Returns and Refunds Masterclass

Edited: 30/09/2020

Shopee

OBJECTIVES

In this lesson, we are going to learn about how to handle Returns, Refunds and Dispute processes to ensure a better experience when faced with this issue.

CONTENT

1. Overview of Return & Refund Management Process

What is Shopee Guarantee?

Buyer

1
2
3
4

Seller

1 The buyer makes a purchase on Shopee

2 Shopee will hold the funds

3 If the buyer confirms they have **received the product** or the **Shopee Guarantee period expires**, Shopee will transfer the **funds to the seller**

4 If the buyer submits a **Return/ Refund request** before the Shopee Guarantee period expires, and the **request is accepted**, funds are **returned to the buyer**

Seller Tip!

For more info about Shopee Guarantee, please visit here
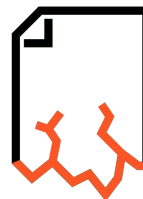
When can buyers request for a Return / Refund ?

Did not receive the product

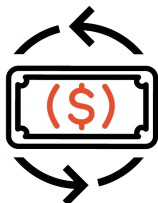**Received the wrong product**
(e.g. size, color, different product)

Received damaged or faulty product

Received incomplete product
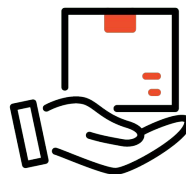(e.g. missing parts, wrong quantity)

How can sellers manage a Return / Refund request?

Sellers have **3 days** to:

Accept Refund request:
Provides a **more positive customer experience**; Seller will not receive item back from buyer.

