

Customer Complaints Management System

Any complaint about a product or service is logged into the multi-user database and flagged for appropriate attention.

All communications with a customer concerning a complaint are recorded. Hyperlinks point to relevant documents—letters, faxes, e-mails and so-on—for instant recall of relevant literature relating to complaints handling, when needed.

Debit and credit amounts are set against each complaint to provide financial analysis of the direct costs to the business of the complaints and of dealing with complaints.

Analysis by product, customer and complaint type is used to head off potential customer-care, manufacturing and distribution problems

Value to Client

A systematised approach to customer complaints:

- Increased levels of customer care
- Increased levels of customer satisfaction
- Monitoring of customer care standards
- Accurate audit trail for any complaint
- Early identification of possible manufacturing problems
- Distribution problem spotting
- Financial assessment of cost of complaint.
 - Advances in Consumer Research Volume 12, 1985 Pages 346-350
 - A CONSUMER COMPLAINT STRATEGY MODEL: ATECEDENTS AND OUTCOMES
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 - ABSTRACT -
- This paper presents a conceptualization of the complaining process that focuses on factors influencing consumers complaint strategies, and the impact of complaint strategy on complaint response. Elements of both the dissatisfaction experience and situational factors are hypothesized to influence the manner in which a complaint is presented. In turn, complaint presentation is hypothesized as a predictor of complaint success.
 - INTRODUCTION
- The major thrust of behaviorally oriented research in the consumer complaint area has been on the identification of factors predictive of propensity to complain (Richins 1982). At the same time, legal scholars have focused on institutional alternatives available for resolution of consumer disputes (Ray 1983). Very recently, attention has been drawn to the complaint process by investigations of complaint letters (Resnik and Harmon 1983) and consumer interaction styles (Richins 1980). These latter efforts signal a need to broaden the perspective on complaining by focusing on responses to complaints (outcomes) and the effects of complaint process variables on these outcomes. It is necessary to develop a better understanding, not only of factors that motivate consumer complaining initially, but also of those factors that determine how consumers will complain, and with what result. The paper first reviews the literature on propensity to complain and then proposes a broader, complaint strategy model of complaining. Finally the research and public policy implications of the model are discussed.
 - PROPENSITY TO COMPLAIN

- There is no mystery in the basic motivation for consumer complaining, and numerous descriptive studies have catalogued the types and relative frequencies of various problems that give rise to complaints. Best and Andreasen (1977), Day and Ash (1979), Grainer, McEvoy and King (1979), and Ladinsky and Susmilch (1983) are examples. Furthermore, it is generally accepted that consumers fall into three broad categories in terms of response to dissatisfaction; some do nothing, some take private action (curtail purchase/patronage), while some take public action - negative word of mouth communications or complaining (Richins 1983b). Identification and elaboration of correlates of complaining, and other post-dissatisfaction behaviors, remains a topic of interest. Specifically, factors thought to be predictive of propensity to complain have received particular attention and are briefly summarized below.
- Viewing dissatisfaction as an emotion of variable intensity, Woodruff, Cadotte and Jenkins (1983) suggest a monotonic relationship between expectation disconfirmation and dissatisfaction. Reasoning by analogy, greater dissatisfaction intensity should lead to greater likelihood of complaint, and in fact, Richins (1983b) found greater likelihood of complaint with greater problem severity. In addition, it is thought that consumers will complain only if they have the necessary resources to expend in the complaint effort and have expectations of net positive outcomes. Gronhaug and Zaltman (1981) described three models of complaining, namely the resource, learning and personality models. The resource model focuses on access to time, money and power as determinants of complaining, the learning model suggests that experienced, better trained consumers will complain more since they are more aware of their rights, and finally the personality model argues that complainers tend to be more self-confident and aggressive than noncomplainers.
- Coates and Penrod (1980-81) and Krishnan and Valle (1979) have focused on attribution of blame as a causal factor. External attributions, i.e. the manufacturer or reseller at fault, were found to be necessary for complaining to occur. Bearden and colleagues (1979, 1980) examined attitude toward complaining, social and personal moral norms, self-confidence, perceived risk, self-monitoring and past satisfaction with purchases in the product class. All but social norms and self-monitoring were found to be correlates of complaint behavior. In a follow-up study (Bearden and Crockett 1981), attitudes toward complaining and personal moral norms were found to be the best predictors of complaining.
- Finally, Richins (1982) investigated the role of complaint costs, perceived business responsiveness to complaints, expectation of societal benefits, personal-moral norms, and affective reaction to the act of complaining. Personal moral norms and positive benefit/cost ratio were both found to be correlates of propensity to complain. The results of this series of studies is summarized in Table 1, Influences on Propensity to Complain.

• TABLE 1

• SUMMARY OF INFLUENCES ON PROPENSITY TO COMPLAIN

- There exists at this point neither an overall integrative framework that encompasses all, or even a significant portion, of these factors, nor have any of the competing models emerged as generally, or even situationally, better in explanatory power. A common thread running through several of them is that complaining is an act designed to obtain economic redress for the individual and to a lesser extent, improve marketing system performance. This perspective is also common among legal scholars and consumer advocates who have studied complaining e.g. Best (1983). Viewing marketplace exchanges in economic terms motivates a focus on redress in complaining that fails to capture the richness of the dissatisfaction/complaint experience. Even when abetted by concerns for societal benefits, the economic redress perspective is somewhat sterile.

• AN ALTERNATE VIEW

- Marketplace encounters involve both economic value exchanges and social interaction. Going into the marketplace, consumers have two sets of expectations, relating to both aspects of the encounter. The first set revolves around dimensions of product/service performance. In addition to dissatisfaction, performance failures can give rise to emotions of frustration, hurt and anger. Consumers may feel that they have been cheated in some way, or taken advantage of. The second set of expectations are social in nature. These same feelings of frustration, hurt and anger may arise from the treatment the consumer receives from marketing representatives, for example, in a retail store. In their dealings with these representatives, consumers receive both verbal and non-verbal cues that have the potential to either bolster or diminish their sense of self-worth. Consumers not only expect products to work, they expect to be treated fairly, and with a modicum of respect. When consumers feel they have been

wronged, either by a product failure or by a marketing representative's treatment, their dominant response to that perceived injury may be driven by hurt and anger, even more so than by the desire to be made economically whole. The belief that "I'm just as good as the next person" produces in those perceiving an insult the desire to recover self-esteem. For some, perhaps many, complaining serves dual functions. It is a vehicle to recover economic loss and also a means to rebuild self-image. For those consumers who do not complain, factors discussed earlier, such as lack of resources or self-confidence, perceived cost, risk of embarrassment, and so on, override the desire to complain. However, consumers' desire to restore self-esteem is likely to be no less strong. What differs is the instrumentality by which this is achieved. Consumers have the option of private actions, e.g. the withholding of patronage. Hirschman's (1970) cogent discussion of exit and voice suggests that threat of exit may be more beneficial to the consumer than actual exit in obtaining economic redress, nevertheless the "I'll show them" decision not to patronize is still a form of meting out punishment that can rebuild self-image. More directly, the consumer can engage in negative word of mouth communication whose clear objective is to denigrate the manufacturer or retailer, but which also serves to mitigate the psychological impact of the dissatisfaction experience.

- Models of propensity to complain proposed thus far have not adequately considered the role of emotions and the desire to restore self-image. In addition, exclusive focus on propensity to complain as the dependent variable can be considered short sighted. Consumers complain to achieve objectives. Attention must be given to complaint outcomes, and the dimensions of the complaint process that determine them.

- A CONSUMER COMPLAINT STRATEGY MODEL

- Economic redress is now viewed as the primary complaint objective. Adding restoration of self-esteem as a second major objective not only enhances understanding of propensity to complain, but suggests insight into the issues of complaint strategies, appeals, styles and outcomes. Before proceeding further it is important to define what is meant by complaint strategy, appeal, style and outcome. Complaint strategy may be described as the consumer's action plan in response to a dissatisfaction experience. The strategy may involve taking no action, taking private action, negative word of mouth, or complaining. If a decision to complain is made, the complaint strategy will also embody a choice of who to complain to, what appeal(s) to use, and what style to employ. It should be noted that while the term strategy connotes a cognitive, pre-meditated view of complaining behavior, it is recognized that often the decision to complain is instantaneous and fundamentally emotional.
- Appeal refers to the message content of the complaint. It is the consumer's rationale for why the marketer should comply with the complaint request, and perhaps, what the consumer thinks the marketer should do about it. Much of the information contained in the appeal is designed to enhance perceived legitimacy, which was the focus of the Resnik and Harmon study (1983). Proof of purchase, warranty coverage, evidence of defect, etc. may all be supplied in support of the complaint. An interesting facet of many complaint appeals is that they may be categorized in terms of the French and Raven (1959) bases of social power. That is, an appeal that embodies a threat to go to a third party to resolve a dispute is an appeal that rests on coercion. An appeal that promises continued patronage, or threatens its withholding, depends on reward power. A request for compliance based on terms of a warranty is fundamentally an appeal based on legitimate power, i.e. the legal contract.
- On the other hand, complaint style refers to how the complaint is presented. Assertiveness and aggressiveness have been used as complaint style descriptors (Richins 1983a), but complaint style more accurately involves an underlying dimension of forcefulness or intensity. That is, non-assertiveness, assertiveness and aggressiveness are labels that serve to make discrete and tangible an underlying continuum of affective intensity that is reflected in observable behavior. Thus, behaviors are described as relatively passive, timid or apologetic at one end of the scale, while physical assault anchors the other end. Variables such as eye contact, vocal loudness, vocal fluency, and message intensity have been employed to operationalize behavioral intensity in studies of assertiveness and attitude change in persuasive communication (Burgoon and Stewart 1975, Hull and Schroeder 1979 and Norton-Ford and Hogan 1980).
- Finally, for the purposes of this discussion, complaint response or outcome is viewed from the consumer's point of view. The response dimension that is of greatest immediate interest is relative favorableness. That is, the degree of compliance with the complaint request.

