

BSB 7.0

**BSBOPS305**

**PROCESS  
CUSTOMER  
COMPLAINTS**

# **BSBOPS305**

## **Process customer complaints**

Release 1

## **Learner Guide**

Aspire Version 1.1



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## Before you begin

This Learner Guide is based on the unit of competency *BSBOPS305 Process customer complaints*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: [www.training.gov.au](http://www.training.gov.au).

### How to work through this Learner Guide

This Learner Guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the Learner Guide you need to read, and which Practice Tasks and Learning Checkpoints you need to complete. The features of this Learner Guide are detailed in the following table.

Feature of the Learner Guide	How you can use each feature
Learning content	Read each topic in this Learner Guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples	These highlight key learning points and provide realistic examples of workplace situations.
Practice Tasks	Practice Tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Summaries	Key learning points are provided at the end of each topic.
Learning Checkpoints	There is a Learning Checkpoint at the end of each topic. Your trainer will tell you which Learning Checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.

## Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table provides definitions for each foundation skill.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> <li>Identifies and interprets textual information to determine legislative, regulatory and organisational requirements</li> </ul>
Writing	<ul style="list-style-type: none"> <li>Documents complaints and actions taken according to organisational requirements</li> <li>Records spoken information clearly and accurately for future reference</li> </ul>
Oral communication	<ul style="list-style-type: none"> <li>Presents or requests information using words and non-verbal features appropriate to the audience and context</li> <li>Uses listening and questioning techniques to gather information and confirm understanding</li> </ul>
Planning and organising	<ul style="list-style-type: none"> <li>Takes responsibility for planning, sequencing and completing tasks to achieve required outcomes</li> <li>Follows organisational communication practices and procedures when referring complaints, seeking advice or negotiating outcomes</li> </ul>
Problem-solving	<ul style="list-style-type: none"> <li>Addresses less predictable problems applying problem solving processes in determining solutions that meet organisational requirements</li> </ul>
Technology	<ul style="list-style-type: none"> <li>Uses the main features and functions of digital tools to complete work tasks</li> </ul>

## What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1: Receive complaints	1A Assess complaints and inform stakeholders	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Document complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2: Process complaints	2A Escalate complaints according to workplace policy	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Prepare information to resolve complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3: Resolve complaints	3A Identify implications of complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Analyse and propose options to resolve complaints	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Escalate complaints when a solution cannot be determined	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident



## Topic 1 | Receive complaints

- 1A Assess complaints and inform stakeholders
- 1B Document complaints

# 1A Assess complaints and inform stakeholders

Customer complaints, if handled successfully, can provide an opportunity for an organisation to identify its strengths and weaknesses, and improve its products and services.

Every organisation, no matter how efficient, well-organised and productive it is, will receive customer complaints. These may be via phone, email, personal visits, negative reviews or feedback forms. The way in which an organisation responds to negative feedback can have a significant impact on future success. Therefore it is crucial that customer complaints are handled well, resolved promptly, recorded and reviewed.

Dealing effectively with complaints can help an organisation:

- identify weaknesses
- improve performance
- avoid reputational damage
- improve its image
- retain existing customers
- attract new customers.

## Types of complaints

A complaint is any form of communication from a customer that expresses dissatisfaction.

The types of complaints an organisation receives depend on what kind of business it is, what the products and services it offers are, how big it is and what level of customer service it provides. For example, financial or community services companies dealing with lots of customers on a daily basis are more likely to receive regular complaints than small businesses with niche-market products or services.

The number of complaints an organisation receives depends on its attitude towards customer service as well as the skills of its employees in handling difficulties. Many organisations have a customer service charter that states the standard of performance customers can expect to receive. This helps customers understand when they may have a right to complain and helps staff know what level of service they should provide.

Typical situations when a customer may have the right to complain include:

- The organisation fails to deliver a promised service.
- The service provided is below the standard outlined by the organisation.
- A product does not comply with safety regulations.
- The organisation has discriminated against its customers.
- The organisation has violated a customer's right to privacy.

## Example

### Customer charter

Below is an example of a customer charter that outlines what customers can expect when dealing with the organisation.

#### Our customer commitment

##### Good service EQUALS good business

So we will:

- Serve you respectfully and efficiently.
- Welcome you warmly and thank you sincerely.
- Be knowledgeable about our products and services.
- Welcome your comments and deal with any problems quickly.

You can help us by:

- Giving us all the information we need to help you best.
- Letting us know if you have any special needs.
- Telling us how we can improve our services.
- Asking us to explain anything you are not sure of.

## Assess the customer complaint

Complaints need to be assessed to determine the customer's issue, any potential impact to the business and any solutions that need to be actioned.

Assessing a customer complaint means gathering relevant and reliable information to properly understand the issue.

This helps you understand the context of the customer's issue, potential impacts to your organisation, how to resolve the complaint and how quickly you need to take action.

Assessing customer complaints includes answering the following key questions:

- Who has made the complaint? A customer, supplier, member of an association or board, colleague, someone from a government organisation?
- Why are they making a complaint?
- What is the underlying cause of the complaint?
- What is the customer looking for in terms of a resolution?
- What are the impacts to your organisation if the complaint is handled well?
- What are the consequences to your organisation if the complaint is handled poorly?
- Is the complaint due to simple dissatisfaction about a product or service?
- Does the complaint have potentially serious implications, such as a product recall or legal action?

Dissatisfied customers cost time and money. Most customers will work with the organisation to solve the issue; however some may take their complaint further and tell friends, write a negative online review, involve a consumer protection organisation or contact an ombudsman.

Depending on the nature of the complaint, it could be featured on social media, talkback radio or a current affairs show. All of these scenarios can harm an organisation's reputation.

However, if dealt with effectively, complaints can be valuable opportunities.

Dealing effectively with complaints can help an organisation:

- identify weaknesses
- improve performance
- avoid damage to its reputation
- improve its image
- retain existing customers
- attract new customers.

When receiving a complaint from a customer, you will need to use questioning and active listening skills to assess the key elements of the issue. Check your organisation's policy and procedures for complaint handling to ensure your response is consistent with required customer service standards for employees.

Questioning is the basis of identifying and understanding a customer's complaint. It prevents the person handling the complaint from making assumptions, and keeps the customer involved in the interaction.

Questions can be divided into two main types: open and closed.

## Open questions

Open questions allow the customer to use their own words and encourage thinking and reflecting.

They normally begin with, or use key words, such as:

- who
- where
- why
- what
- when
- how.

Examples of open questions include:

- ‘What types of issues have you been having?’
- ‘When would you like to have a replacement sent out?’
- ‘What tasks were you doing when the issue occurred?’
- ‘Why are you not happy with this product?’

## Closed questions

Closed questions only give the customer the choice of a few, limited, options and can be answered with ‘yes’ or ‘no’. They normally begin with, or use, key words, such as:

- can
- would
- which
- have
- does
- could
- are
- do.

Examples of closed questions include:

- ‘Do you want the product replaced?’
- ‘Which option would you like to choose?’
- ‘Do you have a preference between a repair or a replacement?’
- ‘Have you had this issue before?’