Accept Return & Refund request:
Seller **receives item back** from buyer; Return Shipping Fee charges may be incurred.
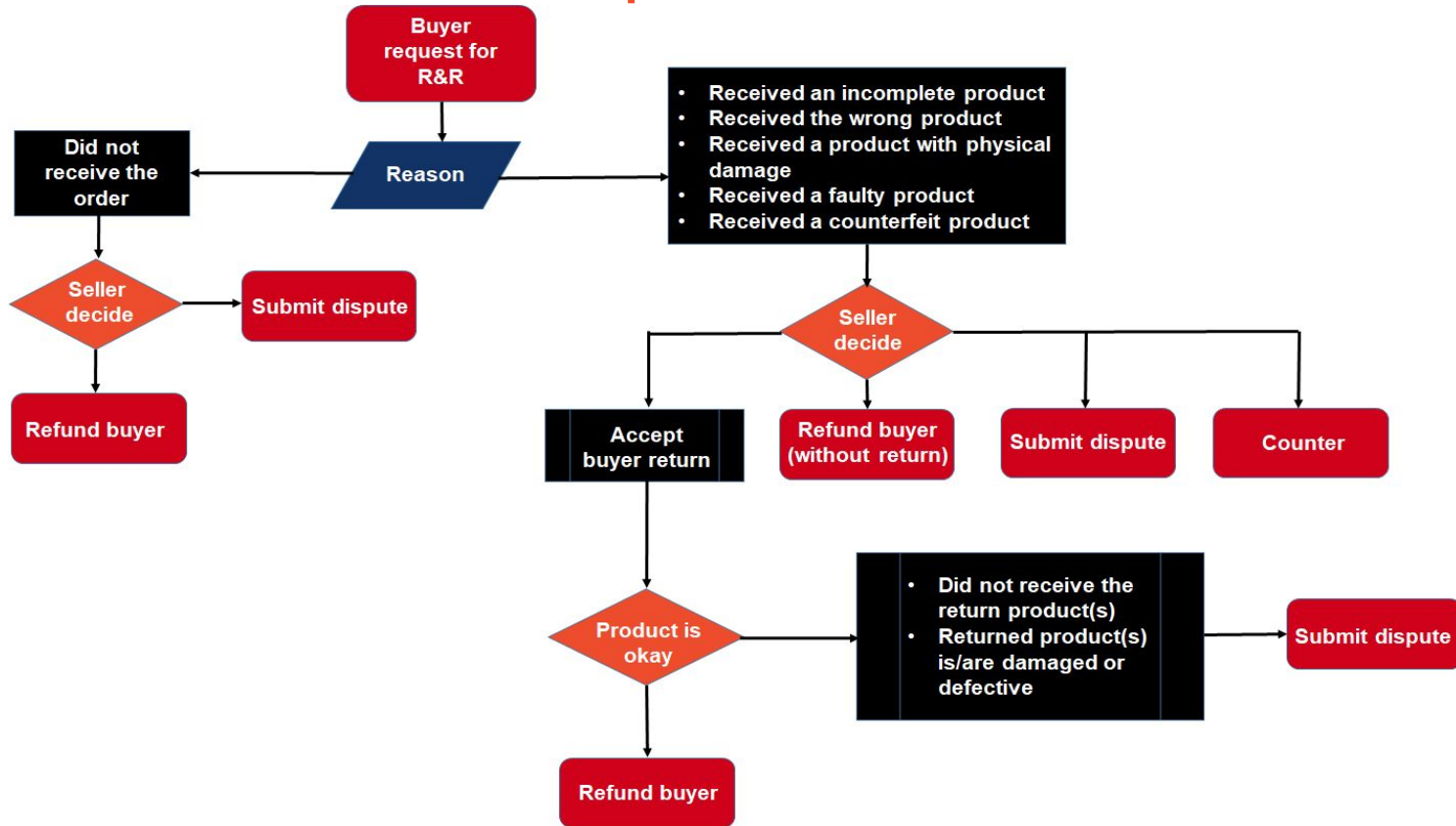
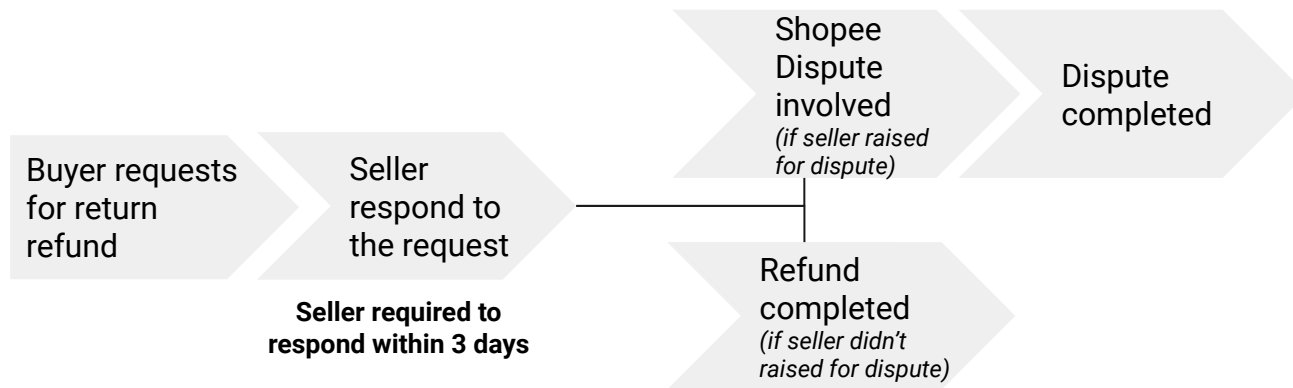*Note: This is not possible if the buyer did not receive the product.*