- Overall, the complaint strategy model proposes that the degree of favorableness of outcome (COMPLIANCE) is a function of the APPEAL and STYLE employed by the complainant, which in turn, are a function of the STRATEGY. More specifically, an individual's complaint strategy is likely to be a function of the relative dominance of desire for economic redress or self-esteem restoration. A dominant desire to obtain economic redress should motivate a complaint appeal that is factual, reasonable and forthright if perceived legitimacy is thought to be a major determinant of success. This appeal may be accompanied by any of several complaint styles, however consumers have been urged to be assertive, i.e. moderately intense, but not aggressive.
- In contrast, when the principal objective is to restore self-image because one's feelings or pride has been hurt, it is more likely that more threatening appeals and aggressive complaint styles will be employed, since the objective of the complaint will be accomplished through the act itself, even if redress is not obtained. (Yelling at somebody makes me feel better.) Greater message intensity, vocal loudness and verbal hostility can be expected because the dissatisfaction experience has escalated from one of economic loss only to one involving loss of self-esteem as well. It should be noted that this view of complaint style is somewhat at variance with that presented by Richins (1983a). Instead of viewing assertiveness solely as a relatively stable, personality linked, behavior pattern, the view being advocated is that complaint style is also situationally determined. While it is likely that most persons do have a modal pattern of interaction, as Richins suggests, it is also plausible that this pattern embodies a range of emotional and behavioral intensity, narrower in some and broader in others, and that intensity of complaint within that range is situationally triggered. Richins notes that a prevalent complaint style is one that starts out as assertive, but then moves to aggressive if the assertive approach does not succeed. This behavioral sequence is also consistent with a situation focused view. That is, a consumer whose principal objective is economic redress may initiate the complaint in a factual, calm manner. However, if the initial request is refused, this rejection may be internalized. If so, the rejection itself stimulates an affective response and an escalation to a more aggressive complaint style. Thus, aggressiveness is a situationally evoked response, reflecting a shift in the relative importance of complaint objectives, i.e. from economic redress to self-esteem restoration. This shift may be quite temporary, for if the complaint receiver then acts to soothe the complaint sender, the remainder of the complaint episode may de-escalate to a less hostile interaction level.
- It is probable that the particular combinations of appeals and styles used by consumers are in part a reflection of a complaint strategy formulated prior to presenting the complaint, and in part due to strategy changes resulting from affective responses to situational cues. Consumer complaining antecedents and process descriptor constructs may be modeled as follows:
- $STRATEGY = f(OBJECTIVES, CONSTRAINTS, CUES)$ (1)
- $APPEAL, STYLE = f(STRATEGY)$ (2)
- where STRATEGY captures the consumer's action plan in response to the dissatisfaction experience, OBJECTIVES are the two major complaint objectives, i.e., economic redress and self-esteem restoration, CONSTRAINTS are objective or perceived limitations on the consumer's ability to achieve objectives, CUES are situational stimuli that may modify objectives, APPEAL is the message content of the complaint request, and STYLE is the behavioral intensity with which the complaint is Presented.
- Assuming a decision is made to complain, the type of complaint that will be made is a function of relative dominance of complaint objectives, which may change due to situational cues. The consumer's complaint strategy is then operationalized through the particular appeal(s) and style(s) chosen. Note that the proposed mechanism of action for situational cues is one of cue-induced change in objectives, rather than a direct linkage between cues and either style or appeal.
- In turn, complaint appeal and style should influence complaint response. While the influence of message characteristics on attitude and behavior change has received widespread attention (Fishbein and Ajzen 1975), space does not permit discussion of the influence of appeal type on compliance. Resnik and Harmon (1983) discussed perceived legitimacy of appeal but did not explicitly test for relationships between perceived legitimacy and favorableness of marketer response. They did note a tendency towards compliance by marketing representatives, even when the complainant's suggested remedy was obviously unreasonable, speculating that this may have been the result of a desire to avoid a confrontation. The impact of the power base from which the appeal derives, e.g. legitimate vs. coercive, on response to consumer

complaints has not been investigated at all, and may prove fruitful ground for future exploration.

- Holding appeal factors constant, the impact of complaint style on response can be assessed. Recalling that complaint style descriptors embody an underlying continuum of behavioral intensity, two alternative formulations are appealing. The first suggests that favorableness of response is a monotonically increasing function of intensity. This hypothesis is consonant with the view, noted in Resnik and Harmon (1983), that marketing representatives may wish to avoid or quickly defuse confrontations with consumers through compliance. The more confrontational and aggressive the consumer's complaint style is, the greater the likelihood of compliance. The outcomes Portion of the model is given by:
- $\text{COMPLIANCE} = f(\text{STYLE} \text{ I } \text{APPEAL}) \quad (3)$
- where Compliance is the degree of favorableness in the marketing representative's response to the complaint, and STYLE and APPEAL are defined as before. One variety of monotonically increasing function is the linear model, given by:
- $\text{COMPLIANCE} = b_0 + b_1 (\text{STYLE}) \text{ I } \text{APPEAL} \quad (4)$
- where b_0 and b_1 are empirically derived parameters.
- An alternative hypothesis is that the response function is curvilinear, specifically taking on an inverted U-shape. The argument favoring this version is that very weak or timid complaint styles invite rejection, whereas excessively aggressive complaint styles stimulate a defensive reaction instead of compliance on the part of S the marketing representative. This of course would be i dysfunctional from the consumer's point of view. Such curvilinear response functions have been observed in o other situations involving persuasive communication and attitude change, most notably with fear appeals (McGuire 1968, 1969). McGuire posited a two-factor explanation for the U-curve, in which facilitating and inhibiting dimensions of fear interacted to produce the shape of the response curve. Support for this view and an application to segmentation were provided by Ray and Wilkie (1970). The curvilinear form of the model, derived from McGuire's model. is given by:
- $\text{COMPLIANCE} = b_0 + b_1 (\text{STYLE}_f) (\text{STYLE}_i) \text{ I } \text{APPEAL} \quad (5)$
- where COMPLIANCE is as defined before, STYLE_f represents the facilitating effects of behavioral intensity, STYLE_i represents the inhibiting effects of behavioral intensity, and APPEAL is also as before. Figure 1, Alternative Response Models, depicts the differing response curves corresponding to the two competing hypotheses.

• FIGURE 1

• ALTERNATIVE RESPONSE MODELS

• DISCUSSION

- The model presented in this paper serves two functions. First, it provides an organizing framework for the propensity to complain literature. Instead of considering a collection of correlates with propensity to complain individually, the complaint strategy model suggests that any perceived injury in the marketplace that produces sufficient dissatisfaction will yield a desire to obtain redress. This desire may be one, or both, of two types; the desire for economic redress and desire for restoration of self-esteem. Certain factors may facilitate a complaint strategy that involves complaining, including past success with complaining in similar situations. Other factors, such as lack of resources or perception of low benefit/cost ratio may constrain complaining behavior when economic redress is the primary objective. However, marketing representatives' behavior may provoke complaints, even when the expected probability of obtaining economic redress is low.
- Second, the model suggests several empirically testable hypotheses, which have both theoretical and public policy implications. For example, the following alternative hypotheses derive from the input side of the model:
- H1: Consumers whose primary response to a dissatisfaction experience is a stated desire to obtain economic redress will be more likely to express an intention to use appeals high in perceived legitimacy than those whose stated objective is self-esteem restoration.
- H2: Consumers whose primary response to a dissatisfaction experience is a stated desire to restore self-esteem will be more likely to express an intention to use a more intense complaint style than those whose stated objective is economic redress.
- From the output side of the model the following may be tested:
- H3: Complaint response compliance is a monotonically increasing function of perceived complaint style.

