Damaged Product Request Handling

RugaOps

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Standard Operating Procedure

Purpose

The purpose of this SOP is to provide a consistent, efficient, and customer-focused process for handling customer reports of damaged products.

This procedure aims to:

- *Resolve issues quickly and fairly.*
- *Maintain customer satisfaction and trust.*
- *Protect the business from fraudulent claims.*
- *Ensure accurate documentation and reporting.*
- *Identify recurring product, packaging, or carrier-related issues.*

Scope

This SOP applies to all customer enquiries regarding products that arrive:

- Physically damaged
- Broken or defective upon delivery
- Damaged due to shipping transit
- Missing components due to damage

This SOP covers all sales channels fulfilled through your Store and applies to all support agents handling customer communications.

Responsibilities

Suport Agents

- Review and validate damage claims
- Collect required evidence
- Determine eligibility based on company policy
- Process approved replacements, refunds, or store credits
- Document all actions in Store and support systems

Senior Support Agent / Team Lead

- Review escalated or high-value claims
- Approve exceptions outside standard policy
- Investigate repeat customer claims
- Coordinate with logistics, warehouse, or suppliers when necessary

Operations Manager

- Monitor damage trends
- Review KPI performance
- Implement packaging or carrier improvements
- Approve policy changes

Required Information from Customer

Before a claim can be reviewed, obtain:

Mandatory

- Order number
- Customer name
- Description of the damage
- Clear photos of:
  - Damaged item
  - Product packaging
  - Shipping box
  - Shipping label (if applicable)

Optional

- Video of damage/unboxing
- Additional supporting information

Step-by-step procedure

Step 1: Acknowledge the Request

Respond within the team's first-response SLA.

Example:

Thank you for contacting us. We're sorry to hear your item arrived damaged. Please send photos of the product, packaging, and shipping box so we can review and resolve this as quickly as possible.

Target Response Time

- Within 24 business hours

Step 2: Verify Order

Confirm:

- Order exists
- Product was delivered
- Customer identity matches order
- Claim is within the allowable reporting period

Recommended reporting window:

- Within 7 days of delivery

Step 3: Review Evidence

Evaluate submitted photos and information

Check for:

- **Shipping Damage**

  Examples:
  - *Crushed box*
  - *Torn packaging*
  - *Visible transit damage*

- **Product Defect**

  Examples:
  - *Broken components*
  - *Manufacturing flaws*
  - *Product non-functional upon arrival*

- **Insufficient Evidence**

  Examples:
  - *Blurry photos*
  - *Missing images*
  - *Incomplete information*

Step 4: Determine Resolution

Option A: Replacement

Offer replacement when:

- *Product is damaged*
- *Inventory is available*
- *Damage is verified*

Actions:

- *Create replacement order in Store*
- *Waive shipping costs if company policy allows*
- *Provide tracking information*

Option B: Refund

Offer refund when:

- *Product cannot be replaced*
- *Inventory is unavailable*
- *Damage is severe*
- *Customer declines replacement*

Actions:

- *Process refund*
- *Document refund reason*

Option C: Partial Refund

Offer when:

- *Damage is cosmetic*
- *Product remains usable*
- *Customer agrees to keep item*

Actions:

- *Apply approved compensation amount*
- *Record rationale*

Option D: Store Credit

Offer if aligned with company policy and customer preference.

Step 5: Notify Customer

Send resolution details.

Include:

- *Outcome*
- *Timeline*
- *Tracking number (if replacement)*
- *Refund timing (if refund)*

Step 6: Document Case

Record:

- *Damage type*
- *Resolution type*
- *Product SKU*
- *Carrier used*
- *Supporting evidence*
- *Notes regarding customer interaction*

Tag appropriately in helpdesk.

Example tags:

- *Damaged Product*
- *Shipping Damage*
- *Manufacturer Defect*
- *Replacement Sent*
- *Refund Issued*

Step 7: Close ticket

Close only after:

- *Resolution completed*
- *Customer notified*
- *Internal documentation finalized*

Decision Points

Decision Point 1

Was Evidence Provided?

No → Request evidence and place ticket in Pending Customer status.
Yes → Proceed to review.

Decision Point 2

Is Damage Verified?

Yes → Proceed with approved resolution.
No → Request additional evidence or escalate.

Decision Point 3

Is Inventory Available?

Yes → Offer replacement.
No → Offer refund or store credit.

Decision Point 4

Is Claim Within Policy Window?

Yes → Proceed normally.
No → Escalate for review.

Decision Point 5

Has Customer Submitted Multiple Similar Claims?

Yes → Escalate for fraud/risk review.
No → Proceed normally.