Raise a dispute:
Discuss Return/Refund request with buyer; Seek assistance from Shopee if no mutual agreement.
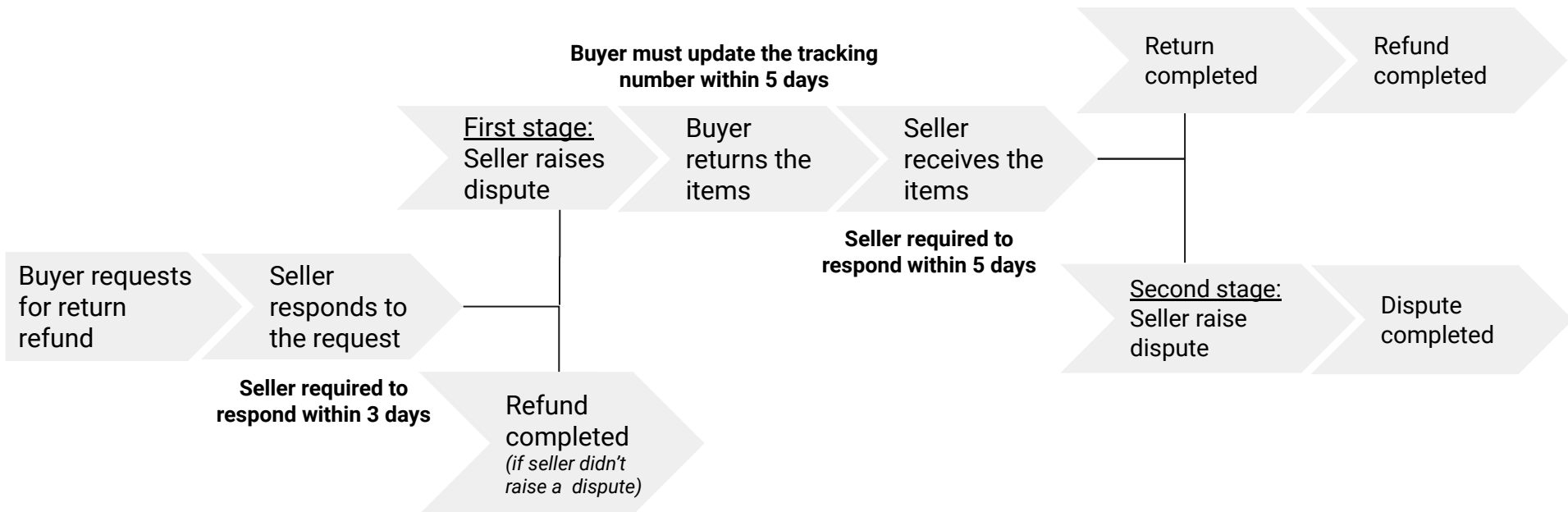
About the Return / Refund process

```
                              ┌─────────────┐
                              │   Buyer     │
                              │ request for │
                              │    R&R      │
                              └─────────────┘
                                     │
┌──────────────┐               ◇─────────────◇               ┌──────────────────────────────────────────┐
│  Did not     │ ◄─────────────│   Reason    │──────────────►│ • Received an incomplete product         │
│ receive the  │               ◇─────────────◇               │ • Received the wrong product             │
│   order      │                                             │ • Received a product with physical       │
└──────────────┘                                             │   damage                                 │
       │                                                     │ • Received a faulty product              │
       ▼                                                     │ • Received a counterfeit product         │
  ◇─────────◇         ┌────────────────┐                     └──────────────────────────────────────────┘
  │ Seller  │────────►│ Submit dispute │                              │
  │ decide  │         └────────────────┘                         ◇─────────◇
  ◇─────────◇                                                    │ Seller  │
       │                                                         │ decide  │
       ▼                                                         ◇─────────◇
┌──────────────┐                                                      │
│ Refund buyer │                                                      │
└──────────────┘
```

• Received an incomplete product
• Received the wrong product
• Received a product with physical damage
• Received a faulty product
• Received a counterfeit product

Did not receive the order

Reason

Buyer request for R&R

Seller decide

Submit dispute

Refund buyer

Seller decide

Accept buyer return

Refund buyer (without return)

Submit dispute

Counter

Product is okay

• Did not receive the return product(s)
• Returned product(s) is/are damaged or defective

Submit dispute

Refund buyer

If buyer did not receive the items and requested for return refund

Buyer requests for return refund → Seller respond to the request

Seller required to respond within 3 days

Shopee Dispute involved *(if seller raised for dispute)* → Dispute completed

Refund completed *(if seller didn't raised for dispute)*

- Shopee will **reach out seller and/or buyer via email for status updates**. Would need both parties to stay alert on email as there may need clarification about proof submitted or additional proof during dispute process.

- **Payment will be released to buyer's wallet** if request for refund is successful. Payment that made through credit card will be refunded to the respective card within 7-14 working days.