- H4: Complaint response compliance is an inverted U-shape function of perceived complaint style.
- Relaxing the constraint that appeal type is held constant permits investigation of a series of possible interactions between complaint style and appeal, including the perceived legitimacy and power base category of the appeal. Two of the many possible testable hypotheses are:
- H5: Complaint response is most favorable when very aggressive complaint styles are coupled with complaint appeals low in perceived legitimacy.
- H6: Complaint response is most favorable when non-assertive complaint styles are coupled with appeals based on legitimate power.
- While the corresponding null hypotheses have not been stated, and issues such as possible research designs, construct operationalization, and measure validation have not been considered, the preceding does give some guidance as to potential research directions. Furthermore, other factors are also likely to have an impact on complaint outcomes, and these may be incorporated in a broadened version of the model. The formal complaint resolution policies of the marketing organization may be formulated to give the customer the benefit of the doubt, or vice versa. The informal reward structure in the organization, regardless of formal policy, may punish those marketing and customer service representatives who appear to take the complainant's side against the organization. Finally, especially in face to face complaint situations, the perceived similarity-attraction paradigms suggest that the marketing representative's response to the complaint may be more favorable when perceived similarity with, and attraction to, the complainant is high.
- If validated, the model poses some interesting questions to consumer advocates and public policy makers. Many who have written advising consumers how to complain, for example Calistro (1984), Federal Trade Commission (1983), and Knauer (1982) have focused almost exclusively on the informational content (appeal) of complaint letters. Implicit in their instructions is an untested assumption of a positive causal relationship between an appeal's perceived legitimacy and response favorableness. Complaint style issues have been skirted in many of the instructional pieces, although some writers have explicitly urged moderately intense (assertive) complaint styles in preference to styles either very low (timid) or very high (aggressive) in intensity (Mooney 1986). None of the instructional articles cited acknowledge the possibility that different situations may call for differing combinations of appeals and styles, e.g. face to face complaints in retail stores vs. complaint letters to manufacturers. Contingent upon the actual results achieved in validating empirical work, those who wish to advise consumers how to complain should consider a broader range of factors that likely contribute to the relative success of a complaint.

• SUMMARY

- This paper has presented a model of consumer complaint strategy that focuses on factors that determine both whether and how a complaint will be made. The model also considers the impact of the behavioral manifestations of complaint strategy on favorableness of response to complaints. It is argued that the previous focus on propensity to complain has produced an overly narrow perspective on complaining and that greater attention should be given to the motivating role of the affective dimensions of the dissatisfaction experience. Finally, suggestions are made for testing of hypotheses derived from the model, and consideration given to the public policy implications of the possible results of that testing.

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Handling Customer Complaints: A Best Practice Guide

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A Practical Guide to Handling Customer Complaints

1. Complaints: A Critical Form of Communication

Complaints are a goldmine of information

Complaints offer businesses an opportunity to correct immediate problems. In addition, they frequently provide constructive ideas for improving products, adapting marketing practices, upgrading services, or modifying promotional material and product information.

While occasional problems with service of merchandise are, to some extent, inevitable, dissatisfied customers are not. Companies can learn to recover from mistakes. A good recovery can turn angry, frustrated customers into loyal ones.

Recognizing the importance of responding fairly and efficiently to buyer disappointment in the marketplace, many businesses have established effective and innovative systems for resolving consumer complaints. Within any industry, those companies with a positive philosophy and a reputation for fair complaint-management have a competitive edge.

A management philosophy that embraces customer satisfaction as a primary goal of business, instead of defending the company in the face of complaints, can change the rules of the game for companies. It shifts the emphasis from the *cost* of pleasing a customer to the *value* of doing so, and trusts front-line employees to use their judgment.

British Airways' customer-relations department can claim to be a true champion of the customer. The retention rate among those who complain to customer relations has more than doubled, while its return on investment (the value of business saved plus increased loyalty and new business from referrals relative to the department's total costs) has risen 200%. British Airways employees are never happy to have service failures but are eager to hear about them when they occur because they know that ignorance is anything but bliss.

2. Why is Complaints Handling Important?

Generate Loyalty, Goodwill and Word-of-Mouth

By talking back when they believe they have not received their money's worth, consumers give businesses an opportunity to correct the immediate problem and restore goodwill. Experience shows that consumers who complain about products and services continue to

frequent the businesses and buy the products they complain about **if** they believe the complaint was resolved fairly.

Research into complaint behaviour reveals that only a fraction of dissatisfied consumers complains to business and, thereby, gives the company an opportunity to correct the problem. There is evidence that some consumers do not complain because they are sceptical about business's willingness or ability to resolve disputes fairly. Consumers simply withdraw their patronage and criticize the company or the product to others.

Such findings underscore the importance to business of a complaint management system that is well-publicized and easily accessible. An unregistered complaint may do as much harm as one that is mismanaged or not resolved.

Careful complaint management can save business unwanted costs. For example, negative word-of-mouth publicity from dissatisfied consumers means lost revenue and necessitates additional investment in advertising to attract replacement customers.

Complaints and complaint trends tell business how to do its job better by alerting management to problems that need prompt attention and correction. Furthermore, they indicate long-range opportunities for product innovation and problem prevention. A well-planned system for screening and recording complaint data can provide business owners and managers answers to such important questions as the following:

- Are products "oversold" or "over advertised?"
- Is advertising clearly understood?
- Are salespeople overzealous?
- Do product disclosures (such as labelling, warranty information and service agreements) need to be improved?
- Are user's manuals clear, complete and easy-to-read?
- Would changing warranty coverage reduce complaints?

Complaints also provide information about product quality:

- Are there opportunities for product improvements or better quality control?
- Are there indications of safety defects that should be reported and corrected, or that justify a recall?

To get this valuable feedback, complaint-reporting must generate information swiftly and systematically to the appropriate managers or departments. Initial screening should trigger immediate action, when necessary, and statistical summaries should identify trends and long-range courses of action.

3. Complaints Management System: Management's Role

Demonstrate a commitment to complaints management

Management attitudes are reflected in the conduct of employees and the performance of the company. Top-level commitment to effective complaint management establishes the motive and incentives for all personnel to strive for consumer satisfaction.

Management's responsibility begins with the preparation of written policies and procedures for speedy and fair complaint resolution. These policies and procedures should be put in writing and communicated to all appropriate departments, emphasizing the accountability of individual employees to resolve complaints courteously and fairly. Employees whose primary responsibility is sales or service, for example, may have difficulty resolving complaints objectively if they feel their performance rating could be adversely affected. If management establishes clear lines of authority, consumer problems should be solved quickly and effectively.

Management should regularly review and, when necessary, find ways to improve complaint-management procedures, paying particular attention to refining communication and coordination between the complaint-management and operating departments. Periodic surveys of consumers will reveal whether they feel they have been well served by the complaint-processing procedures, and whether they find the company's policies on refunds, repairs, exchanges and other forms of redress to be fair.

4. Customer Retention Strategy: Costs and Savings

Complaint Management Return on Investment

Even though a good customer retention strategy incurs cost, so does a badly performed service. No business can afford to lose customers, if only because it costs much more to replace a customer than it does to retain one -- five times more, most industry experts agree. A customer recovery service allows a business to shift its cost from constantly courting new customers to cutting customer defection.

Also keep in mind that dissatisfied customers almost always get stuck with certain costs: the money they spend for phone calls, the time they spend making their cases, and the aggravation they must endure throughout. The customer left stranded on the highway because her car was not repaired properly might miss an important meeting, have to pay for a tow truck, and spend time waiting for the repair to be made. Many service companies conveniently overlook these hidden costs, but the customer surely will not. Companies known for excellent service will go the extra mile to cover all the costs a failure incurs or, if the inconvenience is so great that the company cannot completely compensate the customer, respond in a tone that signals the company's regret.

5. Complaint Handling Staff

What Makes a Great Complaint Manager?

Complaint managers need to be patient, articulate, and able to balance fairly the interests of the company with those of the consumer. They also should be able to communicate legitimate consumer complaints to management to help determine whether there is a need for changes in company policies or procedures.

All members of a complaint-management department should be familiar with the operations of the company and with its products and services. Prior experience in other departments may be an asset. Training can strengthen interviewing and communications skills and heighten the staff's awareness of the special needs of consumers from different cultural, economic or educational backgrounds. Also, complaint-management staff should be familiar with

consumer protection laws and with the operations of third-party dispute-resolution mechanisms to which particularly difficult complaints may need to be referred.

Finally, customer-relations personnel should have professional status, adequate salaries and opportunities for advancement consistent with the importance management assigns to the function.

6. Publicizing the Customer Complaint Management System

Visible and Accessible Complaint Management System

A complaint management system must be visible and accessible in order to serve consumers and accomplish company goals. Management, sales, service and public relations personnel should all cooperate to make the complaint system accessible to consumers.

How to publicize the complaint management system:

- on posters and signs in the sales and service area
- on contract forms and sales slips
- in charge account mailings
- in the use and care manual
- in advertising -- your company's complaint system could be the theme of an advertising campaign
- on product packaging and labelling

Instructing consumers of their responsibilities can help avoid misunderstandings and unnecessary complaints. Include advice in the material that advertises your complaint system and have sales and service personnel encourage consumers to do the following:

- Carefully read promotional material and product literature before buying.
- Follow instructions in the use and care manual.
- Understand the terms of sale (warranties and guarantees, contracts, credit terms, refund policies, and so on).

7. Customer Complaint Resolution at the First Point of Contact

Empower Front Line Staff, Distributors, and Sales People

Consumers are likely to turn first to the place of their purchase -- retail store, service establishment, contractor, and so on -- to complain. Resolving complaints at this level avoids unnecessary consumer frustration and preserves the direct buyer/seller relationship. Moreover, it is likely to be relatively easy, quick and economical.

It is important that companies coordinate complaint management with others in their distribution network. Retailers, manufacturers and service outlets mutually benefit from keeping one another informed of complaints and complaint trends and cooperating when necessary to see that complaints are fully and satisfactorily resolved.