Escalation Rules

Escalate to Senior Agent or Operations Manager when:

High-Value Orders

- *Order value exceeds predefined threshold (e.g., $200)*

Repeat Claims

- *Customer has 2+ damaged-item claims within 12 months*

Suspicious Activity

Examples:

- *Edited images*
- *Inconsistent information*
- *Excessive refund requests*

Supplier or Product Quality Issues

Examples:

- *Multiple damage reports for same SKU*
- *Recurring packaging failures*

Policy Exceptions

Examples:

- *Claim submitted outside reporting window*
- *Customer requests compensation beyond policy*

Exceptions

The following situations may require case-by-case review:

Limited Evidence

When customers cannot provide photos due to disposal or accessibility issues.

Possible actions:

- One-time courtesy replacement
- Partial refund
- Manager review

Seasonal Peak Periods

During holiday seasons, reporting windows may be extended.

VIP or High-Lifetime-Value Customers

Management may approve exceptions to preserve customer relationships.

International Shipments

Additional transit-related damage reviews may be required depending on carrier claims processes.

KPI Considerations

Track the following metrics monthly:

KPI	TARGET
First Response Time	*<24 business hours*
Damage Claim Resolution Time	*< 3 business days*
Customer Satisfaction (CSAT)	*>90%*
Replacement Processing Time	*<1 business day*
Refund Processing Time	*<1 business day*
Damage Claim Rate	*Monitor by SKU*
Repeat Damage Incidents	*Decreasing trend*
Escalation Rate	*<10% of claims*
Carrier Damage Rate	*Monitor by carrier*

Quality Assurance Checklist

Before closing any damaged product ticket, confirm:

ORDER VERIFIED	DONE
Required evidence collected	
Damage validated	
Resolution approved	
Customer informed	
Store records updated	
Proper tags applied	
Ticket documented and closed	

Additional Steps

Define Damage Reporting Window Explicitly

The SOP mentions a "recommended" 7-day reporting window, but agents need a clear policy:

- Within 7 days → Auto-approved review
- 8–30 days → Manager review
- Beyond 30 days → Denied unless exception applies

Without this, agents will make inconsistent decisions.

Capture Shipment Condition Data

Before approving a claim, agents should record:

- Carrier
- Tracking number
- Delivery date
- Delivery photo (if available)
- Signature confirmation status

This helps identify carrier-related patterns.

Carrier Claim Submission Process

If damage appears shipping-related:

1. **Save photos**
2. **Submit carrier claim**
3. **Record claim number**
4. **Track reimbursement outcome**

Many small stores lose money because support resolves customer issues but never files carrier claims.

Customer Communication Templates

Include approved macros for:

- Requesting photos
- Approving replacement
- Approving refund
- Denying claim
- Requesting additional evidence

This improves consistency and response times.

Inventory Verification Before Promise

Before offering replacement:

1. Verify stock availability
2. Reserve inventory
3. Create replacement order

Sometimes agents promise replacements before checking stock.

Root Cause Classification

Add a required classification field:

- Carrier damage
- Packaging failure
- Manufacturing defect
- Warehouse handling damage
- Customer misuse (if applicable)

This becomes valuable for monthly reporting.

Follow-Up Verification

After replacement shipment:

- Wait 5–7 days after delivery
- Confirm successful receipt (optional automation)

This catches repeat issues early.

Operational Risks

Risk 1: Fraudulent Damage Claims

Common examples:

- Customer reuses old damage photos
- Customer damages product after delivery
- Customer claims item arrived broken after significant usage

Mitigation:

- Require packaging photos
- Track repeat claim customers
- Require timestamped evidence for expensive products

Risk 2: Friendly Fraud

Pattern:

- Customer receives replacement
- Later disputes original charge

Mitigation:

- Document every communication
- Store damage photos
- Record replacement tracking numbers

Risk 3: Excessive Agent Discretion

Without clear approval thresholds:

Agent A issues refunds.
Agent B issues replacements.
Agent C issues store credit.

Customers receive inconsistent outcomes.

Mitigation:

Create a resolution matrix.

Example:

SITUATION	RESOLUTION
Minor cosmetic damage	*Partial refund*
Functional damage	*Replacement*
Refund reason documented	*Refund*
Ticket category assigned	*Escalation*

Risk 4: High Replacement Costs

Some stores automatically replace products without return requirements.

For higher-value items:

- **Require return shipment**
- **Or request destruction proof**

before replacement.

Risk 5: Abuse of "No Photo" Exceptions

Without controls, agents may overuse them.

Recommendation:

Limit to:

- One courtesy claim per customer lifetime
- Manager approval required

Common Customer Complaints

These are the complaints your agents will hear repeatedly.

"Why do I need photos?"

Customers often think the process is difficult.

Solution:

Explain:
Photos help us verify damage and improve packaging quality.

"I threw the packaging away."

Very common.

Particularly among older customers.

Create a documented exception process.

"I need this immediately."

Customers often want:

- Replacement before investigation
- Expedited shipping

Especially for gifts.