Other than the reason of buyer does not receive the items

The whole return process is simple as it has only a total of 6 checkpoints

Buyer must update the tracking number within 5 days

Return completed

Refund completed

First stage: Seller raises dispute

Buyer returns the items

Seller receives the items

Seller required to respond within 5 days

Second stage: Seller raise dispute

Dispute completed

Buyer requests for return refund

Seller responds to the request

Seller required to respond within 3 days

Refund completed
(if seller didn't raise a dispute)

2. How does the Return & Refund Process Work

Overview of the Return & Refund process

Buyer

Buyer requests Return & Refund

Buyer ships out return item

Buyer receives refund

Seller

Seller approves request to return item

Seller waits for return item to arrive

Seller receives return item and accepts refund

Return?

How to handle a Return & Refund process (1/3)

Select **Return/Refund**

Select **Respond**

How to handle a Return & Refund process (2/3)

You may discuss with the buyer and upload images or any other proof

How to handle a Return & Refund process (3/3)

Use this to accept the current proposal by the buyer

Use this to suggest another solution. Sellers may suggest either option:
1. Refund only
2. Return and Refund

Use this to dispute the Return/Refund request and a Shopee agent will join the chat

3. How to Respond to Your Buyer's Request - Accept/Counter/Dispute

Scenario 1:
Seller accepts Return & Refund request

Scenario 1: Seller accepts Return & Refund request (1/4)
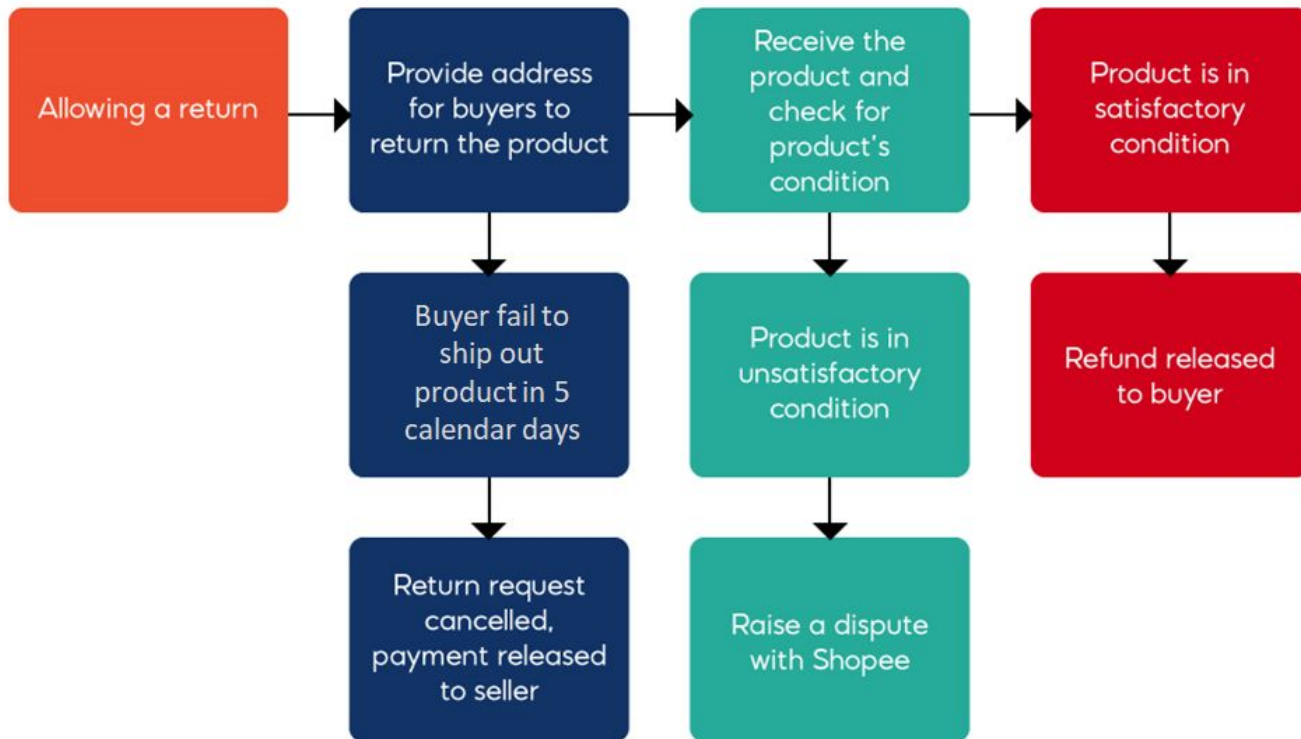
Scenario 1: Seller accepts Return & Refund request (2/4)

My Sales / Return/Refund Details

The buyer has proposed Refund of RM9.00

You need to respond by 30-07-2020, otherwise the buyer's proposal will be automatically accepted. You may discuss with the buyer for other possible solutions.

