SOP: Service Recovery and Compensation Protocol

This SOP details the **service recovery and compensation protocol**, outlining steps for identifying service failures, addressing customer complaints promptly, assessing the impact of the issue, and determining appropriate compensation measures. It ensures a standardized approach to restoring customer satisfaction, maintaining brand reputation, and preventing future service disruptions through continuous feedback and improvement.

1. Purpose

To establish a standardized procedure for identifying, responding to, and resolving service failures, including determining and issuing appropriate compensation to affected customers.

2. Scope

This protocol applies to all customer-facing staff and managers responsible for service delivery and after-sales support.

3. Responsibilities

- **Frontline Staff:** Detect and report service failures, initiate immediate recovery steps.
- **Supervisors/Managers:** Investigate complaints, approve compensation, and oversee resolution.
- **Customer Service Department:** Track complaints, monitor trends, and recommend improvements.

4. Procedure

1. **Identify Service Failure**
   - Monitor service delivery channels and feedback mechanisms.
   - Log all customer complaints promptly.
2. **Immediate Acknowledgement**
   - Acknowledge the issue to the customer within 24 hours.
   - Express empathy and assure prompt action.
3. **Investigate and Assess Impact**
   - Review the complaint details and gather relevant information.
   - Assess the impact on the customer (e.g. time, financial loss, inconvenience).
4. **Determine Compensation**
   - Refer to the compensation guidelines table below.
   - Obtain necessary approvals, if required.
5. **Implement Recovery and Compensation**
   - Communicate the resolution and compensation to the customer.
   - Deliver compensation and confirm satisfaction.
6. **Closure and Feedback**
   - Close the complaint in the system.
   - Request customer feedback on the recovery process.
7. **Continuous Improvement**
   - Review recurring issues and update procedures as necessary.
   - Report trends to management for action.

5. Compensation Guidelines

Severity of Issue	Example Scenario	Compensation Options	Approval Level
Minor	Brief service delay, minor product defect	Apology, Discount, Loyalty points	Frontline Staff
Moderate	Repeated inconvenience, significant delay	Partial refund, Free upgrade, Gift voucher	Supervisor
Major/Critical	Service outage, financial impact, data breach	Full refund, Service credit, Formal apology letter	Manager

6. Documentation

- Maintain a record of all incidents, actions taken, and compensation issued.

- Document lessons learned for future reference.

7. Review

This SOP will be reviewed annually or following a major incident to ensure continued relevance and effectiveness.