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Title News

American Land Title Association
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Owner's Policy of the
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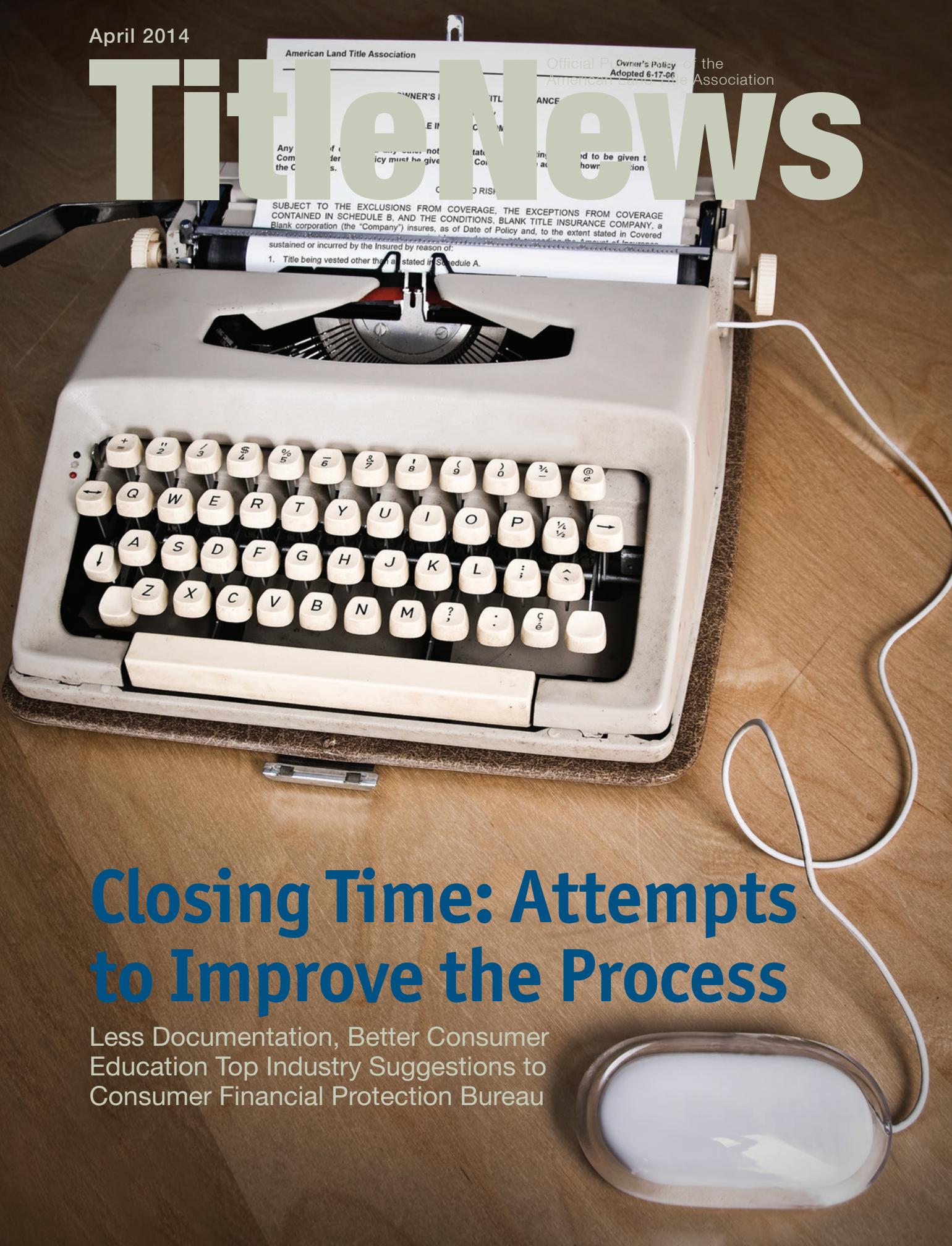
OWNER'S TITLE INSURANCE
E I I C O M W
Any of c rly own not tate in d to be given t
Com fer cy must ha give Co ac how
the C s.
C O R I S H

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE
CONTAINED IN SCHEDULE B, AND THE CONDITIONS, BLANK TITLE INSURANCE COMPANY, a
Blank corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered
sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.

Closing Time: Attempts to Improve the Process

Less Documentation, Better Consumer
Education Top Industry Suggestions to
Consumer Financial Protection Bureau



Consumer Complaint Management: Making Your Business Better

Once a Good Business Practice, Responding to and Documenting Customer Issues Has Become an Important Compliance Metric

BY KRISTA ARCE

People do business with people they know and trust, so every interaction with a customer presents an opportunity to earn repeat business. When customers have great experiences, they are more likely to tell their friends or associates about them. But what if something didn't go as well as they expected? You still have an opportunity to build trust and keep your customer happy by the way you handle the complaint. The act of building and reinforcing positive customer relationships is at the very heart of the title industry, where all eyes are on consumers and their experiences with settlement service providers. These experiences are affected by the manner in which a company captures, manages and resolves complaints. What was once just a good business practice has now become an important compliance metric as well.

Title agents are part of consumer financial services and a third-party

provider to lenders in the mortgage industry. Agents can better serve their lender customers if they help them meet their third-party

■ “Feedback is the food of champions.”