"The replacement is taking too long."

Common causes:

- Backorders
- Manual fulfillment delays

Solution:
Provide estimated timelines upfront.

"The damage is minor but disappointing."

Examples:

- Scratches
- Dents
- Cosmetic imperfections

These customers often prefer compensation over replacement.
Partial refund options reduce costs significantly.

"I shouldn't have to return a broken item."

Especially for low-cost products.

Define a return threshold.

Example:

- Under $30 → No return required
- Over $100 → Return required

Opportunities for Automation

For a 1–5 person support team, automation can eliminate 30–50% of manual work.

1. Damage Claim Intake Form

Instead of email back-and-forth:

Customer submits:

- Order number
- Damage description
- Photo uploads

Benefits:

- Complete information from first contact
- Faster resolution

2. Auto-Request Evidence

Trigger when customer selects:

"*Item arrived damaged*"

Automatic reply requests:

- Product photo
- Packaging photo
- Shipping box photo

Agent only reviews completed submissions.

3. Auto-Create Replacement Orders

When claim is approved:

- Create replacement order
- Apply $0 charge
- Notify fulfillment team

Reduces manual S work.

4. Repeat Claim Detection

Automatically flag:

- 2+ claims within 12 months
- High refund history
- Multiple shipping addresses

For manager review.

5. Carrier Tracking Integration

Use apps such as:

- Loop Returns
- AfterShip
- Gorgias
- Richpanel

Automatically pull:

- Delivery date
- Carrier status
- Delivery confirmation

Reducing investigation time.

6. Automated CSAT Survey

Send after closure:

How satisfied were you with the resolution?

Useful for monitoring support quality.

FAQ Articles

A strong Help Center can deflect many tickets.

My Order Arrived Damaged — What Should I Do?

We're sorry your order didn't arrive in perfect condition.

If your item arrived damaged, please contact our support team within 7 days of delivery so we can review the issue and provide a resolution.

What information do I need to provide?

To help us process your request quickly, please send:

- Your order number
- A brief description of the damage
- A clear photo of the damaged product
- A photo of the product packaging
- A photo of the shipping box (if available)
- A photo of the shipping label (if available)

What happens after I submit my claim?

Our team will review the information and determine the appropriate resolution.

Depending on the situation, we may offer:

- A replacement product
- A full refund
- A partial refund
- Store credit

Do I Need to Return a Damaged Product?

Explain return requirements by product value.

How Long Does a Damage Claim Take?

Provide expected timeline:

- Initial review: 1 business day
- Resolution: 1–3 business days

My Product Has Minor Cosmetic Damage

Explain:

- Cosmetic vs functional damage
- Partial refund options

Internal Damaged Product Checklist

ORDER VERIFICATION	DONE
Order found in Store	✓
Delivery confirmed	
Customer identity verified	
Claim submitted within policy window	

DAMAGE ASSESSMENT	DONE
Damage verified	✓
Root cause identified	
Carrier damage	
Warehouse handling	
Packaging failure	
Manufacturing defect	

INVENTORY CHECK	DONE
Replacement inventory available	✓
Inventory reserved (if replacement)	

RESOLUTION	DONE
Replacement approved	✓
Refund approved	
Partial refund approved	
Store credit approved	

ESCALATION REVIEW	DONE
High-value order	✓
Repeat claimant	
Policy exception	
Fraud concern	

DOCUMENTATION	DONE
Tags applied	✓
Internal notes completed	
Resolution communicated to customer	
Ticket status updated	

CLOSURE	DONE
Refund processed OR	✓
Replacement shipped	
Tracking shared	
Ticket closed	

Ticket Category Structure

Primary Category: Damaged Products

Subcategories

CATEGORY	USE CASE
Shipping Damage	*Product damaged during transit*
Product Defect	*Manufacturing issue discovered on arrival*
Cosmetic Damage	*Scratches, dents, appearance issues*
Broken Item	*Product unusable or broken*
Missing Components	*Parts missing due to damage*
Replacement Request	*Customer requesting replacement*
Refund Request	*Customer requesting refund*
Repeat Damage Incident	*Second damage claim on same order/SKU*
Carrier Claim Required	*Evidence indicates transit damage*
Fraud Review	*Suspicious or repeat claims*

Escalation Matrix

Level 1 - Support Agent

May Approve:

- Replacement orders under $100
- Refunds under $50
- Partial refunds up to 20%
- Standard claims with complete evidence

Escalate When:

- Evidence is incomplete
- Product unavailable
- Customer disputes resolution

Level 2 - Senior Agent / Team Lead

May Approve:

- Refunds from $50–$200
- Replacement exceptions
- Claims outside reporting window
- Repeat damage incidents

Escalate When:

- Customer has multiple claims
- Fraud indicators exist
- Order exceeds $200 value

Level 3 - Operations Manager

Must Review:

- Refunds over $200
- Multiple claims from same customer
- Suspected fraud
- VIP customer exceptions
- Significant policy exceptions
- Legal threats or chargeback warnings

Immediate Escalation Triggers

- Customer threatens chargeback
- Social media escalation
- BBB or regulatory complaint
- High-value order over $500
- Multiple damaged shipments involving same SKU

Improvements

A support operations manager would ask:

"Can this SOP produce consistent decisions, accurate reporting, low costs, and a good customer experience regardless of which agent handles the case?"