1

Accept Proposal | Dispute | Counter

The buyer has proposed Return & Refund

29-07-2020 13:17

Select **Accept Proposal**

You have proposed Refund of RM 7.50
29-07-2020 13:24

The buyer has proposed Refund of RM 9.00
29-07-2020 13:25

Scenario 1: Seller accepts Return & Refund request (3/4)

Home / My Sales / Return/Refund Details

Request ID
200623210828348   View related order

Reason from Buyer

Received the wrong product(s) (e.g. wrong size, wrong colour, different product)

Delivery Address

(2) test MY Kuala Lumpur Bangsar Level 25, Southpoint Mid Valley City, Lingkaran Syed Putra

Return Address
Level 25, Southpoint Mid Valley City, Lingkaran Syed Putra Bangsar 59200 Kuala Lumpur

Logistic information
MY202124788011LU

Select an address for the buyer to return the product to

# Scenario 1: Seller accepts Return & Refund request (4/4)

3   The Return/ Refund status will be updated to **"Return Pending".**

4   The buyer must **ship out the parcel within 5 calendar days**.
If not, the Return/ Refund request will be **cancelled.**

5   You will receive a **notification** when the buyer enters the return shipping information.

6   If the product is returned in satisfactory condition, you can refund the amount to the buyer.
If the product is received in an unsatisfactory condition, you can submit a dispute to Shopee.

7   You will need to **respond to the request within 5 calendar days**.
Otherwise, the **buyer will be refunded.**

Scenario 2:
Seller wants to Counter for a lower refund amount

Scenario 2: Seller wants to Counter for a lower refund amount (1/2)
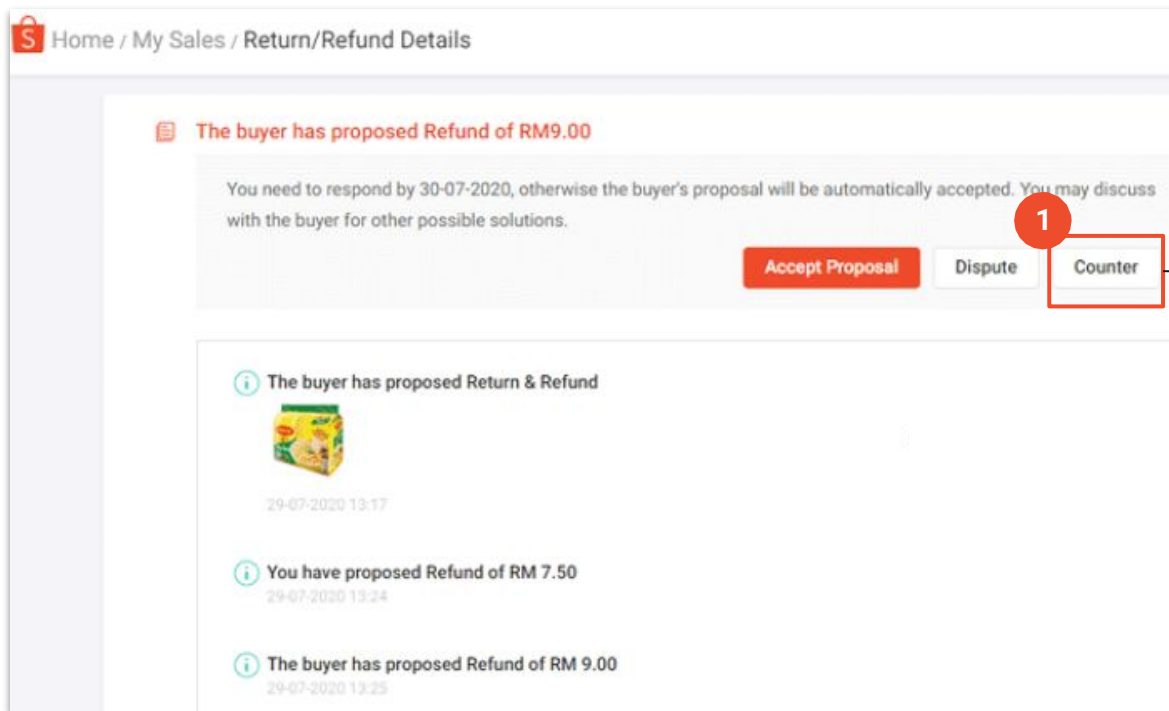
If you do not agree with buyer's earlier proposal, you can counter propose a new solution.