Manufacturers should encourage consumers and retailers to contact them when a dispute cannot be resolved at the place of purchase. Complaint systems at the retail level should be

structured to isolate those matters that need the immediate attention of manufacturers. These include complaints that suggest possible design or production defects that affect product safety and performance. Also, complaints forwarded from the retail level can help manufacturers evaluate their own policies toward warranty coverage, for example, or identify advertising or labelling that needs to be clarified, or learn things about product performance or marketing that are revealed only after wide distribution.

8. Third-party Dispute Resolution

Conciliation, Mediation and Arbitration

If complaints cannot be resolved directly between the consumer and retailer or manufacturer, they should be referred to third-party dispute resolution. Third-party mechanisms use the services of unbiased individuals or panels to resolve disputes through conciliation, mediation and arbitration.

- **Conciliation:**
A neutral conciliator brings the parties together and encourages them to find a mutually acceptable resolution to the dispute.
- **Mediation:**
A neutral mediator becomes actively involved in negotiations between the parties. The mediator can propose a resolution, but cannot dictate a settlement of the dispute.
- **Arbitration:**
An independent individual or panel hears the facts on both sides of a dispute and reaches a decision. Usually both parties have previously agreed to abide by the decision, but in some systems, only the business agrees in advance to abide by the outcome of the arbitration.

Third-party dispute resolution is advantageous to business because it enables expeditious, economical and fair complaint resolution without government regulation or legal action. In fact, government agencies encourage the use of third-party mechanisms when complaints cannot be resolved directly between buyer and seller. Proponents of third-party systems point out that their use can help make manufacturers and retailers more responsive to consumer problems. By submitting disputes to a neutral decision-maker, a business can demonstrate goodwill through its willingness to seek unbiased solutions to consumer complaints.

A small percentage of consumers and businesses seek more formal third-party complaint resolution in small claims courts. Use of the courts can be cumbersome and costly for both sides and can usually be avoided if a good faith effort is made to resolve disputes at the company level or through informal dispute resolution.

9. Basic Steps for Effective Complaint Management

1. **Designate a Location to Receive Complaints**
Consumers need to know where and how to file complaints or make inquiries.
 - Select a place to receive complaints that is visible and accessible to consumers.
 - Publicize the complaint system to encourage consumers to voice their dissatisfaction and to make the good intentions of the company apparent.
2. **Develop a System for Record-keeping**
Prepare forms for recording, categorizing and filing complaint records.
Design the system to perform functions such as the following:

- communicating complaint data to top management;
 - permitting swift identification and response when complaints need to be reported to other departments or companies in the distribution network, or to law enforcement or regulatory agencies;
 - providing market research through complaint trends; and
 - enabling management to monitor the efficiency and effectiveness of the complaint-management system.
3. Process and Record Complaints
- Log in the complaint and any relevant data.
 - Categorize it for resolution and record-keeping. Categories must be clearly defined and exclusive of one another.
 - Assign the complaint to one person for handling.
 - Forward the complaint to another level of authority, if appropriate.
4. Acknowledge Complaint
- Consumers do not register complaints with only a casual interest in their disposition. Complaining involves some inconvenience and, possibly, expense. Loyal customers with strong feelings are often involved.
- Personalize the response.
 - Talk to the customer, if possible, by phone or in person.
 - Use letters when necessary, but avoid impersonal form letters.
 - Take extra time, if needed, to help consumers with special needs, such as language barriers.
5. Investigate and Analyze the Complaint
- Be fair.
 - Get both sides of the story.
 - Keep records in the complaint file of all meetings, conversations or findings.
6. Resolve the Problem in a Manner Consistent with Company Policy
- Forward the complaint to the appropriate level of authority for resolution.
 - Keep the consumer informed through progress reports.
 - Notify the consumer promptly of a proposed settlement.
7. Follow-Up
- Find out if the consumer is satisfied with the resolution. Was it carried out?
 - Refer the complaint to a third-party dispute-resolution mechanism, if necessary.
 - Cooperate with the third-party.
8. Prepare and File a Report on the Disposition of the Complaint, and Periodically Analyze and Summarize Complaints
- Circulate complaint statistics and action proposals to appropriate departments.
 - Develop an action plan for complaint prevention.
 - Make sure the consumer viewpoint is given appropriate consideration in company decision making.

10. Complaint Management System Conclusions

Complaint management systems and company policies on refunds, exchanges and product service vary widely depending on the nature of the product or service, the terms of purchase,

consumer use patterns, and so on. There is no single formula that will provide universal relief for dissatisfied consumers.

The commitment and continuing involvement of company management is critical to successful complaint resolution and to the optimum use of complaints as a management tool. Managers will help discover new ways to improve both the complaint-management system and the fairness of remedies offered to consumers.

11. Complaint Management System Checklist

Evaluate your complaint management system

In planning a system for complaint management or evaluating the one you have in place, consider the following questions:

- Does your company depend on repeat customers?
- Do you have written procedures for your complaint-management system?
- Are staff throughout the company well aware of the procedures and the importance of your complaint-management system?
- Does top management directly oversee your complaint-handling procedures?
- Do incentives exist to reinforce staff commitment to consumer satisfaction?
- Is your complaint system easily accessible to consumers?
- Do you publicize your complaint system to consumers? If yes, how? Printed media (posters, advertising, monthly statements)? Communications by sales personnel?
- Is your complaint system organized so that:
 1. front-line employees have clear responsibilities for resolving complaints in one department or location?
 2. larger or more serious complaints are referred to designated senior managers?
- Are you providing adequate training for your complaint-management staff?
- Does the customer-relations staff feel they have equal stature with other professionals in the company?
- Do you periodically survey your customers to see if they are satisfied with your complaint-management system? Do you encourage feedback?
- Do you regularly review your complaint-management system and make necessary improvements?
- Do you utilize your system of complaint management for more than settling individual complaints? For example, do you use it for quality control and problem prevention?
- Does your complaint system swiftly generate systematic information about causes of complaints and complaint trends?
- Does this data meet your management needs?
- Do you circulate to top management periodic reports of data from complaint records with suggestions for action to prevent recurring problems?
- Can you identify areas in the company in which your complaint-management system is having an effect? Has it been positive or negative?
- Do you coordinate your complaint-management system with others in the distribution chain for your products or services? Do you have a direct line of communication with them?
- Do you have an adequate understanding of how these external organizations are affecting your relationship with consumers?
- Do you work cooperatively with local and governmental consumer agencies?
- Do you use third-party dispute-resolution mechanisms for those problems not resolved in-house (i.e. mediation or arbitration)?

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The Consumer Complaints Procedure

How to submit consumer complaints to ASC

The procedure for consumers wishing to complain to ASC that an “advertisement” (as defined in the *Code*) contravenes the *Code*, is as follows:

ASC accepts complaints submitted by mail, e-mail, or fax. Telephoned complaints cannot be accepted.

To submit a complaint by e-mail:

- Complete the e-mail complaint form and follow the instructions provided on ASC’s website.

To submit a complaint by letter:

- Include your full name, telephone number, complete mailing address and (if available) fax number and e-mail address.
- Identify the product or service being advertised and the medium in which the advertisement appears:
 - For **Print Advertisements**: identify the name and date of the publication(s) in which you saw the advertisement(s) and include a copy of the advertisement(s).
 - For **Out-of-home Advertisements**, such as outdoor, transit or similar advertisements: identify the date on and exact location at which you saw the advertisement.
 - For **Broadcast Advertisements**: identify the station, time and date on/at which you saw/heard the commercial and provide a brief description of the commercial.
 - For **Cinema Advertisements**: identify the date of viewing and the name and location of the movie theatre at which you saw the advertisement and provide a brief description of the advertisement.

- For **Internet Advertisements**: identify the date of viewing, website, and include a print-out of the advertisement and other applicable web pages (if any).
- Explain the reason or basis for the complaint and, if known, the provision(s) of the *Code* that may apply.
- Submit the complaint to ASC at the address, or fax number listed at the end of this page.

How consumer complaints are received and handled by ASC and Council

In keeping with their mandate within today's self-regulatory environment, ASC and Council carefully consider and respond to all written consumer complaints received by them about advertising that allegedly does not comply with the *Code*.

The critical factor in determining whether an advertisement should be reviewed by Council is not the number of complaints received. The fundamental issue is only whether an advertisement, if the subject of any number of complaints, appears to contravene the *Code*. Ultimately, that question can only be answered by Council in response to one or more bona fide complaints that originate from the public.

Non-reviewable complaints

If, upon review, it appears to ASC or Council that a complaint is not a disguised trade complaint or special interest group complaint, and that based on the provisions of the *Code* reasonable grounds for the complaint appear to exist, then the consumer complaint will be accepted for processing. If at any time thereafter during the complaint review process, but prior to the release of Council's decision on the complaint, either ASC or Council concludes that, in reality, the complaint is a trade complaint or a special interest group complaint, but not a consumer complaint, the process will be discontinued and the complainant notified accordingly. In these cases, the complainant will be reminded that alternative approaches should be considered by the complainant for registering an advertising-related complaint, such as under ASC's *Trade Dispute Procedure* or *Special Interest Group Complaint Procedure*.