## Active listening skills

**Listening is one of the most important skills when handling and, in particular, assessing a complaint.**

When a customer has a complaint, the first thing you should do is listen with full attention, whether the customer is in front of you, or on the phone.

Sometimes customers need to express their frustrations before a complaint can be dealt with and processed. Remember to remain calm, even if the customer is speaking in a distressed or aggressive manner. Staying calm and showing you are interested and willing to listen may help soothe the situation.

If you are with a customer in a public area, there may be other people listening. If possible, take the complaining customer to a quiet area where your conversation is less likely to be overheard by other customers and members of the public. If you need to talk to the customer privately let a colleague know that you don't want to be interrupted. If the customer is talking to you on the phone, ensure there are no distractions and you are able to give them your full attention.

Use active listening skills to show the customer you are paying attention. This requires you to concentrate on what they are saying. For example, you can repeat things back to them to check you have heard correctly. You can also ask questions to clarify what has happened, why they are upset and to allow them to confirm their request.

If you are face to face with them, they will know you are listening by the way you nod or react. Make sure you use eye contact, if appropriate.

Don't interrupt the customer, talk over them, or complete their sentences as this is their opportunity to be heard. Taking over the conversation can also cause you to miss parts of what they are saying.

Participation in the listening process can be achieved through:

- asking probing questions to clarify information, such as the root cause
- eliminating distractions
- taking an interest in the customer's needs and showing empathy
- using appropriate body language to show you are paying attention
- summarising the information gathered.

## Consider your customers

When dealing with customer complaints, be aware of the person's age, sex, religion, culture and experience. Use language that is suitable based on what you see and hear. Ask the person how they prefer to be addressed, such as by their first name or surname.

If you are going to have an extended interaction with someone, such as when dealing with a complaint relating to complex or personal matters, you may need extra help in order to communicate effectively.

Be mindful of cultural factors such as:

- Types of nonverbal communication (body language), like looking someone in the eye, are appropriate in some cultures but not in others.
- There may be a protocol about who you should communicate with. For example, in some cultures you need to deal with the senior male family member.
- A person may not speak English well enough to discuss legal, medical or financial matters, even if they appear fluent in general conversation.

## Organisational policies and procedures

Most organisations have policies and procedures for receiving and assessing complaints that employees are required to follow.

Complaints must be processed in accordance with Australian Consumer Protection laws, as well as company policies.

### Example of an organisational complaint procedure

- Supervisors must refer staff complaints relating to WHS issues to the WHS officer. The complaint must be recorded in the WHS complaint logbook and the complainant must check and initial the logbook entry.
- The customer service team will acknowledge all customer complaints within 48 hours of receipt via email, telephone or letter. Email is the default option when the customer has not nominated a preferred form of response.
- Sales assistants must contact the floor manager if a customer wishes to return a faulty product or make a complaint about customer service.
- Department managers will analyse the complaints logs every week and prepare a monthly report for their staff and the management team.
- The customer service manager will review the complaints system twice a year as part of the continuous improvement cycle.

## Example

### Refund and exchange policy

Bathtime and Beyond displays its refund and exchange policy at the point of sale. There is a sign on all sales counters and on the online checkout page, as well as terms and conditions on its website. This is so all customers understand, before making a purchase, exactly when the company will, or will not, give a refund or exchange an item. This reduces or avoids complaints about their refund and exchange process.

#### Bathtime and Beyond: refund and exchange policy

##### Change of mind

If you are not fully satisfied with your new Bathtime and Beyond product, simply return it to the store where it was purchased, along with the receipt, within 14 days.

We will happily provide an exchange or refund, providing the product is in new condition. This means that the packaging has not been damaged, all labels/tickets are intact, and the product has not been used or damaged.

When providing a refund:

- if the product was purchased by cash, we will provide a cash refund
- if the product was purchased on card, we will credit your credit card or bank account with the refunded amount. Please note this can take up to five business days to be processed by your bank
- if you have purchased using Afterpay, refunds will be processed and credited to you via Afterpay after we process the return. Either the Afterpay payment schedule will be adjusted or payments to date will be completely refunded, depending on whether all the original order items are returned.

Please note that we are unable to offer change of mind returns on custom-made items, such as monogrammed bath robes.

We do not cover the cost of return postage for change of mind returns.

##### Faulty products

If a product is faulty or incorrect we will arrange a repair, refund or replacement in accordance with Australian Consumer Law.

We will reimburse the cost of return postage for faulty items and incorrect deliveries.

*Thank you for reading these conditions and for your understanding.*

## Relevant stakeholders

A stakeholder is any person who has an impact on, or is impacted by, the business's operations. Stakeholders can be internal or external and will vary depending on the organisation's structure, size and relationships. You can refer to your organisational chart and policies and procedures to identify your key stakeholders. The following table gives examples of some relevant stakeholders that may need to be involved in the complaints handling process.

Internal stakeholders	External stakeholders
<ul style="list-style-type: none"> <li>▪ The board of directors</li> <li>▪ Business owner/s</li> <li>▪ General manager</li> <li>▪ Chief executive officer (CEO)</li> <li>▪ Chief financial officer (CFO)</li> <li>▪ Department managers</li> <li>▪ Store manager</li> <li>▪ Team members</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government agencies</li> <li>▪ Customers/clients</li> <li>▪ Associates</li> <li>▪ Networks</li> <li>▪ Shareholders</li> <li>▪ Technical advisors</li> <li>▪ Consultants</li> </ul>

## Notify stakeholders about complaints received

Information about customer complaints will need to be reported to relevant stakeholders as determined by your organisational policies and procedures.

The appropriate stakeholders will need to be notified when a customer complaint has been lodged. You will probably notify your manager or team leader of a complaint or, if you work at a smaller organisation, you may need to inform the general manager or CEO. If it is a large organisation, there may be a specific complaints department.

Always check your complaint handling policies and procedures to see which relevant stakeholders you report complaints to and how to do so.

Stakeholders may be notified of a complaint by a:

- face to face conversation
- email
- phone call
- notification sent through an internal system, such as the client relationship management (CRM) system.

## Practice Task 1

### Question 1

---

Which of the following statements relate to assessing complaints? Tick all that apply.

- Listening skills help identify key elements of the issue.
- Following organisational policies for complaints handling will ensure consistency.
- Closed questioning helps the customer to describe their issue in their own words.
- Assessing complaints means collecting reliable information to understand the issue.
- Making eye contact and summarising information are examples of effective listening skills.

### Question 2

---

Which of the following are examples of open style questions? Tick all that apply.

- 'What types of issues have you been having?'
- 'When would you like to have a replacement sent out?'
- 'Which of the two options do you want?'
- 'What tasks were you doing when the issue occurred?'
- 'Can you bring the product in tomorrow morning?'

### Question 3

---

Which of the following statements about stakeholders are correct? Select yes or no for each one.