There are 2 possible counter solutions:

- **Option 1: Refund**
  You can choose the **Refund** option to counter the buyer for a lower refund amount.

- **Option 2: Return & Refund**
  You can choose the **Return and Refund** option to allow the buyer to return the product before giving the refund.

Scenario 2: Seller wants to Counter for a lower refund amount (2/2)

Counter Proposal ✕

Buyer propose:

Proposal   Return & Refund

Refund Amount   RM30.00

2

You can change the solution:

Proposal   Refund ▾

Refund Amount   Max RM30.00

Cancel   Submit

3

Select the **refund amount**

Click **Submit**

Seller Tips! 💡

1. If you **do not need the product back**, you may also refund the buyer immediately without a return shipment. You can counter-propose a different refund amount to the buyer.

2. If there is no response in **3 days**, the system will automatically accept the latest proposal by either party, regardless of whether any mutual agreement has been reached.
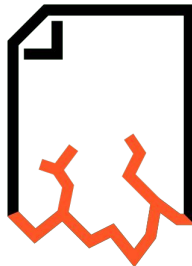
Scenario 3:
Seller disagrees with buyer

Scenario 3: Seller disagrees with buyer (1/3)

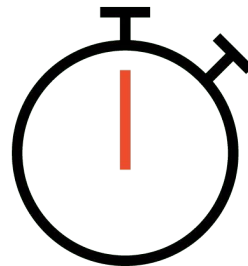You can raise a dispute to Shopee after you have discussed with the buyer, and:

You **cannot come to an agreement** with the buyer

OR

You received the return in an **unacceptable condition** (e.g. wrong item)

OR

The return item **did not arrive on time**

Scenario 3: Seller disagrees with buyer (2/3)

Home / My Sales / Return/Refund Details

Shopee Seller | Education Hub

REQUEST HISTORY

The buyer has proposed Refund of RM9.00

You need to respond by 30-07-2020, otherwise the buyer's proposal will be automatically accepted. You may discuss with the buyer for other possible solutions.

1

Accept Proposal | Dispute | Counter

New Return/Refund Request
29-07-2020 13:25

The buyer has proposed Return & Refund

29-07-2020 13:17

You have proposed Refund of RM 7.50
29-07-2020 13:24

The buyer has proposed Refund of RM 9.00
29-07-2020 13:25

Use this to dispute the Return/Refund request and a Shopee agent will join the chat

Chat

Scenario 3: Seller disagrees with buyer (3/3)

2 When you select "**Dispute**"

- You will see the pop-up window displayed on the right.
- You are recommended to fill in all the blanks on the pop-up window.
- Upload evidence to support your dispute by submitting a photo or video **within 3 calendar days**.

Appeal Return/Refund ✕

| Select Reason | I would like to reject the non-receipt claim. ▼ |

| Reason | Return/Refund Reason... (optional) |

| Your Email Address | Set your email address so that we can contact you. |

Dispute Proof +

Cancel   Submit

4. Required Supporting Documents for the Dispute Process

Type of Dispute: Non-receipt claim

A non-receipt claim is raised against the seller when buyer did not receive the item or received an incomplete order from the case. As sellers, you will have **3 calendar days** to submit quality evidence that will allow us to check with the courier service provider the current tracking status. Buyer will not need to provide any documents while they raise this case.

