

SOP: Managing Product Returns, Exchanges, and Refunds

This SOP details the processes for **managing product returns, exchanges, and refunds**, including customer request handling, verification of return eligibility, quality inspection of returned products, processing exchanges or refunds, updating inventory records, and communicating with customers throughout the procedure. The goal is to ensure a smooth, efficient, and customer-friendly approach while maintaining accurate financial and inventory control.

1. Scope

This SOP applies to all returned products, exchange requests, and refund processes for customers.

2. Responsibilities

- **Customer Service Team:** Handles initial requests, communications, and updates customers.
- **Returns & Inspection Team:** Validates eligibility, inspects returned items, and updates inventory.
- **Finance Team:** Processes financial transactions for refunds.
- **Warehouse Team:** Manages returned stock and exchanges.

3. Procedure

1. Customer Request Handling

- Receive return, exchange, or refund request via email, phone, online portal, or in-person.
- Acknowledge request within 1 business day.
- Request necessary details: order number, reason for return, product condition, and customer contact information.

2. Verification of Return Eligibility

- Check if product falls within the return/exchange period as per company policy.
- Verify against exceptions (e.g., final sale, used or damaged products not covered by warranty/return terms).
- Communicate approval or denial of eligibility to customer with clear reasons if ineligible.

3. Return Logistics

- Provide customer with return instructions and shipping label if approved.
- Track return shipment.

4. Quality Inspection of Returned Products

- Inspect returned product upon receipt for condition, completeness, and reason for return.
- Document inspection findings with photos and notes.

5. Processing Exchanges or Refunds

- If eligible, process exchange order or initiate refund within 2 business days of inspection approval.
- Notify warehouse to fulfill and ship exchange, if applicable.
- Finance team confirms/executes refund to original payment method or as store credit.

6. Update Inventory and Records

- Adjust inventory levels for returned and exchanged items in the inventory management system.
- Update order status in the order management and CRM system.

7. Communication with Customer

- Send regular updates throughout the process (approval, item received, exchange/refund processed, completion).
- Provide final confirmation once the process is complete.

4. Documentation

- All return/exchange/refund requests and outcomes must be logged with supporting documents.
- Maintain inspection reports, customer communications, and transaction confirmations for audit purposes.

5. KPIs & Review

- Monitor average processing times and customer satisfaction ratings.
- Regularly review processes to identify improvements or policy updates.