Council shall decline to accept, or to proceed further with, a complaint, or any part thereof, where it is of the opinion that:

- a. the specific advertisement(s) about which the complainant alleges a *Code* violation has/have not been identified;
- b. based on the provisions of the *Code*, reasonable grounds for the complaint do not appear to exist;
- c. the advertising, or such part of the advertising to which the complaint refers is, substantially, also the subject of litigation or other legal action then actively undertaken and pursued in Canada; or is under review, or subject to an order, by a Canadian court, or an agent or agency (or some other comparable entity) of the Canadian Government; or has been,

specifically, approved by an agency (or some other comparable entity) of the Canadian Government; or that

- d. such advertising is not within the purview of the *Code* or the complaint is beyond the resources of ASC to resolve under this *Procedure*; or that
- e. the complainant is abusing this *Consumer Complaint Procedure* by having as one of the complainant's primary intentions to generate publicity for a cause or issue.

Complaint review process

If, after a complaint is received, there is a preliminary determination that there may be a *Code* infraction by the advertisement (i.e. an accepted complaint), the advertiser will be notified in writing of the nature of the complaint and, if informed consent is freely granted by the complainant to ASC, the identity of the complainant.

Complaints involving clauses 10 or 14

When an accepted complaint relates to the provisions of Clause 10 (Safety) or Clause 14 (Unacceptable Depictions and Portrayals), the advertiser will be asked to promptly respond (copying ASC), within a stated timeframe, directly to the complainant if the complainant has agreed to be identified. If the complainant does not wish to be identified, the advertiser will respond directly to ASC, who will redirect the response to the complainant. Complaints about alleged offences under Clauses 10 or 14 that are handled in this way will go forward for deliberation by a Council if the complainant notifies ASC that the complainant remains dissatisfied after receiving the advertiser's response, and if, after reviewing the advertiser's response, ASC believes the advertising still raises an issue under the *Code*. Otherwise, the matter will not be forwarded to a Council and will not proceed further.

Complaints involving all other *Code* clauses

Where a preliminary determination has been made that there may be an infraction of one or more of the other clauses of the *Code* (i.e. other than Clauses 10 or 14), the advertiser will be asked to respond directly to ASC by providing, in writing and without unreasonable delay, information requested by Council in order that Council may deliberate and reach a fully-informed decision about whether the *Code* has, in fact, been violated.

Council hearing and decision

Complaints directed to ASC will be initially evaluated by ASC staff. If a complaint raises a potential *Code* issue and it concerns national advertising in the French-language, or advertising that appears only in Quebec, the complaint will be evaluated and decided by le Conseil des normes in Montreal. Complaints about an advertisement will be directed to one of the regional Councils identified in Appendix A to the *Code* if the advertisement relates to local or regional advertising in the vicinity of that Council. Complaints from outside Ontario about national English-language advertising will be

evaluated and decided by Council members who have national experience and exposure at a Council Hearing that includes English-language representation from the Council in the region where the complaint(s) originated. Otherwise, complaints about national English-language advertisements will be directed to the national Council in Toronto.

At the initial deliberation by a Council, the materials available for Council's review include, at a minimum, the complaint letter, the advertiser's written response, if any, and a copy of the advertising in question.

Council's decisions are by majority vote. Any member of Council may abstain from voting on any matter.

If a Council concludes an advertisement violates the *Code*, the advertiser, with a copy to the complainant, will be notified of the decision in writing and requested to appropriately amend the advertising in question or withdraw it, in either case without unreasonable delay.

If, at the initial deliberation by a Council, the complaint is not upheld by Council, both the complainant and the advertiser will be notified in writing with an explanation for Council's decision.

Appealing a Council decision

Both the complainant and the advertiser are entitled to request an appeal from a decision of Council by filing a Request for Appeal addressed to ASC. The Request for Appeal must be in writing and received at ASC within seven working days after the decision is sent to the parties. It must provide the appellant's reasons for believing the decision was in error. A request by an advertiser for an appeal will be considered if that advertiser undertakes in writing to withdraw the advertising in question within 11 working days after the Request for Appeal is received at ASC. The withdrawn advertising may be reinstated, however, if at the appeal hearing the Appeal Panel decides not to uphold the complaint. Advertisers will be granted a reasonable extension of time in which to withdraw the advertising if Council is satisfied that the advertising medium used to convey the advertising is unable to facilitate the withdrawal in the designated time.

A five-person Appeal Panel will be selected from among a roster of persons who did not serve at the original deliberation by a Council. The Appeal Panel will comprise two public representatives with the balance coming from the advertiser, advertising agency and media sectors. Each party will be given at least five working days advance written notice of the date of the appeal hearing.

Both the advertiser and the complainant will be requested to make their submissions in writing to the Appeal Panel. The submissions must be brief, confined strictly to the matters under appeal and received by the Standards Division at least two full working days in advance of the appeal hearing.

Decisions of Appeal Panels will be by majority vote and will be sent to both parties within five working days of the appeal hearing. At the appeal hearing, the complaint will be treated as a new complaint and the matter reconsidered in its entirety.

Decisions by Appeal Panels will be binding and final.

Advertising complaints reports

Each year, ASC will publish one or more reports on consumers' complaints to ASC about advertising. The principal purpose of these reports is to serve, for the benefit of the advertising industry and the interested public, as a guide to the interpretation of the *Code* as applied to advertising issues that concerned the public.

The advertising complaints reports will be divided into two sections. One section will provide details, including advertiser and advertisement identification, of those consumer complaints upheld under the *Code*. In this section, advertisers will be entitled to state their position on their advertisements about which a Council has upheld one or more complaints. The other section will summarize, without naming the advertiser, consumer complaints upheld by Councils about advertisements dealt with appropriately by the advertiser. Appropriate action by the advertiser means action voluntarily undertaken by the advertiser, without delay, to amend the advertisement to correct the alleged infraction, after being advised by ASC that a complaint had been received and before the matter was brought forward to Council for review and decision. Alternatively, the advertiser, without delay, may withdraw the advertisement from any further exposure, distribution or circulation and, in the case of retail advertising, provide a correction advertisement that appears in consumer-oriented media addressed to the same consumers to whom the misleading or offending advertising was originally directed.

Re-opening a case

ASC will have the discretionary right to reactivate the *Consumer Complaint Procedure*, in whole or part, including the imposition of sanctions provided in the *Code*, if an advertiser fails to fulfil its undertaking to withdraw or amend an advertisement; or if the matter underlying the complaint is of a continuing or repetitive nature, suggesting an avoidance of the provision(s) of the *Code*.

Advertiser's failure to respond or participate

If an advertiser fails to respond in a timely manner to ASC's request for a copy of the advertisement that is the subject of a consumer complaint, ASC may ask the carrying media to assist ASC by providing it with a copy of the advertisement in question. If an advertiser fails to respond to a complaint or participate in the *Consumer Complaint Procedure* the complaint may be decided in the advertiser's absence based on the information already in the possession of the applicable Council and on any further pertinent information submitted by the complainant for Council's review.

Failure to follow procedure or comply with decision

The *Code* is a reflection of advertising standards by which industry wishes to be held accountable. Because self-regulation is more than self-restraint on the part of individual companies or entities, the *Code* would be incomplete without effective sanctions to enforce compliance.

If an advertiser fails to voluntarily comply with the decision of a Council, ASC:

- will advise exhibiting media of the advertiser's failure to co-operate and request media's support in no longer exhibiting the advertising in question; and
 - may publicly declare, in such manner as Council deems appropriate, that the advertising in question, and the advertiser who will be identified, have been found to violate the *Code*.

To enhance our understanding and comprehension of *customer*, I offer Webster's definition as a logical starting point: 1) a person who buys, especially on a regular basis; 2) a person with whom one must deal. At the end of the day customers are the sole provider of every business—the revenue stream that pays for everything else. You can have the best product, the best accountant, the best management, and so on, but you have nothing without a revenue stream. And the revenue stream is the direct contribution of sales, period. Nothing happens until something is sold.

Let's look at the six types of customers.

- **1. External Customer.** These are the people and organizations who have a need for your product or



service. They purchase your stuff in exchange for money. They have a budget and will give you some of it in exchange for a solution that meets their needs and expectations. Given that, I affectionately refer to external customers as ones with the *bag of money*. They have the financial autonomy to decide where and how they will spend their budget—the bag of money. The question is, who gets the bag of money, you or your competitor? Who has earned the confidence and trust of the customer? You and your competitor are vying for a piece of their budget—the best solution wins. Know this: Customers vote with their money and complain with their feet.

- **2. Allies.** These are the users of your product or service, not the ultimate decision maker. These customers usually don't have a bag of money but they play a vital role in your success. They do not make the final decision but they may have tremendous impact on the outcome. They are often closely connected to the bag of money and positioning them as an ally to your cause is critical for your success. You must earn their trust and confidence if you expect them to support you at the bag of money level. A caution about allies: They have veto power, the authority to say no. They can give you a hundred no's but can't give you the one yes needed to close the deal. I have seen countless selling hours wasted on allies with the hope of closing the deal. However, allies can be a tremendous wealth of information. Pick their brains and learn how you can differentiate yourself from the competition. Customers buy differences, not similarities. It can sometimes be difficult to ascertain who the bag of money is and who the allies are. Ask questions early in the call to determine who's who in the zoo. Shrink your sales cycle by understanding the players within your accounts. Simply ask them who else may be involved with decisions.
- **3. Internal Customer.** These are fellow employees and managers within your place of business. They support you and make you look good to your external customers. Appreciate them and treat them with respect. Unfortunately, they are often the victims of your blamefest: "The jerks in production screwed up again ..." or "The idiots in shipping messed up . . ." or "Management gave me a lousy price . . ." and so it goes. Poor internal relationships can have fatal consequences for your external customers. I recently saw an anonymous quote that supports my point. "We have less to fear from outside competition than from inside conflict, inefficiencies, discourtesy, and bad service." So true. Take ownership for customer concerns. After all, you are an ambassador for your company, so don't abdicate responsibility for late deliveries, poor service, and inadequate support. Customers really don't care whose fault a problem is or how it happened. Customers aren't interested in fixing the blame. They want to fix the problem. It's up to you to quarterback all of the company's resources to resolve their problem. When you work in harmony with your internal customers, external customers become the beneficiary of your internal relationships. In company after company, I see sales working in isolation from other departments. Sales cannot fly solo and expect to service the expectations of external customers. Long-term success means having your entire company and all its resources focus on its customers. Be aware too of your own personal internal customers, such as family, spouse, and

parents. View your kids, spouse, or significant other as your personal internal customers. They also deserve respectful treatment.

