threatening behaviour and have a right to withdraw from such situations.

- If the complainant's discussion becomes too long, you can ask:  
*May I summarise what I understand to be the problem, and then we can try to solve it, okay?*

- Under **no** circumstances should you use 'fight' words or phrases such as:

*You don't know what you're talking about.*

or

*Don't be such an idiot.*

### Step three - Respond with words such as sorry, glad, sure

- Use statements like:

*I'm sorry there is a problem.*

*I'm glad you're raising this with me so that I can help you.*

*I'm sure we can work this out to your satisfaction.*

- In acknowledging the complainant's concerns, be careful not to immediately accept liability for the problem. Avoid apologising for a mistake until you are sure an apology is warranted.

### Step four - Express empathy

- Show that you understand the complainant's feelings.

You can say something like:

*That (the problem) must have been frustrating for you. I can understand how you might get upset and angry in that kind of situation.*

This kind of statement may help to calm the complainant.

Hopefully, by now the complainant is willing to work with you in trying to find a solution.

### **Step five - Ask questions to ensure you understand the problem**

Summarise the information received from the complainant so far.

- Ask questions if you need more information.
- Confirm all the relevant information with the complainant.
- Obtain the complainant's agreement on specifically what the problem is.

### **Step six - Find out what the complainant wants**

- Ask the complainant what they want you to do or what they hope will happen regarding the complaint.
- If all the complainant wants is to vent anger/frustrations and have someone listen empathetically, express your appreciation to them for raising the complaint with you.
- If the complainant wants something specific, find out exactly what it is.
- Be sure that you understand what the complainant wants and confirm your understanding with the complainant.

### **Step seven - Explain what you can do**

- If you can do what is requested, do so immediately. If you cannot do what is requested, consider the alternatives.
- If you require further information or need to speak with other parties involved before offering alternatives, advise the complainant and confirm with them a date by which you will respond.

### **Step eight - Discuss the alternatives and agree on the action**

- Present all the alternatives to the complainant.
- Advise the complainant of the advantages and disadvantages of each alternative.
- If none of the alternatives are acceptable to the complainant and you have reached the limit of your delegated authority, get someone of higher authority involved in the process.
- Now agree on a course of action. The complainant should be in no doubt about:
  - who they will deal with to resolve the complaint;
  - what will be done to resolve the complaint; and
  - when the complaint will be resolved.

This will inspire the complainant's confidence in the process.

### **Step nine - Take action immediately**

- Take immediate action to implement the agreed solution.
- If there are to be delays or deviations, inform the complainant immediately.
- In these circumstances you must negotiate a new plan of action with the complainant.

### **Step ten - Follow up to ensure customer satisfaction**

- After the complaint has been resolved, contact the complainant to ensure that the solution was satisfactory.
- Thank the complainant in anticipation of their continued business.
- Express your appreciation for the complaint and the opportunity it presented to allow your agency to correct the problem.
- If applicable, advise your manager of the complaint and file your report to ensure that full and complete records of the complaint are kept.
- Ensure that the management of the agency reviews complaint records periodically to identify any recurring problems involving agency practice in general or the behaviour of individual employees.

### **External resolution**

Sometimes complaints fail to be resolved internally. In such cases, you may consider using an external mediator. This may be necessary if communication barriers exist between the parties.

In the case of the real estate industry, when consumers lodge a formal written complaint with REBA the Registrar may refer the matter for conciliation where the breach identified is of a suitable, minor nature and both parties are willing to participate. Conciliation is a free, voluntary service where a Board conciliator mediates proceedings between the parties, helps in the conduct of negotiations for financial compensation, and if possible, assists the parties to reach an agreement



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**Real Estate and Settlement Advice Line: 1300 30 40 64**

(for the cost of a local call statewide)

**National Relay Service 13 36 77**

**Quality of service feedback line: 1800 30 40 59**

**Translating and Interpreting Service: 13 14 50**

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