- |   |       |      |
|---|-------|------|
| a) You will know which stakeholders to notify about a complaint by reading the organisational complaints policies and procedures. | » Yes | » No |
| b) Customers and clients are internal stakeholders.   | » Yes | » No |
| c) The customer will advise you which stakeholder/s need to be notified of their complaint.                                       | » Yes | » No |
| d) Managers, business owners and team members are internal stakeholders.  | » Yes | » No |
| e) Stakeholders must always be notified in writing of any complaints received.  | » Yes | » No |

# 1B Document complaints

When receiving a customer complaint, you will need to document the key details.

Once you have responded to the customer and understood their issue, you must gather all the key information and report the matter so your organisation can begin working on a solution to fix the problem. This information must then be recorded in the customer database or another internal system and be written clearly and simply. For example, if you make notes about the complaint while the customer is on the phone, ensure your notes and documentation are in plain English and easy to understand.

It is important to record customer complaints because:

- management can develop formal reports on customer complaints that can be used to identify trends in service issues
- the record enables managers and other staff to follow up on the complaint, without having to ask for further information
- reports can be used to assess the level of customer satisfaction with the provided resolution.

## Document customer information

Organisations have different methods of record keeping and you should be aware of the system in place at your organisation. Most organisations will store complaints in a central electronic database.

Always keep in mind that under the *Privacy Act 1988* (Cth) you are required to keep a customer's personal details confidential. This means that you must not disclose details of the complaint to anyone who is not directly involved. The only times you can disclose a customer's details are when you have their consent or when legally instructed to do so.

The following information should be recorded about a complaint:

- |  |   |
|--|---|
| ▪ Customer's name.                         | ▪ Name of the person who received the complaint.                                    |
| ▪ Name of their organisation, if relevant. | ▪ Name of the person who handled the complaint.                                     |
| ▪ Date of the complaint.                   | ▪ Action taken.   |
| ▪ Item, product or service they purchased. | ▪ List of any supporting material such as complaint forms, photographs, statements. |
| ▪ Nature of the complaint.                 | ▪ Follow-up action required.  |

## Forms

Customer complaint forms are generally electronic although some are printed, and different complaints may require you, or the customer, to fill in different sorts of forms. These may be organisational forms, official documents for an external body or forms for recording supporting evidence such as photographs or customer statements.

Some organisations may have one form for customer service complaints and another form for complaints relating to products and services. Other organisations have one form for all types of complaints and others may require you to use your own form or system.

An efficient way for organisations to collect customer information is through online customer feedback forms or through surveys at the end of customer service live chat or phone calls. Customers prefer this because they are quick to complete. To be effective, the responses must be tracked and monitored regularly.

### Example

#### Customer complaints report form

Complaint #	
Date/Time received:	
Received by:	
Medium (Phone, email, face to face):	
Date acknowledged:	
Customer name:	
Address:	
Mobile number:	
Landline number:	
Email:	
What does the complaint relate to?	<input type="checkbox"/> Product <input type="checkbox"/> Service <input type="checkbox"/> Customer service issue <input type="checkbox"/> Policy and procedure <input type="checkbox"/> Other, please indicate _____

Nature of the complaint:	
Resolution sought by the customer:	
Solution offered:	
Outcome:	
Case resolved:	<input type="checkbox"/> Yes <input type="checkbox"/> No
If No, what follow-up actions are required to resolve the complaint:	

## Store documentation

All documentation relating to a complaint must be collected, stored and made easily accessible. If there is confidential material, you may need to store this in a locked cabinet or password-protected database.

All documentation should be duplicated and saved. Electronic files should be copied to a back-up server and if there are paper files, they should be copied and held at a separate location.

The documentation for a complaint may contain:	
<ul style="list-style-type: none"> <li>completed feedback form</li> </ul>	<ul style="list-style-type: none"> <li>affidavits, statutory declarations and witness statements</li> </ul>
<ul style="list-style-type: none"> <li>internal reports</li> </ul>	<ul style="list-style-type: none"> <li>medical reports</li> </ul>
<ul style="list-style-type: none"> <li>correspondence: emails, notes, letters</li> </ul>	<ul style="list-style-type: none"> <li>audio or video recordings of telephone calls or meetings</li> </ul>
<ul style="list-style-type: none"> <li>photographs</li> </ul>	<ul style="list-style-type: none"> <li>delivery slips, invoices, receipts, contracts</li> </ul>

## Practice Task 2

### Question 1

---

List four examples of information you will need to gather when documenting a customer complaint.

### Question 2

---

Which of the following should you do when a customer gives you their personal details for a complaint? Tick all that apply.

- Keep their information confidential.
- Only use their information for the complaint.
- Store their details on a post-it on your desk.
- Not tell anyone their personal details unless they are dealing with the complaint.
- Ensure you have taken down their details accurately.

### Question 3

---

Which of the following statements about documenting customer complaints are correct? Select yes or no for each one.

- |  |       |      |
|--|-------|------|
| a) Customer complaints must be documented on electronic forms.   | » Yes | » No |
| b) Organisations use a variety of forms for recording and documenting complaints.  | » Yes | » No |
| c) You are responsible for documenting the customer complaint.   | » Yes | » No |
| d) Confidential material should be stored in a locked cabinet, password-protected database or another form of protected storage. | » Yes | » No |
| e) You can disclose a customer's documented personal details to third parties for the purpose of improving customer service.     | » Yes | » No |

### Summary

- A complaint is any form of communication from a customer that expresses dissatisfaction.
- Customers should be satisfied with the products and services that they receive from your organisation; however, complaints will occur from time to time.
- If handled successfully, customer complaints are an opportunity for an organisation to identify its strengths and weaknesses, and improve its products, services and image.
- Complaints need to be assessed to determine the customer's needs, impacts to the business and potential solutions that need to be actioned.
- Assessing a customer complaint means gathering reliable information to understand all of the elements surrounding the issue.
- When you receive a complaint from a customer, you will need to use your questioning and active listening skills to assess the key elements of the issue.
- Follow your organisation's complaints handling policy and procedures to ensure your response is consistent with the customer service standards required by staff.
- Information about received customer complaints will need to be passed on to relevant stakeholders as part of your organisational policies and procedures.
- Once you have responded to the customer and understood their issue, you must gather all the key information and report the matter so your organisation can begin working on a solution to fix the problem.

# Learning Checkpoint 1

## Receive complaints

### Part A

1. Identify three things that need to be done as part of assessing a complaint.

2. Which of the following stakeholders may need to be notified about a customer complaint? Tick all that apply.

- Your supervisor
- Senior manager
- After sales support personnel
- Competitors
- Servicing and repairs personee.

3. List five things to remember when documenting customer complaints.

## Part B

Read the case study, then answer the questions that follow.

### Case Study

You work in admin and customer service at the reception of a small motor vehicle maintenance and repair shop, reporting directly to the store manager. Your business also sells a wide range of retail products from the display room. Your organisation uses an electronic client relationship management (CRM) system that holds records of every customer, including every car service carried out and every retail sale.

It is 9.15am on 15 January when a customer named Simon Jackson calls on the phone. He is very angry and says, 'I was given incorrect advice that has cost me a lot of time and inconvenience'. He claims that the mechanic who serviced his car the previous week encouraged him to buy some new seat covers from your retail shop, telling him they were ideal for station wagons. He says the mechanic did not tell him that the seat covers would only fit certain models and they do not fit his.