- **4. Repeat Customer.** They are the jewels of your business. Do the job well the first time and you often get rewarded with another opportunity to serve them. And guess what? They give you more money! You may have heard that it costs up to five times as much to replace a customer as it does to keep one. So, keep them happy. Underpromise and overdeliver.
- **5. Born-Again Customer.** These are previous customers who no longer do business with you. For some reason they have forgotten about you or they are still upset with you. I suggest you dig up their file, give them a call, and settle any outstanding grievance. Put your ego aside and offer restitution to satisfy the customer. Do what it takes to resolve the situation. Make amends. Very frequently they will once again be receptive to doing business with you. They often become loyal customers provided you resolve the problem to their satisfaction. As you work with your customers, you will find the Sequential Model is applicable to all six types. Remember: Pay particular attention to your internal customers.
- **6. Bag of Wind.** You guessed it, these people have little or no impact on the decision. They are often an easy point of entry into an account but they seldom contribute to the sales process. In fact they do more harm than good by creating a false sense of authority. There is nothing worse than wasting valuable selling hours on people who cannot help advance the sale. However, I'm not suggesting to ignore these people but rather exploit their knowledge to deepen your understanding and confidence about the account. They may also provide clarity as to who the allies are and who the bag of money is. Knowing these people can prove to be a huge advantage; knowledge is power.

Kinds of Customer Complaints & How to Respond to Them

First, it's important to educate your staff into realizing that customer complaints are welcome. They're welcome because there are many customers who don't complain to your staff, but rather go home and complain to their friends and family and never return.

Second, it's important to educate your staff about how to handle complaints. Too many companies have a return policy, but don't back it up with training, for example, and thus employees are left to fend for themselves when faced with an angry customer. However, as you educate your employees, don't give them the easiest answer to problems and move on. Invite them to identify all of the complaints they've heard from customers and work with them to develop solutions and responses. Put those solutions and responses into a reference binder.

There are 3 kinds of customer complaints. Tell your employee this and help them identify each scenario:

1. **Legitimate complaints that the employee can solve:** This one is a "no-brainer". The employee needs to solve the problem immediately, doing whatever it takes to not only repair the problem, but to repair the relationship. Don't let your employee settle for just replacing a broken product; do more because the customer took the time to come in. Perhaps refund their full amount of money. Doing "just the bare minimum" will leave you with a customer that is not completely satisfied dealing with your company.
2. **Legitimate complaints that the employee cannot solve:** These can take two forms: either a new problem that has occurred that no one was aware of or a problem that you are aware of that is being dealt with. If it's a new problem (like a fault in the product that providing a new product will not solve) then you may need to empower your employee to take the customer to the competition and buy the product from them. Of course this should not be the first or most common response, but you will want to educate your employee and let them know that you are willing to go that far to make sure a customer is happy. If it's a problem that is ongoing in your company, you will want to train your staff in how to respond. One common employee response to customer complaints is "I'm sorry about the wait, we're so understaffed." Understaffing is an issue, but the solution isn't always to hire more people. However, your employees may not understand that and thus it becomes a training issue. Don't let them take a customer complaint as an opening to complain about the business. Instead, empower the employee to make it right with the customer and leave it at that.
3. **Ill-founded complaints:** Some content has been written about this idea, but not enough, in my opinion: the reality is that customers are sometimes wrong...or they simply don't understand how the business works and their reaction is to complain about the issue: price, for example, or quantity, or value, or wait times. Your employees face these complaints on a regular basis and are probably the least equipped to deal with them. However, an incorrect response could make a customer feel stupid and send them off to your competitors. To resolve these problems, ask your employees for the most common complaints in which the customer is wrong. Then work to create an environment where those questions don't come up. It could be as simple as improving signage, proactively walking the client through the process, or offering a brochure that doesn't market what you do but rather provides a step by step process of how you do

Customer Service Manual - Section 5 : Complaints : When things go wrong, dealing with and preventing complaints

Complaints - When things go wrong, dealing with and preventing complaints

- [Introduction](#)

- [Approaching complaints in a positive way](#)
- [Dealing with complaints - principles and procedures](#)
- [Complaints; and Cases where no complaint has been made, but something has gone wrong.](#)
- [Complaints made to others – providing reports and drafts to CEO](#)
- [Learning from complaints](#)

Introduction

The Valuation Office Agency (VOA) is committed to providing a high standard of service to its customers. These include taxpayers, ratepayers, council taxpayers, claimants, right to buy applicants and other members of the public. If anything has gone wrong with that service we need to:

- identify what has gone wrong
- put it right quickly and effectively
- apologise
- consider whether financial redress is appropriate; and
- consider whether there is anything to be learned from the problem.

Even when it seems nothing has gone wrong, if a complaint is made we need to examine it thoroughly and provide a full response which recognises the complainant's concerns.

This part of the Manual is divided into the following sections:

- Approaching complainants in a positive manner
- Dealing with and preventing complaints
- Complaints; and Cases where no complaint has been made, but something has gone wrong
- Complaints made to others: providing reports and drafts
- Information about the way complaints might be pursued, and what is required in the way of reports for complaints handled by others, and the procedures to follow in these cases. Checklists and examples of good and bad responses to complaints. Making use of the information from complaints, How to record complaints and provide constructive feedback
- Learning from Complaints

Mandatory procedures are highlighted in italics to make them easier to identify (as is the definition of a complaint which needs to be used consistently in every office).

Approaching Complainants in a positive way

- Attitude to complaints
- Suggestions for Group Customer Service Managers

Attitude to a complaint

Handling a complaint in a good way will bring benefits by improving our relationship with customers; and saving time and resources spent on protracted disputes.

In addition, complaints can help us to identify issues, which need to be put right, or areas where there is scope for improvement. They might also highlight areas of work where we need to take care or avoid repeating. In these ways, we can reduce the likely numbers of complaints in the future.

We should treat our customers in the way we would like to be treated. Never adopt a grudging or adversarial attitude, when dealing with complaints, and do apologise and admit a mistake when applicable. In fact, when a complaint is made, our first reaction should be to apologise and say we are sorry for the upset or concern caused. It is very important that we look at the complaint from the point of view of the customer. Find out what the customer wants – asking open, exploratory and probing questions in a customer focused way, is an important part of dealing effectively with customer complaints:

- this is to enable you to understand what the problem is
- also why it is a problem to the customer
- additionally what action the customer believes is required to resolve the problem for them

Politely explaining what you will do next will often defuse/diffuse the situation rather than acting defensively or trying to show why it is not justified. Remember the easiest way to turn a mild expression of dissatisfaction into something more serious is to deny that there is any ground for dissatisfaction, or to apologise in a grudging way.

Always adopt a positive attitude towards complaints. Our aim is to get everything "right first time", but in a large business like ours, dealing with millions of customers, things can go wrong and therefore, we must ensure that we deal with complaints in a professional and timely manner and learn from them. We need to accept immediately that the customer is concerned about something, and see what we can do about it - even if all we can do is give a clear explanation and / or apologise for any misunderstanding. This should be absolutely fundamental to our approach. And if something has gone wrong, we need to take extra care in subsequent contacts with the complainant(s).

Handling complaints in this way actually saves time, which would otherwise be spent in disputing the complaint, writing reports for the Chief Executive's Office, the Adjudicator, etc and should be seen as something which reflects well on our performance.

Promoting a positive environment for the handling of complaints is one of the roles of the Group Customer Service Managers (GCSM) here are a few suggestions on how to go about it:

- ensuring that good handling of complaints is reflected in performance agreements - both your own and those of staff
- handling complaints well yourself, so that staff will learn from you

- making sure that training in complaints handling, and inter-personal skills generally, is available for staff who deal with the public
- allowing staff to see that complaints can lead to improvements: if a complaint highlights a training need, or a defective procedure, do something about the problem
- where a complaint refers to the actions of a particular member of staff, involve that person in preparing the response, even if you are going to sign it, stressing that complaints should primarily lead to corrective action, rather than apportioning blame.
- ensuring that complaints are seen as one more aspect of customer feedback - keep a "compliments" file as well as details of complaints, and encourage circulation of positive feedback
- making it clear that recognising something has gone wrong and apologising is not "being soft" or "letting the side down"

Dealing with Complaints – Principles and Procedures

- [Foreword](#)
- [Recognising a complaint](#)
- [How to handle a situation where something has gone wrong](#)
- [Admission of errors, particularly on matters of valuation judgement](#)
- [The question of financial redress \(compensation\)](#)
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- [Complaints about Government Policy](#)
- [Further Advice](#)
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- [Lessons to be learned](#)

Foreword

It is the responsibility of the Agency's Group Customer Service Managers ([GCSMs](#)) to take the lead in dealing with, and preventing, complaints. However, all staff should be fully aware of the procedures adopted, and of the benefits to the Valuation Office Agency (VOA) of good complaint handling, as they are likely to be involved in assisting the GCSMs.