1. Formal shipping proof (e.g. Delivery receipt, manifest, consignment note)

2. Photo of the parcel package / information, including information of delivery company, tracking number, seller's and buyer's name, contact number, and shipping address

Upon checking by Shopee Dispute Team, if the parcel is...

Still in transit

- Shopee team will **inform the buyer via email, and reject the dispute request.**

Lost in transit
(Shopee Supported Logistics only)

- The **buyer will be refunded** while our dispute team assists the seller to claim for lost parcel if seller had shipped with Shopee's Consignment Note.

Seller Tips!

Shopee will claim the item as 'Lost in transit' if there is no tracking status update within 14 days after pick up date.

Type of Dispute: Normal Returns

A normal return claim is raised against the seller when:
- Buyer received a wrong, defective or damaged product.
- Seller does not receive the returned product after the buyer and seller have agreed on a return request.

The **buyer** will then need to **provide valid proof** to support their claim.

1. **Pictorial / Video Proof** (Packaging box damages, physical item damages, consignment note of item received, picture of all item received in the parcel).

2. **Chat history** or any other evidence showing prior negotiation with the seller.

Seller Tips! 💡

It is required to provide a video proof for malfunctioned items.

Possible Dispute Results

There are 3 potential results after the agent's investigation:

1

Buyer will be
refunded in full or
in part
(without return)

2

Buyer
returns the item
and is refunded in
full by the seller

3

Buyer's return / refund
request is rejected
and seller receives full
payment

5. Who will Bear the Return Shipping Fee

———

Who will Bear the Return Shipping Fee?

Shopee Mall Sellers

- **Sellers need not pay any return shipping fee.**
- The tracking number for return shipment will be generated for buyers by Shopee.

Non-Shopee Mall Sellers

- The return shipping fee for sellers with Free Buyer Return entitlement will be borne by Shopee.
- For other sellers, sellers need not pay any return shipping fee but buyers would need to pay for the return shipping fee first.
- Buyers should provide the proof of return (consignment note) and the receipt in order for Shopee to reimburse the shipping fee.

Seller Tips!

For more info about Free Buyer Return with Shopee Supported Logistics (Pos Laju), tap here.

6. Best Practices to Manage Return & Refund

Best Practices for Sellers

Before shipping out an order

✅ Make use of **Shopee Supported Logistics** or ensure that your courier has a **tracking number**. This lets you know when your order has reached the buyer.

✅ Where possible, keep **photos / video footage** of when items are packed and shipped.

✅ **Ship items with sufficient protection** (e.g. padding/bubble wrap).

After a Return/ Refund request is raised

✅ **Respond** to Return/ Refund requests **promptly.**

✅ **Discuss with the buyer** before submitting a dispute.

✅ **Upload evidence promptly** once a dispute is submitted.

High return refund rate is due to

Wrong Items

- Eg: Buyer order A but B is packed and delivered

Incomplete Items

- Eg: Buyer order 3 items but only 2 items are shipped
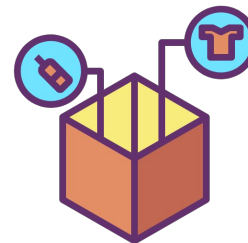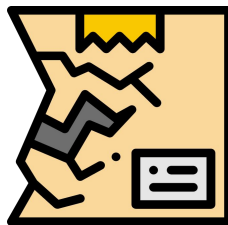
Extra Items

- Eg: Buyer order 4 items but 5 items are delivered
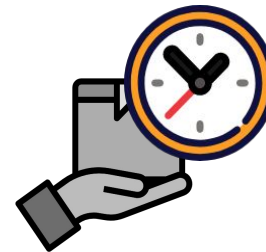
High return refund rate is due to

Defective Item

- Eg: Products come with defects such as minor scratches on surface, broken parts, malfunctioned products

Damaged items

- Possible reasons
  - Improper packing method
  - Improper packing material
  - Insufficient protection

Expired Items

- Eg: Item delivered is expired

What you can do to avoid these?