The seat covers in your retail shop are clearly labelled, with shelving signs and on the packaging, stating which models they fit.

1. What are five key questions you will need the answers to in order to assess this complaint?

2. Identify two ways you could notify your manager of this complaint.

4. Write an example of a summary you would need to record in the documentation about the complaint.

A large, empty rectangular box with a thin blue border, intended for the student to write an example summary of a complaint.





## Topic 2 | Process complaints

- 2A Escalate complaints according to workplace policy
- 2B Prepare information to resolve complaints

## 2A Escalate complaints according to workplace policy

---

When the issue is beyond your level of authority, customer complaints will need to be escalated to another party.

Escalating a complaint means that, if the issue is outside the limits of your authority or you do not have the knowledge or expertise needed, you will need to refer the customer to someone more appropriate.

For example, if a customer complains that they are having trouble using a product because the instructions are unclear, you could refer them to a product specialist. Or if the customer's preferred resolution, such as a 50% discount, is not something you can authorise then the complaint will need to be escalated to a manager with that authority.

Communication is an integral part of the complaints handling and escalation process and is essential when seeking the assistance of a senior or more experienced person.

### Types of complaints that need to be escalated

Your position description and organisational policy and procedure for complaints handling will explain the types of complaints you are authorised to handle, and those that need to be escalated.

Times when you may need to refer a customer include:

- if the customer demands to see the manager or person in charge
- a special request that is not aligned with a policy
- an allegation of legal infringement, such as sexual harassment or some form of discrimination
- a concern involving the safety, security or privacy of a customer
- if a health and safety issue has been raised
- a concern involving a discount or refund that is beyond your level of authority.

## Example

### Position description

#### Customer service officer: 1st Choice health insurance

Our customer service officers play a fundamental role in providing exceptional advice, customer and sales service to our members. In this role you will bring your human touch to all aspects of the customer experience and deliver on our promise to provide world class health insurance to our members.

This role is part time, working 25 hours per week, Monday to Friday from 11am to 4pm. You will be based at our Perth Kiosk and from time to time you may also be required to work full time.

#### Responsibilities:

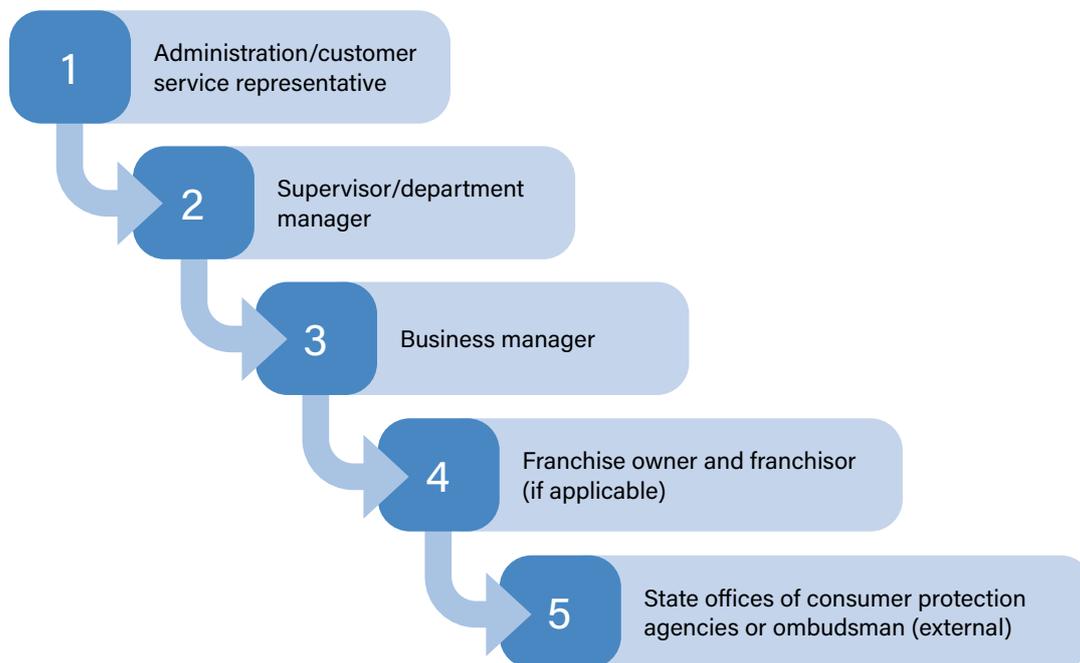
- Provide first point of contact in all customer service inquiries.
- Escalate complaints to the appropriate support team.
- Maintain accurate membership information in accordance with 1st Choice policy and procedures.
- Advise our members of their policy benefits, and any changes that may occur, to ensure they are receiving the best possible service.
- Perform face to face needs-based selling to our members for 1st Choice health insurance policies, and life and travel policies.
- Achieve and exceed sales and service targets.
- Perform telephone and email sales including business development activities.

## Procedures for referring complaints

**If a customer complaint is beyond your level of authority, or the customer is demanding something you are unable to provide, you will need to refer the matter to another party.**

Customer complaints you cannot solve must be referred or escalated according to your organisation's policy and procedure. In most cases, a complaint will be escalated internally to your manager or supervisor. If the customer is still unhappy with the outcome they can escalate their complaint to the next manager in the chain of command; this may be a store manager, branch manager or business owner. At this point, the complaint should be resolved to a satisfactory standard. When a business is part of a franchise agreement, such as many fast food outlets, the customer may be able to escalate to the franchise owner or franchisor.

A common referral or escalation process is outlined below:



## External escalation points

If the issue cannot be resolved internally within the organisation the customer can choose to take their complaint to either of the following external bodies:

<b>Ombudsman</b>	Some key industries such as telecommunications, banking and insurance, building, and airlines, have a designated ombudsman who provides an independent dispute resolution service for small business and consumers who have a complaint about their products and services. The ombudsman has legal powers to decide on the resolution of a complaint.
<b>State offices of consumer protection agencies</b>	Each state/territory has an office that can help consumers resolve complaints with a seller and negotiate satisfactory outcomes when consumer law has been breached The state and territory offices are listed below: <ul style="list-style-type: none"> <li>▪ Access Canberra</li> <li>▪ NSW Fair Trading</li> <li>▪ NT Consumer Affairs</li> <li>▪ Office of Fair Trading Queensland</li> <li>▪ SA Office of Consumer and Business Services (CBS)</li> <li>▪ Tasmania Consumer, Building and Occupational Services (CBOS)</li> <li>▪ Consumer Affairs Victoria (CAV)</li> <li>▪ WA Consumer Protection - Department of Mines, Industry Regulation and Safety</li> </ul>
<b>Independent solicitor</b>	The customer may choose to be represented by a lawyer in a small claims court and have the matter heard by a magistrate.

## Provide key details

When referring a complaint to another person, you must supply them with all the details of the customer and the complaint.