A brief guide to making a complaint, and our complaints Code of Practice (COP) is set out in our leaflet '[Putting things right for you](#)'. The Customer Service Team provides additional specific training, support and advice to the GCSMs.

Recognising a complaint

Any expression of dissatisfaction, however made, about our standards of service, our actions, or the lack of action, which affects an individual customer, group of customers or our clients – that is, any case where we know the customer feels aggrieved – should be treated as a complaint. Complaints can be made in writing, in person, by fax, by telephone or by e-mail.

A request, within a complaint, for information should be treated as a [separate issue](#). Consider your duty of confidentiality to any taxpayer, under [Commissioners for Revenue and Customs Act 2005](#) Section 18 (1), and the implications of Freedom of Information Act 2000 and Data Protection Act 1998 when responding / replying.

How to handle a situation where something has gone wrong

Communication with the customer

Whenever something has gone wrong, and regardless of whether a complaint has been made, as soon as possible the customer should be given:

- a clear and succinct explanation of what has caused the problem. If this is a mistake, delay or oversight you must not hesitate to say so but avoid jargon about the Agency's procedures and systems. [The [Plain English Section](#) of the Manual includes a glossary of commonly used jargon, with plain English alternatives]
- an apology; and
- information on what will happen as a result. This should cover both
 - what will happen in that particular case. No action at all may be appropriate - but you should still keep the taxpayer informed
 - if it is appropriate, what will happen more generally as a result of a complaint or the discovery of a mistake. For example, a complaint might reveal a need to change - or at least review - a procedure; provide training on a particular aspect; or pass a suggestion to a colleague responsible for a particular area; e.g. regarding the design of a form. Here, too, you should tell the taxpayer what you propose to do

You should **not** attempt to put a mistake right without informing the customer what you are planning to do and why you are doing it. If, for example, the customer receives a reduced rating assessment, out of the blue, he or she may well be justifiably aggrieved at not being told what is happening. Even if the revision is in the customer's favour, we need to explain it - preferably in a separate letter to the customer - and we also need to apologise for not "getting it right first time", or if there has been a delay.

Admission of errors, particularly on matters of valuation judgement

We must exercise caution when it is alleged that an error has occurred. Before any admission is made special care should be taken, particularly in relation to valuations (e.g. rating assessments or council tax valuation bands) to establish beyond any doubt that an error has been made. Matters involving valuation judgements, particularly when a claim for negligence has been made, should not be admitted as errors, and the papers should be referred to the CEO Customer Service Team for advice.

The question of financial redress (compensation)

In addition to putting mistakes right (where possible) and apologising, you should consider whether financial redress might be appropriate. Financial redress is appropriate if we have made an error, caused unreasonable delay or given misleading information. The VOA will reimburse any reasonable additional costs that the customer has incurred as a **direct** result of our error or delay.

In addition, in exceptional circumstances we will pay compensation for worry and distress or poor complaint handling (known as botheration). These payments are **not** on a par with payments awarded as damages by the High Court, but they are token payments to recognise the inconvenience and anxiety our actions have caused the customer.

When something has gone wrong, and it is clear that the complainant is seeking financial redress (even if he or she has implied, rather than specifically expressed, this desire) you should consider whether this remedy is appropriate. It is not our policy to offer compensation unless it is clear from the complainant this is what they are seeking or there is a clear evidence of a quantifiable loss. All payments made under our Code of Practice (on mistakes) are on an ex-gratia basis because there is no statutory requirement for the Agency to award compensation.

Further guidance on financial redress is given in the [Financial Redress Handbook](#), produced by HM Revenue and Customs, (contact the [Customer Service Team](#) if you wish to discuss).

Action if an error affects customers other than the complainant

If we have made an error, and other customers are likely to be affected, we need to take all reasonable steps to put matters right for them too. When you think others may be affected by an error, including an error caused by systems faults and deficiencies, you should inform the GCSM so that he or she can take the appropriate action. The GCSM will need to notify the Group Valuation Officer / District Valuer / Business Unit Leader and/or seek advice from the Customer Service Team at CEO.

If we provide financial redress to a complainant, it does not follow that we should offer such redress to other customers who are similarly affected. We may inform the others of the mistake and draw their attention to our leaflet '[Putting things right for you](#)'. The taxpayer can then decide whether to make a claim for compensation.

Complaints made verbally

If the customer tells you in person, or over the telephone, that something has gone wrong, good listening and verbal communication skills are very important. You need to let the customer know from the start that you are concerned and that the problem will be taken seriously. In some cases, you may need to encourage customers to tell us something which causes them concern, or what it is they actually want us to do to resolve the matter. They may need reassurance that they will not be disadvantaged or victimised because they have complained. The message to put across is that complaints are a useful way of identifying problems and that we are committed to putting them right.

See [Section 7](#) on dealing with difficult customers for advice on how to deal with particularly difficult situations that can arise when a complaint is made in person or by telephone.

Complaint handling at Group / Unit level

- [Foreword](#)
- [Procedures](#)

- [Receipt and Registration](#)
- [Acknowledging complaints](#)
- [Investigation](#)
- [Replying to complaints](#)
- [Approach to be adopted](#)
- [Taxpayers' use of words](#)
- [Providing a Full Response](#)

Foreword

GCSMs are not responsible for dealing with and responding to **all** complaints. Sometimes complaints will be handled best by someone familiar with the case, (the caseworker), or with the technical knowledge to provide answers that are not within the remit of the GCSM e.g. team leaders. On some occasions complaints will be handled perfectly well without the need to involve the GCSM at all. However, whether the GCSM is involved or not, *all complaints must be logged*, and for this reason the GCSM will need to be made aware and kept informed.

Inevitably there will be times when the case is not straightforward and advice from team leaders /technical advisor and/or GCSMs will need to be sought. The team leader/technical advisor will need to be consulted about technical issues, for instance whether legislation has been interpreted correctly, and where clarification is required, he or she will be able to call on the CEO technical adviser for the Group. The team leader will also have an interest in complaint cases from a management and development perspective as they may highlight procedural problems or training needs in the team. The GCSM should advise on the implementation of the Code of Practice, other customer service issues, compensation claims and the style of response.

In handling complaints common sense must prevail and the most effective approach will always be supportive teamwork and good liaison with all parties. In more complicated cases the GCSM will be expected to coordinate the complaints investigation and ensure that *all concerns* have been addressed in the response.

In order to gather the necessary information, the GCSM may request a full written report from the caseworker concerned, or choose to interview various staff to get a good picture of what has happened. In either case he or she should be given full cooperation and timely assistance from the staff involved.

Procedures

Receipt and Registration

Every written complaint should be passed to the GCSM on date of receipt (by fax / scan). He/ she will register the complaint as a case on CCR. Verbal complaints should be recorded on CCR and the reference number provided. For further information on CCR see Customer Services Administration.

Acknowledging Complaints

The GCSM should ensure the complaint is acknowledged promptly and courteously, either by telephone, fax, first class post or e-mail (although preferably in writing utilising the CCR template). Our target is to acknowledge all complaints received within 3 working days and a copy of the leaflet '[Putting things right for you](#)' should be enclosed (or if appropriate refer to our website) with the letter of acknowledgement. It may be helpful to telephone and establish personal contact at the outset, if customers are frustrated at dealing with what they see as a bureaucratic machine, this may help reassure them. Acknowledgements must be recorded in CCR.

Investigation

Generally, the GCSM will request the papers and a report on the complaint from the team leader / caseworker involved in the matter in order to carry out the investigation. It is usual for all investigations to be undertaken by the GCSM, although there might be occasions when the GVO / DV considers it appropriate that he / she is involved, in which case close liaison with the GCSM is required. The investigation should be thorough and carried out in the context of our Code of Practice on mistakes – as set out in the leaflet '[Putting things right for you](#)' and, accordingly, it should identify any 'errors' made by VOA or any 'unreasonable delays' we have caused. GCSMs can seek guidance / advice from the [CEO \(CST\)](#).

Replying to complaints

The GCSM (or GVO / DV/ team leader) should send a full response to a complaint in line with our standards for complaint handling as set out in '[Putting things right for you](#)' and the guidance given in Customer Services Administration. You may want to use the telephone, particularly in less complicated cases, or arrange an appointment in the office or at the customer's home. This personal touch is a good way of re-establishing communication and is often appreciated by customers. If you do this, you should **always**:

- clearly record all events and note the content of all conversations with the customer so that there is no scope for confusion or misunderstanding later and that another member of staff will be aware of how the case has progressed so far, particularly if another visit is required, for example if the GCSM realises during the visit that a full inspection will be necessary before the matter can be resolved. A copy of the record of the conversation can be provided to the taxpayer if requested
- write to the customer confirming any apology or explanation given, and any action agreed; and enclose the booklet '[Putting things right for you](#)'
- if the customer has made it clear that he or she does not want a letter, make a note of the telephone call, recording whether an apology or explanation was given, and any action agreed

Full and interim replies to complaints should be registered on the Customer Contact Record (CCR) database.