1. Add a Resolution Policy Matrix

EXAMPLE	SITUATION
Product unusable	Replacement
Product unusable + no stock	Full refund
Minor cosmetic damage	10–20% partial refund
Packaging damage only	No compensation
High-value item damaged	Escalate
Repeat replacement failure	Manager review

Benefits:

- Consistent customer experience
- Faster decisions
- Easier agent training

2. Define Authority Levels

A small team often struggles when every unusual case requires the owner.

Example

ACTION	AGENT	SENIOR AGENT	MANAGER
Refund under $50	✓	✓	✓
Refund $50–$200	Escalate	Escalate	✓
Refund above $200	Escalate	Escalate	✓
Policy exception	Escalate	Review	✓

Benefits:

- Reduced bottlenecks
- Clear accountability
- Faster resolution times

3. Add Fraud Prevention Controls

Recommended additions:

Customer Risk Flags

Flag customers with:

- Multiple damage claims
- Multiple shipping addresses
- Prior chargebacks
- High refund rates

Evidence Requirements by Order Value

ORDER VALUE	EVIDENCE REQUIRED
<$50	Photos
$50-$200	Photos + packaging
>$200	Photos + packaging + manager review

Benefits:

- Protects margins
- Reduces abuse

4. Introduce Root Cause Tracking

Operations wants to know:

Why did this happen?

Required fields:

- Carrier damage
- Packaging failure
- Manufacturing defect
- Warehouse picking issue
- Unknown

Benefits:

- Identifies recurring issues
- Supports supplier negotiations
- Improves packaging decisions

5. Add Carrier Recovery Workflow

Many ecommerce stores leave money on the table.
If Carrier Damage Suspected

1. Save evidence
2. Record carrier
3. Submit carrier claim
4. Record claim ID
5. Track reimbursement

Support resolves customer issue immediately, but Operations pursues recovery separately.

Benefits:

- Lower net damage costs
- Better carrier management

7. Formalize Service Levels (SLAs)

Operational commitments with response time.

Recommended:

METRIC	TARGET
First response	<8 business hours
Evidence review	<1 business day
Resolution decision	<2 business days
Replacement creation	Same day
Refund processing	Same day

Benefits:

Easier performance management
Better customer expectations

8. Add Ticket Status Management

Many small teams lack visibility.

Standard Statuses

- New
- Waiting for Customer
- Under Review
- Approved
- Escalated
- Replacement Pending
- Refund Pending
- Closed

Benefits:

- Easier workload management
- Better reporting

9. Build an Exception Framework

Operations teams prefer predefined rules.

Allowed exceptions:

- VIP customer
- First-time order issue
- Carrier-confirmed damage
- Holiday season delays

Everything else requires approval.

Benefits:

- Reduces inconsistent treatment

10. Create a Monthly Damage Review Process

This is the biggest strategic gap.

Support Ops should own a recurring review.

Monthly Report

Review:

- Damage rate by SKU
- Damage rate by carrier
- Damage rate by warehouse
- Refund costs
- Replacement costs
- Repeat customer claims

Questions:

- Which products fail most?
- Which carrier causes most damage?
- Which packaging needs redesign?

Benefits:

- Turns support data into operational improvements

11. Add Cost-Control Guidelines

The focus is on both customer satisfaction and financial impact.

Example:

PRODUCT VALUE	DEFAULT ACTION
<$20	Refund or replace, no return
$20–$100	Replace, no return
>$100	Return or destruction proof may be required
>$300	Manager approval required

Benefits:

Prevents support costs from exceeding product margins

12. Define Quality Assurance Audits

For a 1–5 agent team, even simple QA helps.

Review monthly:

- 10 random damage claims
- SOP compliance
- Correct resolutions
- Documentation quality

Benefits:

- Consistency
- Coaching opportunities
- Early detection of process drift

What a Support Operations Manager Would Prioritize?

If only five improvements could be made immediately, they would likely be:

1. Resolution Matrix (decision consistency)
2. Approval Authority Levels (faster handling)
3. Root Cause Classification (operational insights)
4. Carrier Claims Workflow (cost recovery)
5. Monthly Damage Review Reporting (continuous improvement)

These changes improve customer experience while controlling costs and generating actionable business insights.



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DAMAGED PRODUCT REQUEST HANDLING MANUAL