Complaint details include:
<ul style="list-style-type: none"> <li>when the complaint was made: date and time</li> </ul>
<ul style="list-style-type: none"> <li>to whom the complaint was made: employee's name and job title</li> </ul>
<ul style="list-style-type: none"> <li>how the complaint was made. For example, through an online feedback form</li> </ul>
<ul style="list-style-type: none"> <li>the customer's name, address and telephone numbers</li> </ul>
<ul style="list-style-type: none"> <li>the details of the complaint: when the problem occurred, what the problem is and who is involved</li> </ul>
<ul style="list-style-type: none"> <li>other documentation. For example, invoice, delivery slip, feedback form</li> </ul>
<ul style="list-style-type: none"> <li>what the customer has been told. For example, that the complaint has been referred to a manager and they should expect to hear from the organisation within two working days.</li> </ul>

## Methods for referring complaints

Use your judgment to determine the best way to refer a complaint to a colleague. If the complaint is urgent, phone them at once and follow up in writing so the referral is documented.

Make sure the person you refer the complaint to knows everything they need to know about both the customer and the complaint so they can deal confidently and effectively with the customer.

Keep the customer informed by explaining you have referred their complaint and that an appropriate person will be handling it. Let them know when they can expect to be contacted.

You can refer a complaint to a colleague in a number of ways.

### Referring complaints to colleagues

- Transfer the customer on the telephone directly to the relevant staff member.
- Email the staff member.
- Telephone the staff member.
- Visit the staff member in person. If the complaint is serious, a handover meeting may be required.
- Complete a request form asking the staff member to deal with the complaint.

### Example

#### Escalation policy and procedure

If a complaint cannot be resolved by the standard complaint process, it must be referred to an immediate supervisor. The supervisor, after further investigation, will keep the general manager fully informed on the details of unresolved complaints. They will seek guidance, as necessary, on the best option to resolve the complaint such as offering/negotiating:

- discounting the purchase price
- providing additional services for free
- refunding the customer's expenses or payments
- replacing with the same or alternative product
- offering discounts on future products or services.

If the complaint cannot be resolved to the customer's satisfaction, we will inform them of ways they can take further action such as by contacting the ombudsman or the state office of consumer protection agencies.

## Practice Task 3

### Question 1

List two resources you could use to determine which complaints require escalation.

## Question 2

---

Which of the following statements about escalating customer complaints are correct? Select yes or no for each one.

- |  |       |      |
|--|-------|------|
| a) Customer complaints should be escalated according to industry standards.  | » Yes | » No |
| b) In most cases, a complaint will be escalated to the local police.   | » Yes | » No |
| c) If you do not have the knowledge or expertise needed to resolve a customer complaint, refer it to someone more appropriate. | » Yes | » No |
| d) Customers can refer their complaint to external parties if they believe their complaint has not been handled appropriately. | » Yes | » No |
| e) Escalating customer complaints must always be done in writing.  | » Yes | » No |

## 2B Prepare information to resolve complaints

Additional information is often required in order to resolve complaints.

Based on the initial information received from the customer complaint, you will understand some or most of the issues that need to be rectified. However, you may need to question the customer further or look for additional information in order to resolve the complaint.

Additional information requirements may include:

- checking your organisation's refund and complaints handling policy
- asking open questions to establish the customer's needs and listening actively to their response
- using active listening skills to clarify the key details of the complaint, nature of the issue/fault and any actions taken by the customer or other party
- researching further to determine why the issue occurred
- collecting proof of purchase, such as a receipt, bank statement, customer record or tax invoice
- checking your personal authorisation limits and the requirements of the policy and procedure
- ensuring you meet the remedies and guarantees for minor and major problems as required under Australian consumer law.

### Prepare information

To process and resolve a complaint effectively you need to collect evidence, such as proof of purchase or photos, and prepare information. This enables you, and other parties, to understand the complaint in detail and find a good outcome.

If information is not collected and recorded, the customer may be offered a solution they find unsatisfactory. This can damage the organisation's reputation and lead to loss of business.

The system used to prepare customer complaints information will be appropriate to your organisation's policies and procedures. The information should be recorded in either the CRM (client relationship management) system against the customer's record, or in a separate complaints register.

The information you will need to record in the system should include:

- date/time of the issue
- when the complaint was raised
- the product or service that the complaint relates to including reference or model numbers
- the customer's name and contact details
- actions taken to resolve the issue
- possible remedies to offer the customer.

## Using a client relationship management system (CRM)

Organisations that use technology-based systems to capture information about customer complaints most commonly use a client relationship management system (CRM).

The exact type of CRM system used will differ between organisations. You will need to ensure you know how to log on to the system and correctly enter and save records, in keeping with workplace standards and Australian privacy laws.

When preparing information about complaints, including writing notes and entering information about a customer complaint, always go over your work for accuracy. Double check all reference numbers have been correctly entered, there are no spelling errors and you have completed all the fields when filling out a complaint form. Stick with the facts and avoid bias. Consider your reader and always use professional language and clear English that is easy to understand.

Under the Privacy Act, businesses must supply customers with information about their personal account if the request is reasonable. Under Australian privacy principle 12 (APP12), consumers have a general right of access to their own personal information, and the right to have that information corrected if it is inaccurate, incomplete or out of date (APP13). Breaches of the Act can attract large fines for both you and your organisation, so it is important to follow internal guidelines and take great care to make your records accurate.

## Example

### Preparing information for a complaint

Matt works in customer service at a plumbing company. At 10.35am a customer called Amara calls to lodge a complaint. Amara claims that her hot water service was repaired two days ago and she has now lost all hot water to her home.

Matt listens carefully to Amara's issue and empathises with her situation. Matt understands that he needs to find out as much information as possible so the plumber can identify the problem and fix it quickly. He asks Amara for the make and model of the system, the day and time when she first observed the issue and what specific problems she is having.

Matt enters the information about the complaint into the CRM and books in the job with the plumber for later that day. He then lets Amara know when to expect the plumber to arrive to resolve the issue.

## Practice Task 4

### Question 1

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List five examples of additional information you may need to collect before processing and resolving a customer complaint.

## Question 2

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Which of the following statements about preparing information for resolving complaints is correct? Select yes or no for each one.

- |  |       |      |
|--|-------|------|
| a) Evidence such as proof of purchase or photos will assist in resolving customer complaints.  | » Yes | » No |
| b) Refer to your industry association for the correct system to use for preparing customer complaints.                               | » Yes | » No |
| c) A client relationship management system (CRM) can be used for storing information about customer complaints.                      | » Yes | » No |
| d) It is important to check all information entered into the CRM for accuracy and completeness.                                      | » Yes | » No |
| e) Customers who request a copy of any information held about them in relation to their personal account are entitled to receive it. | » Yes | » No |

## Summary

- Difficult and sensitive customer complaints will need to be escalated to another party when the issue is beyond your level of authority.
- Escalating complaints means that you will refer the customer to an appropriate person.
- Your position description and organisational policy and procedure for complaints handling will explain the types of complaints you are authorised to handle, those that need to be escalated to a senior party and to whom the escalated complaints must be referred.
- When referring a complaint, it is important that you explain to the customer that you are going to personally connect them with the person who will be able to resolve their issue.
- When you refer a complaint to another person, be sure to supply that person with all the details of the customer and the complaint.
- To resolve a complaint effectively you need to gather and prepare all information. This helps you, as well as other parties such as your manager or business owner, to understand the complaint in detail and find a good outcome.

