

SOP: Compensation and Goodwill Gesture Criteria

This SOP defines the **compensation and goodwill gesture criteria** used to assess and determine appropriate financial or non-financial remedies offered to customers or clients in response to complaints, service failures, or other situations warranting compensation. It establishes clear guidelines for eligibility, evaluation processes, approval levels, and communication protocols to ensure fair, consistent, and transparent handling of goodwill gestures, enhancing customer satisfaction and maintaining organizational reputation.

1. Purpose

To provide a structured process for evaluating and administering compensation and goodwill gestures in response to customer-impacting issues.

2. Scope

- Applies to all employees handling customer complaints or service failures.
- Covers all products and services offered by the organization.
- Excludes cases subject to legal proceedings or regulatory action.

3. Definitions

- **Compensation:** Financial remedies provided to customers to redress service failures or errors.
- **Goodwill Gesture:** Non-financial or nominal-valued token (e.g., vouchers, discounts, apologies) offered to maintain customer goodwill.
- **Service Failure:** An incident where services did not meet expected levels or contractual obligations.

4. Eligibility Criteria

- Customer experienced a recognized service failure or demonstrable inconvenience attributable to the organization.
- No prior resolution or compensation provided for the same issue.
- Claim submitted within defined timeline (e.g., 30 days from incident).
- No evidence of fraudulent intent or customer negligence.

5. Evaluation Process

1. Receive and record complaint or claim in the customer management system.
2. Investigate facts to ascertain responsibility and impact.
3. Assess eligibility based on established criteria.
4. Determine appropriate remedy per matrix below.
5. Document findings and proposed resolution for approval.

6. Compensation & Goodwill Gesture Matrix

Category	Example Scenarios	Remedy Type	Standard Amount/Value	Approval Level
Minor inconvenience	Short service delay, minor error with no financial loss	Goodwill Gesture	\$10–\$20 voucher or equivalent	Supervisor
Moderate impact	Extended delay, moderate inconvenience, minor financial loss	Compensation + Gesture	Up to \$100 refund or service credit	Manager
Significant impact	Major error, significant financial/contractual breach	Compensation	Full or partial reimbursement (case-by-case)	Department Head

7. Approval & Escalation

- Frontline staff may authorize standard goodwill gestures up to preset limits.
- Escalate to manager or department head for higher-value compensation, complex, or repeat cases.
- All exceptions require written justification and senior management approval.

8. Communication Protocols

1. Provide written acknowledgment of the complaint within 2 business days.
2. Communicate outcome clearly, specifying the remedy offered and rationale.
3. Ensure documentation of all decisions in the customer management system.

9. Review and Monitoring

- Track all compensation and goodwill gestures issued for audit and trend analysis.
- Review SOP annually or following significant incidents/feedback.

10. Document Control

- **Version:** 1.0
- **Effective Date:** [Insert Date]
- **Review Date:** [Insert Date]
- **Owner:** [Department/Name]