Implement better picking & checking process

- Systemise order processing procedure
- Manual-checking picked orders before packing

Look for supplier with better product quality

- Visit the supplier to verify the production capability
- Communicate well with your supplier to ensure the quality of stocks
- Keep track on supplier's performance
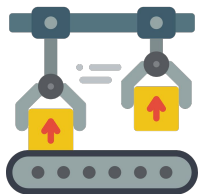
**Check product condition during inbound and packing process**

- Check on the expiry date during inbound time
- Since products might be placed on racks and are not moved around for a period of time, exercise second QC during packing process

What you can do to avoid these?

Use sufficient packing materials to give parcels maximum protection

- Set up a standard operation procedure (SOP) to standardise the packing materials and method used for different type of products
- Apply 2-3 layers of bubble wraps per product
- Tape the opening of the liquid product to prevent spilling
- If there are multiple items in an order, tape them together tightly to avoid collision during delivery
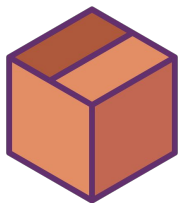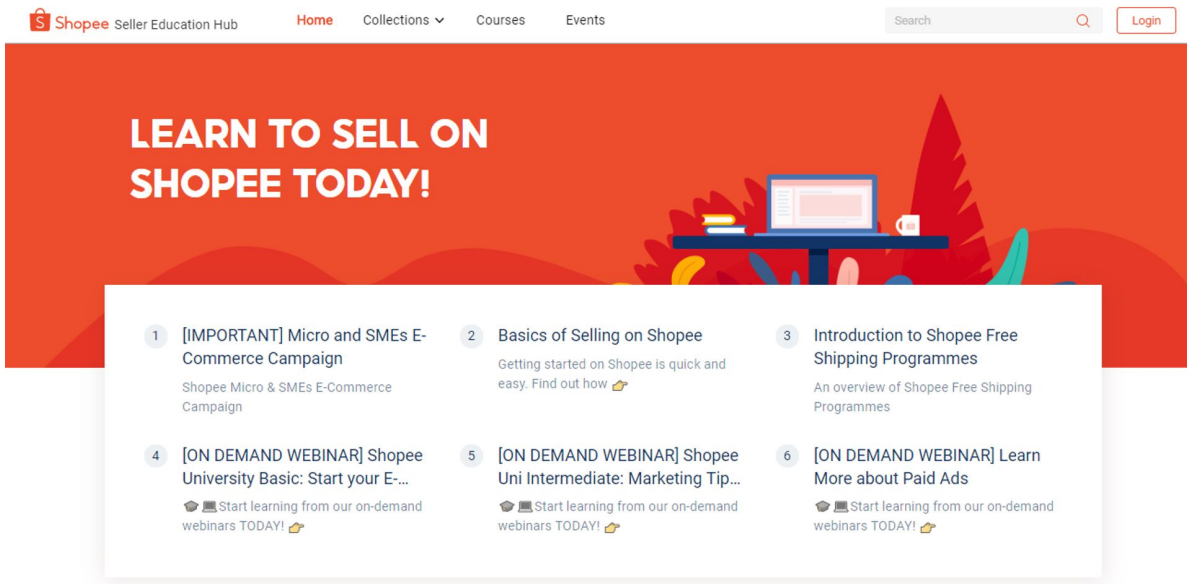
Provide good packing containers for parcels

- Make sure boxes with appropriate sizes are picked for each order, then fit items neatly into the box and leave a bit of room for filler materials
- Use crumpled papers, air bags, styrofoam or styrofoam chips as filler
- Pack fragile items in protective packaging materials on all sides
- Paste 'Fragile' sticker on the surface of parcels with breakable products, for courier company to identify fragile products

Recommended Packing Materials

Ensure that you have the necessary materials before you start packing. For proper packing, it is required that you have at least the following:

Carton Box	Packing Tape	Bubble Wrap	Shrink Wrap	Air Cushion
Pouch	Filler	Tape Gun	Black Shrink Wrap	Tape Dispenser

Learn more about best practices for selling on Shopee via Seller Education Hub

[Shopee Seller Education Hub](#)

THANK YOU

Private & Confidential