## Learning Checkpoint 2

### Process complaints

#### Part A

1. Which of the following are examples of additional information you would need to collect to resolve a customer complaint? Tick all that apply.

- The customer's private and sensitive information, such as religion and sexual orientation.
- The organisation's refund and complaints handling policy.
- Proof of purchase such as a receipt or bank statement.
- The organisation's sales reports.
- Information about your personal authorisation limits.

2. List three ways you could use a client relationship management (CRM) tool to assist with processing customer complaints.

3. Which of the following are common policies, procedures and standards for processing complaints? Tick all that apply.

- Customer complaints should be escalated to your store manager if the customer is asking for a refund not covered by the store's policy.
- Customer service officers can resolve all complaints.
- Complaints should be entered into the organisation's CRM for processing.
- If the complaint is unable to be settled internally the customer can be referred to the ombudsman.
- Your position description will outline your level of authorisation when processing complaints.

## Part B

Read the case study, then answer the question that follows.

### Case Study

Zara has just started work as an advertising assistant for a suburban newspaper. The newspaper reports on local news and events and relies on advertisements from local businesses for its revenue stream.

Mr Tang comes in to complain as the latest edition of the local paper has been delivered and an advertisement that he paid for has not been included. Mr Tang says he has lost potential customers and wants a full refund as well as a call from the department manager. Other clients in the reception area are listening with interest.

Zara checks on her computer and finds that Mr Tang is correct. She apologises profusely and tells Mr Tang that she will have Phil, the advertising department manager, contact him as soon as he returns from a meeting.

1. Prepare an email to escalate the customer complaint to the advertising department manager Phil. In your email, explain the details of the situation and Mr Tang's requirements.





## Topic 3 | Resolve complaints

- 3A Identify implications of complaints
- 3B Analyse and propose options to resolve complaints
- 3C Escalate complaints when a solution cannot be determined

## 3A Identify implications of complaints

There are significant implications for organisations and customers when complaints are not handled correctly.

It takes more effort and expense to acquire new customers than retain existing ones, so it is important to keep customers happy. Just one incident of poor communication, bad service, rudeness, unreliability or being ignored can cause a customer to go elsewhere.

Customers expect professional, efficient and prompt service at all times and if the service they receive is below standard they may make a complaint.

### Understand the negative implications

Often customers will show consideration to staff and an organisation when an issue occurs. It is the manner in which complaints are handled that will make or break the customer's trust, confidence and satisfaction.

If a complaint is badly managed there can be immediate and long-term implications for customers and the organisation.

Customer implications	Organisational implications
<ul style="list-style-type: none"> <li>Loss of time</li> <li>Frustration</li> <li>Loss of confidence in the business/product</li> <li>Loss of money</li> <li>Ongoing problems with products and services</li> </ul>	<ul style="list-style-type: none"> <li>Loss of customer loyalty</li> <li>Increased costs from investigating and resolving complaints</li> <li>Loss of existing and potential customers</li> <li>Damaged reputation in the market</li> <li>Decline in profits</li> </ul>

### Understand the positive implications

When a customer is unhappy with the products or services they have received from an organisation and makes a complaint it is possible to take positive learnings from the incident.

A complaint provides an opportunity for an organisation to identify where it is making errors and correct them. It enables an organisation to examine customer relationships and turn dissatisfied customers into happy ones.

Complaints should be regarded as a continuous improvement tool that an organisation can use to improve customer satisfaction.

## Example

### Implications of complaints

A long-term customer visits a homewares store to return an item she recently purchased online. She ordered a set of pale blue towels but wants to exchange them for dark blue ones. The organisation's policy is that unused items may be exchanged within 30 days providing the sales receipt is produced.

Hong, the sales assistant, accepts the receipt and the item from the customer to perform the exchange. However, the original range of towels is no longer available and a higher priced range has been substituted. Hong tells the customer, 'I'm sorry, but you have to pay an extra \$12 because we have run out'.

The customer pays the extra because there is a queue of people behind her, but leaves feeling dissatisfied. She never shops at the store again and tells her friends about her negative experience. This leads to a loss of potential sales both from the customer and from possible referrals.

## Practice Task 5

### Question 1

Which of the following statements are correct? Select yes or no for each one.

- |   |       |      |
|---|-------|------|
| a) The impact of customer complaints on an organisation are always negative.                                  | » Yes | » No |
| b) The impact of complaints on an organisation can be damage to brand image.                                  | » Yes | » No |
| c) The implications of complaints to customers and organisations are short-term.                              | » Yes | » No |
| d) It usually takes more effort and expense to retain an existing customer than it does to acquire a new one. | » Yes | » No |
| e) Impacts of complaints on the customer include loss of time, loss of money and frustration.                 | » Yes | » No |

## Question 2

---

Draw a line to match the beginning of each sentence about implications of complaints to the correct ending.

- |  |   |
|--|---|
| » Negative implications to an organisation include | » ongoing problems with products and services.                                    |
| » Negative implications to a customer include      | » having an issue solved and retaining trust in an organisation.                  |
| » Positive implications to an organisation include | » decline in profits and customer loyalty.  |
| » Positive implications to a customer include      | » opportunities to increase customer satisfaction through continuous improvement. |

## 3B Analyse and propose options to resolve complaints

There are generally a number of underlying issues that need to be analysed to resolve a customer complaint correctly.

Many customer service representatives make the mistake of offering band-aid solutions to a customer complaint such as offering a refund or discount, or cancelling an agreement. While these solutions may be appropriate, and may satisfy the customer for a short time, if the underlying needs of the customer are not addressed, complaints will keep occurring.

### Analysing possible options

Solutions must focus on identifying the root causes of the issue and not solely on satisfying the immediate wants of the customer. If the root causes are not rectified there will be ongoing issues for both the customer and the business such as lost sales, loss of customer confidence and increases in complaints.

When looking for a workable solution to meet the customer's needs, you must:

- check your organisation's refund and complaints handling policy
- ask open questions to establish the customer's real needs
- research to find out what went wrong and why
- focus on meeting the real needs of the customer, not their wants
- check your personal authorisation limits and the requirements of the relevant complaints policy and procedure
- ensure you meet the remedies and guarantees for minor and major problems as required under Australian consumer law.

### Discuss options to resolve the complaint

When proposing a solution to a customer, think about how you would like to be treated and the kind of conversation you would want to have if you had the same issue. Make it clear you are keen to listen, that you value what they are saying and treat them with respect and courtesy no matter how trivial the issue may appear.

If your customer is agitated or hostile in response to your proposal remain professional and, if their behaviour continues, explain to them that a calm and polite level of conversation will be the fastest way to resolve their issue. It is acceptable to also ask for their commitment to mutual respect and courtesy.

First impressions can, and often do, last. Customers who experience problems in their first interaction with a business must be handled delicately or you may lose them for good. Customers who have issues resolved efficiently and to their satisfaction often become loyal supporters of a business.