— Ken Blanchard, author and management expert

oversight requirements—including the handling of consumer complaints. In 2013, the American Land Title Association (ALTA) released its Best Practices Framework to help its members highlight the policies and procedures the industry uses to protect lenders and consumers. Part of that framework includes guidelines for ensuring a positive and compliant real estate settlement experience for all parties to the transaction.

Best Practice No. seven specifically encourages agents to adopt and maintain written procedures for consumer complaint intake, documentation and tracking.

Effective Complaint Management is Just Good Business

Until recently, the title and settlement industry has not had guidelines in place for effective complaint management. Most title agents quickly resolve customer issues without documenting the actual complaint, the steps taken to resolve it or the final outcome. Often, companies notify customers that their complaints have been resolved, but do

not verify that they are satisfied with the resolution. Companies that fail to formally manage their complaints are missing an important opportunity to strengthen their business.

When asked what it really takes to improve a customer's experience, Paul Martin, director of compliance and strategic initiatives of United Lender Services Corp., “consumer complaints should be seen as an

opportunity for free and pointed process improvement advice.”

“The best way to improve a consumer’s experience using a complaint management process is to ensure genuine issues are quickly identified and properly handled. A speedy response to a complaint with a positive approach, and where possible, a demonstration that the issue provided process improvement is invaluable. Individuals like to be part of an improvement process, they feel their experience and opinion matter,” Martin continued. “In the rare instances where we have had

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a complaint reported to us, the consumer sentiment after the matter has been resolved has generally been positive. Mobile phone companies learned this years ago—to great effect.”

By listening to your customers, you will gain valuable insight into their motivations, which can help you deliver better service. Customers like to feel they are part of the overall business improvement process.

A successful complaint management system allows you to analyze important information and apply lessons you’ve learned in the process, resulting in a more efficient and successful business operation.

Actively Solicit Feedback from Your Customers

In order to receive feedback from your customers you should ask specific questions. Posting a feedback form on your website is a great place to start. Let your customers know that you would like their honest feedback on the service your company provided.

With the wide use of social media, managing customer complaints quickly becomes more important. It also becomes more difficult. Social media complaints appear in an instant and require immediate response. Any

negative public comments put your reputation at risk, but those that appear on social media platforms can also negatively impact your search engine optimization. Not to mention that they are often the first thing a customer will see when they search for your company.

It’s important to think about how your customers might use social media to voice concerns. Questions to ask yourself when implementing an overall customer complaint strategy include: Do you have a process in place to review and respond in real time to comments on your social media platforms? Are you actively engaged with customers when

ALTA Best Practice Pillar No. Seven: 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.

Procedures to meet this best practice:

- Develop a consumer complaint intake, documentation and tracking process.
- Creating 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.

communicating your complaint management process to them?

“Client awareness via our website and each delivered product regarding a robust and effective escalation management process is essential to

Harmony Title Agency in keeping potentially negative feedback out of the social media world,” said Victor Hutchins of Harmony Title Agency.

Online rating sites such as Yelp, provide additional channels for customers to review their business relationships. A poor review can be difficult to overcome. Reputation management is often overlooked because it is so difficult to predict and control what others say about your company. As a result, social engagement suffers. By not addressing a negative post or a critical comment, you run the risk of endorsing the statement by staying silent.

The Need For a Complaint Management System

Business productivity author H. James Harrington said, “Measurement is the first step that leads to control and eventually to improvement. If you can’t measure something, you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it, you can’t improve it.” While he may not have specifically referred to customer interactions, this principle applies to an effective complaint management program. You need a system that captures, tracks, measures and understands what is happening when a customer brings a complaint to your company.

An effective complaint management system allows you to better track your own business while looking for ways to improve processes, customer service and overall efficiency. Without such a system, complaint resolution is left to chance and manual record keeping.

By analyzing the data created through a centralized complaint

management system, you can better determine your organizations’ strengths and weaknesses. This valuable information allows you to identify key opportunities to improve your business practices as well as overall customer service.

retain customers, which is always the cheapest way to build a business. It helps minimize legal risk, regulatory risk and reputational risk. That’s a very positive development and we are strongly encouraging and applauding that wherever we see it.”

The entire real estate finance

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Putting It All Together

ALTA’s Best Practices were developed to help establish baseline business practice expectations for agents. These guidelines also provide agents with an opportunity to stand out among their peers by adopting a higher standard of service. In an industry where quality of service is a primary differentiator, it is essential for agents to establish procedures and systems that measure the quality of their service from their customers’ viewpoint. An effective complaint management system can help agents measure success, identify ways to improve their business and help their lender customers meet their compliance requirements.

When asked about the Best Practices, CFPB Director Richard Cordray focused his response on effective consumer complaint management, saying that “it builds excellent customer service and helps

industry has become intensely focused on the consumer. Title agents who intend to succeed in this new environment need to make complaint management a priority for their business. Not only is this important from a compliance perspective, but it also helps agents provide a level of service that distinguishes them from their peers.

The rules of engagement with the consumer have changed. Each company in the industry food chain is required to provide its customers with better service. This elevated standard of consumer care gives all firms an opportunity to improve their business. ■



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