By proposing a solution that meets the customer's needs, you are demonstrating that you value them and want to resolve their issue to a standard they are satisfied with.

## Negotiate a solution that meets the customer's needs

To resolve the customer's complaint, you will need to find a mutually acceptable resolution that addresses the source of the issue: the customer's needs.

If you focus on negotiating a solution that meets the needs of the customer, you are more likely to resolve their issues speedily.

Quick fixes such as discounts, refunds or cancelling and agreement should be a last resort option, when all other resolutions have failed.

In situations where professional ethics or human errors have caused genuine inconvenience to the customer, a formal apology may be required to settle the matter. Always seek the assistance of a supervisor before providing a formal apology as this admits liability for the problem.

The following are examples of solutions that reflect the customer's needs and wants.

Solutions related to needs	Solutions related to wants
<ul style="list-style-type: none"> <li>Replacing the full product or components that are faulty</li> <li>Repairing the product</li> <li>Performing services for a second time</li> <li>Further information/education on how to use the product or service</li> <li>Training and education in product use</li> </ul>	<ul style="list-style-type: none"> <li>Full refund</li> <li>Compensation in the form of a discount or credit</li> <li>Release from a commitment</li> <li>An apology</li> </ul>

## Negotiation skills

The key to an effective complaint resolution is to ensure the customer is satisfied with the level of service provided. Customers need to be listened to, they need someone to take responsibility for their service issues and they require an appropriate solution that meets their needs. Even if it is a difficult situation where you are unable to meet a customer's request because of a policy constraint, you must always aim to show them that they are valuable to the business.

The following list provides some key tips for planning and negotiating with customers:

- Understand your goals and limitations before entering the discussion.
- Focus on what is best for the organisation.
- Address the options and concerns with objective evidence.
- Take an assured approach, rather than being aggressive or passive.
- Listen to the customer's concerns and identify their objectives and constraints.
- Be empathetic towards the customer.
- Be an active listener.
- Negotiate with a spirit of cooperation.
- Discuss why some solutions are not possible.
- Control your emotions, ensuring they do not impact on the words or tone used in your message.
- Engage in open and honest communication with the customer.
- Stay on track during the discussion.

The outcome that you propose to your customer must comply with your refund and complaints handling policies and procedures, as well as with requirements of Australian consumer laws.

Solutions you could propose to ensure the customer is satisfied include:

- discounts on future purchases to encourage repeat business. this also gives the organisation another opportunity to serve the customer and retain their business in the longer term
- prioritised and urgent re-delivery of an order at no cost to the customer
- replacing the item/s
- an apology
- commitment to amend processes
- an invitation to return
- referral to senior personnel.

## Australian consumer law

The *Competition and Consumer Act 2010* (Cth), also known as the Australian Consumer Law or ACL, is Australia's national consumer law covering sales and service. The purpose of the Act is to protect Australians through the promotion of competition and fair trading, and to provide for consumer protection.

Under this legislation, customers have defined rights and responsibilities including rights to a refund or repair if a product or service does not meet certain standards. Every time a consumer buys goods or a service they are entering a contract with the seller. Under ACL the contracts of sale that are covered by a consumer guarantee include all goods or services meant for household or personal use. It covers the warranty and refund provisions for other goods or services valued at under \$40,000, and road vehicles or trailers used for transport on public roads.

Warranty rights exist regardless of the warranty policy of the seller or manufacturer because of the guarantees written into ACL.

Consumer guarantees for goods and services are described below.

Consumer guarantees for goods	Consumer guarantees for services
<p>In summary, goods sold must:</p> <ul style="list-style-type: none"> <li>▪ be of acceptable and reasonable quality</li> <li>▪ be reasonably fit for the purpose specified</li> <li>▪ meet the description provided</li> <li>▪ match any sample or demonstration provided. For example, match the quality of displayed floor stock</li> <li>▪ satisfy any extra promises made about them</li> <li>▪ ensure clear title is given to the consumer</li> <li>▪ guarantee quiet possession. For example, no one will try to take back goods, or prevent the consumer from using the goods</li> <li>▪ be free from any hidden securities or debt</li> <li>▪ have reasonable repair services and spare parts made available for a reasonable time after purchase.</li> </ul>	<p>For services, the supplier must guarantee that services are:</p> <ul style="list-style-type: none"> <li>▪ provided with due care and skill</li> <li>▪ fit for any specified purpose</li> <li>▪ completed within a reasonable time if no specific time is set.</li> </ul> <p>This means suppliers must use an acceptable level of skill or technical knowledge and take all necessary care to avoid loss or damage when providing the services.</p>

## Types of remedies under law

If any of the consumer guarantees for goods or services are not met, the supplier must provide the consumer with an appropriate remedy such as a refund, replacement or repair.

If the problem is classed as minor, the seller or supplier can choose the most suitable resolution to resolve the situation. Minor faults include:

- goods can be easily repaired to full working order
- a part can be ordered and replaced to fix the problem
- the item still performs as intended and is fit for purpose
- the product/service accurately represents the sample or description, regardless of the fault
- the product or service is safe to use
- the final result of the service is still within acceptable tolerances.

If the problem is classed as major the consumer can choose the remedy.

The following table explains a major fault in terms of products and services as defined in the ACL.

Goods	Services
<p>Major faults include goods that:</p> <ul style="list-style-type: none"> <li>• have a problem that would have stopped the customer from buying them if they had been aware of the issue</li> <li>• are unsafe</li> <li>• are significantly different from the sample or description provided</li> <li>• do not do what the business said they would and are problematic to fix.</li> </ul>	<p>Major faults include services that:</p> <ul style="list-style-type: none"> <li>• have a problem that would have stopped the customer from acquiring the service if they had known about it</li> <li>• are substantially unfit for their common purpose and are not able to be easily fixed within a reasonable time</li> <li>• do not meet the specific purpose the customer asked for and cannot easily be fixed within a reasonable time</li> <li>• create an unsafe situation.</li> </ul>

## Customer requirements for obtaining a remedy

The solution you agree on with the customer will vary substantially depending on the nature and severity of the complaint, the requirements under the ACL and your organisation's policy and procedure for refunds and complaints handling.

Under the ACL, to obtain a remedy a consumer should:

- return the goods within a reasonable time
- not dispose of, lose or destroy the goods
- not allow the goods to become unsellable through failing to take reasonable care to preserve them
- not damage the goods by using them in an abnormal way
- provide a valid proof of purchase.

Under the Act, consumers are not entitled to a remedy when the person:

- is aware of any defect at time of purchase either through own observation or if it is drawn to their attention by the seller

- changes their mind
- discovers they can buy the goods cheaper elsewhere
- damages the goods themselves.

For further information, see the ACC website: [aspirelr.link/accc-repair-replace-refund](https://aspirelr.link/accc-repair-replace-refund)

### Example

#### Offer a suitable remedy

Michael works at a mobility aid maintenance company. A customer named Rhiannon calls in, claiming that she had her mobility scooter serviced just over a week ago, which included having the brakes adjusted. Rhiannon goes on to explain that after this service she was nearly involved in an accident as a result of her brakes failing to work when she tried to stop at a pedestrian crossing. Thankfully, no-one was injured, however Rhiannon is upset and is demanding a full refund for the cost of the service, which was \$2,750.

Michael listens carefully to Rhiannon's issue and empathises with her situation. He checks his service and repair policy to identify what solutions can be offered. He then asks Rhiannon if she would like a mobile mechanic from the service department to visit her home at lunch time today to fix the problem at no cost.

Michael understands that this solution would rectify the issue at the source, as opposed to giving out a refund which would not repair the fault. Rhiannon agrees and Michael books in the job with the service department. This saves the business an expensive refund and the satisfactory resolution encourages the customer to continue to use their services in the future.

## Practice Task 6

### Question 1

List four things you should do when analysing options to resolve a customer's complaint.

## Question 2

---

In which of the following circumstances can a customer request a refund under Australian Consumer Law (ACL)? Select yes or no for each one.

- |   |       |      |
|---|-------|------|
| a) The customer is aware of defects when purchasing.              | » Yes | » No |
| b) The product is not reasonably fit for the purpose specified.   | » Yes | » No |
| c) The product does not meet the description provided.            | » Yes | » No |
| d) The customer decides they can buy the goods cheaper elsewhere. | » Yes | » No |
| e) The product is not of reasonable and acceptable quality.       | » Yes | » No |

## Question 3

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List four communication skills you should use when negotiating solutions with a customer.

## 3C Escalate complaints when a solution cannot be determined

If negotiations have failed, you may need to refer the customer to another party such as an internal service department or manager.

If you have to refer a complaint because a solution cannot be found, always follow your organisation's escalation process to ensure the customer is provided with the right level of support to resolve their issues.

This should include providing a warm handover by introducing the customer to the next person and providing information about the nature of the complaint and what the customer is looking for as a resolution.

### Provide a warm handover

When referring a complaint, it is important that you take a warm handover approach with the customer. This requires you to explain to the customer that you are going to personally connect them to a person who will be able to resolve their issue.

You must collect and write down the vital details of the issue and provide this information to the next person. You must then introduce the customer to the person who will be taking over their complaint; this is a warm handover.

The opposite approach is a cold handover when the customer is provided with the contact details of the next person but there is no personal introduction. This level of service is viewed as impersonal and may risk losing the confidence of the customer.

A warm handover may involve escalating the complaint to one of the following people:

- Supervisor or manager
- Business owner or senior manager
- Subject matter expert
- Service or repair technician
- Customer service manager
- Supplier or manufacturer

A warm handover saves the customer the time it would take to explain their issue again to a second person and is an effective and sensitive approach to their issue.

When escalating complaints to another person, ensure you gather and document the key details about the customer's issue.

The information that you will need to forward to the appropriate party should include:

- the customer's name and contact details
- the date/time the issue occurred
- the nature of the issue
- reference/model numbers of any products that the complaint relates to
- troubleshooting already performed
- the customer's needs/request.

## Example

### Complaints escalation form

Customer's full name:	
Customer's contact #	
Customer's email:	
Customer's home address:	
Date and time of complaint:	
Employee's name and job title:	
Method used to lodge the complaint:	
Details of the complaint – when the problem occurred, what the problem is and who is involved:	
Other information. For example, police report, delivery slip, feedback form:	
Please explain what the customer has been told:	
Person that this complaint will be referred to:	

## Practice Task 7

### Question 1

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List two features of the warm handover approach that can be used while escalating a customer complaint.

### Question 2

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To which of the following could you escalate a customer complaint? Tick all that apply.

- Supplier or manufacturer
- Subject matter expert
- Police officer
- Store competitor
- Senior manager

## Summary

- Often customers will show consideration to staff and an organisation when an issue occurs. It is the manner in which complaints are handled that will make or break the customer's trust, confidence and satisfaction.
- If a complaint is badly managed there can be immediate and long-term implications for customers and the organisation.
- When a customer is unhappy with the products or services they have received from an organisation and makes a complaint it is possible to take positive learnings from the incident.
- There are generally a number of underlying issues that need to be analysed to resolve a customer complaint correctly.
- Solutions must focus on identifying the root causes of the issue and not solely on satisfying the immediate wants of the customer. If the root causes are not rectified there will be ongoing issues for both the customer and the business such as lost sales, loss of customer confidence and increases in complaints.
- When proposing a solution to a customer, think about how you would like to be treated and the kind of conversation you would want to have if you had the same issue.
- The outcome that you propose to your customer must satisfy their needs and comply with your refund and complaints handling policies and procedures, as well the requirements of Australian consumer laws.
- In some cases, where negotiations have failed, you may need to refer the customer to another party such as an internal service department or manager.

## Learning Checkpoint 3

### Resolve complaints

#### Part A

1. Which of the following could affect customers who have a complaint? Tick all that apply.
  - Loss of time in following-up on the complaint
  - Frustration with the company
  - Dislike of salespeople
  - Lack of confidence in the business/product
  - Damaged reputation
2. Which of the following are impacts of complaints on an organisation? Tick all that apply.
  - Loss of customer loyalty
  - Increased costs in investigating and resolving complaints
  - Loss of existing and new customers
  - Lost stock
  - Increased paperwork
3. List four solutions for resolving a customer complaint in accordance with Australian Consumer Law.

4. What should you do when escalating a customer complaint if a solution cannot be negotiated? Tick all that apply.
- Follow your organisation's escalation process.
  - Collect vital facts about the issue.
  - Introduce the customer to the person who will be taking over their complaint.
  - Gather details about the customer.
  - Provide the customer with your manager's details to make initial contact.

## Part B

Read the case study, then answer the questions that follow.

### Case Study

Michelle works at a furniture retailer called Betta Homewares Australia (BHA) as a customer service representative (CSR). She receives a phone call from a customer called Celine who claims the couch she received from BHA a week ago included three cushions that had large splits through the seams. Celine also sends through photos as proof of the faults.

Michelle uses sensitivity and clear and professional communication to respond to the customer and asks some open questions to gather more information about the issue, such as the order number and Celine's customer contact details.

Upon further investigation into Celine's complaint, it is identified that the cushions are unusable in their current state. Michelle apologises for the issue and offers to have new items shipped out to Celine within five days. Celine refuses the offer to have new items sent out and demands a refund for the three cushions at a total cost of \$675, plus shipping fees.

1. Under the Australian Consumer Law (ACL), is the fault classed as major or minor? Briefly explain why.

2. Which of the following are rights of Betta Homewares Australia (BHA) under ACL if a customer returns a faulty item? Tick all that apply.

- Ask the customer to come into the store.
- Ask the customer to return the goods within a reasonable timeframe.
- Ask the customer for proof of purchase.
- Ask the customer not to dispose of the item.
- Ask the customer to return the item in its original packaging.

3. Which of the following are examples of BHA's responsibilities for providing goods under the ACL? Tick all that apply

- Match any floor stock or sample provided
- Be of acceptable and reasonable quality
- Be supplied in a reasonable timeframe
- Be reasonably fit for the purpose specified
- Meet the description provided