A case should not be closed until the GCSM has confirmed that all necessary action has been taken. The closure of a case should be recorded on the complaints database.

Approach to be adopted

Putting yourself in the customer's shoes

It is essential to take a step back and look at things from the customer's point of view. In most cases, the complaint has been made because the customer perceives that something is wrong. The reason for that perception may be that:

- something did go wrong
- someone did not follow the correct procedures
- the correct procedures were followed, but they were not the right procedures from the customer's point of view
- there was an unreasonable delay
- the customer may be unhappy with the law, or our interpretation of it, on a particular matter
- the customer may not have understood our forms or letters

or

- there may have been some other breakdown in communication

If you can put yourself into the customer's shoes you will produce a reply which is appropriate, and which answers the points in language the customer can understand.

The complaint may arise because of a seemingly intractable problem or difference of opinion. Always try to stand back, look at the issues afresh, and see whether there is:

- some way of reaching a solution which is fair to this customer and to customers generally
- a different way of explaining the issues

Remember you should fully understand what the customer is unhappy about **before** you start to prepare your response. Otherwise the reply may miss the point of the complaint altogether!

In your reply, it is a good idea to start with a short summary of the complaint in your own words. This shows that you have understood the customer's concerns and focuses the response.

Customers' use of words

Sometimes our customers use words that can have a general meaning but also, for those of us in the VOA, a specific meaning do not get confused! It is always worthwhile asking for (or consider providing) clarification of what the customer means or understands. An example of this is an **appeal**. A council tax payer says that they want to appeal against a decision, what they really mean, from our perspective, is that they wish to complain about the way their appeal has been handled. They have been told that, because the dispute is not about their banding or because the banding has become final, they have no right of appeal. But the customer does have the right to have the case looked at by someone else as, in the way we have handled their concerns, as set out in our complaints procedure.

When something has gone wrong, your response should contain an apology, a clear explanation and information as to what will happen as a result, as outlined above (communication with the customer). When your investigations can find no mistake or unreasonable delay following a complaint, use the opportunity, if you can, to provide a customer-focused response, which acknowledges the customer's point of view or concern.

Providing a Full Response

Content

Ensure that the response addresses **all** the customer's concerns, as it will only mean more work when they contact you / us again. So ask yourself "has the whole of the case been reviewed comprehensively?" Check the accuracy of the facts and of your reply.

There will be occasions where you discover mistakes and address them - the customer may appreciate the thoroughness of your review, particularly if they are in the customer's favour.

Equally, your review may disclose errors on the customer's part, if you do discover errors by the customer:

- only refer to them if they are relevant to the issues raised. Do not attempt to counterbalance our mistakes by pointing out (small) errors made by the customer
- remember the customer's mistakes do not justify ours: you need to apologise for any error on **our** part, or misunderstandings, regardless of whether the customer has made mistakes too

It cannot be stressed enough to make sure you have replied to all the points raised.

If you focus on the needs of the complainant you will be aware of the type of reply that will be most appropriate. It is important to avoid explaining things using VOA jargon which is simple for you to understand, as you use it every day, but the customer will not understand them.

It is important to make sure that any staff, and possibly their team leader, is involved in the complaint. This includes the preparation of the response. It is also good practice to allow the staff and his / her line manager to comment on the **factual** content of the draft reply. They may clarify something which could be misunderstood, and gives them the opportunity to pass on apologies, if appropriate.

So you should:

- use plain English and do not use jargon. There is guidance on the Agency's "[house style](#)" which covers dates, monetary units and numbers, metrication, layout etc.
- use active verbs, "I am sorry we made a mistake" is better than "I am sorry a mistake was made" or worse still "It is regrettable that a mistake was made". Using the passive can give the impression that we are trying to avoid responsibility
- do not use expressions that may unintentionally suggest that we are trying to avoid blame. "I am sorry you found it necessary to complain" can be misinterpreted in this way. "I am sorry that things went wrong" is clearer
- if it is essential to refer to law, use plain English and mention the Act, by its full title, in brackets

- A good rule is that you should **try not to write anything you would not say to someone's face** for example say "Thank you for your letter of...." not "I am in receipt of..."; and say "I am sorry", rather than "Please accept my apologies"

Points to Watch:

- When dealing with customers, remember you are dealing with behaviours, policies and issues. Never criticise others personally, including colleagues, other Departments, or the Government
- Where more than one office is involved in a complaint issue, and the VOA has done something wrong, the member of staff who receives the complaint should either
 - apologise on behalf of the VOA and not attribute blame; or
 - pass the complaint on to the office which made the mistake so that they can apologise
- Do not say to the customer that the complaint is nothing to do with you or your office: the customer is simply concerned with the Valuation Office, or in some cases with HMRC as a whole
- **Never** write unnecessary comments, even in pencil, on customers' letters. Subjective comments can unfairly prejudice people who look at the file including the customer. The Adjudicator has criticised HMRC for this, particularly when the pencilled comments were derogatory
- A small number of complainants pursue the same issue repetitively in letters. A point comes where no purpose is usefully served by continuing to reply. But if you decide not to reply in such cases, always make sure that you follow the guidance contained in [Section 7](#)
- If you wish to quote legislation in a reply consider placing the relevant sections in a separate Appendix, and refer to this, rather than pepper them throughout the reply

Further guidance on writing letters in reply to complaints is given in the section on [writing letters and plain English](#). The CEO Customer Service Team also gives training on complaint handling. The Learning Team has produced [e-Learning](#) on Grammar and Punctuation

Taking the Complaint Further

Always explain to the customer what they can do next if they are not satisfied with your response, even if, in your view, the complaint is unjustified. Customers are entitled to receive a fair hearing and a courteous reply, without regard of the merits of the case, their motives for complaining or their perceived behaviour. The exception is when the complainant is identified as a persistent or vexatious complainant. Guidance on this issue can be found in the section dealing with difficult customers.

Remember there are different procedures, dependant on what the concerns are, for example a complaint about a valuation / council tax valuation band will need to be considered having regards to the proposal / appeal / review measures. In other cases, the customer can contact The Customer Service Team at the Chief Executive's Office (CST). If the customer is dissatisfied with the reply from the Chief Executive's Office Customer Service Team, he or she can take the matter to, [the Adjudicator](#). In addition, at any stage, the customer can contact an MP, or the [Parliamentary and Health Service Ombudsman](#) through an MP. However CST, Adjudicator and Ombudsman will have regard to the Agency's complaints

procedure if a customer approaches them direct and also give guidance on what they will and will not investigate .

The addresses, together with advice for the complainant, are contained in the [VOA Charters](#) complaints procedure as set out in our Code of Practice on mistakes in the leaflet, "[Putting things right for you](#)". These are available on our website and may be available as leaflets.

Complaints Passed on by Members of Parliament (MPs), Members of the Devolved Legislature (MDLs) or Members of European Parliament (MEPs)

Group Valuation Officers (GVO) / District Valuers (DV) receive letters from MPs, MDLs and MEPs which contain no complaint but are more in the nature of an enquiry. The GVO / DV has the authority to deal with these cases and the matter may be dealt with in the ordinary course of office correspondence.

Any complaints received direct from a Member should be registered on CCR. If the GCSM / GVO / DV wish to consult the CEO (CST) before responding a background report will be necessary to assist CEO (CST) in understanding the facts of the case unless these are clear from the draft reply. Where a complaint concerns the conduct of, or action by, an individual, whether he or she is an employee of the Agency or not, no steps should be taken to deal with the matter without CEO (Human Resources) first being consulted.

Complaint letters should be answered promptly, accurately and courteously but with care, bearing in mind that the substance of the complaint and the reply may well be raised in a Parliamentary Question or debate.

Business Heads and / or Team Leaders must personally ensure that replies to Members are dealt with at the appropriate level. If there are any concerns about the approach to be adopted in drafting your reply consult your GCSM. It is helpful to let Members have a spare copy of the reply to pass on to the constituent. You should frame your response with that in mind.

You can normally assume that the customer, by writing to a Member, has given implied consent to that Member to receive all relevant information about the concerns raised. For further guidance take a look at [HMRC IDG52500](#). If, exceptionally, the correspondence implies that consent is *not* given to disclose the relevant information, the GVO / DV should:

- explain the position to the Member; and
- offer to obtain a specific authorisation from the customer

Such situations should be rare but may happen when, for example, someone writes to a Member about the affairs of someone else, such as his or her spouse. Where it is thought likely that the Member would wish to pass on a copy of the GVO's / DV's reply to his or her constituent, then a duplicate should be attached. Where, however, the reply contains matters of a confidential nature, or some background information, which is not considered desirable to pass on, this, should be made clear to the Member.

Complaints against GVOs / DVs made by members of the public to Members, Treasury Ministers, other Government Departments, will normally be forwarded to the Customer Service Team at CEO (CST) by the respective Member's / Minister's Office.

The CST will contact the relevant Group or DVS concerned, if appropriate, for a report and the relevant papers. The CST will then forward a copy of the correspondence direct to the respective Business Unit (BU) with a covering note setting out any specific instructions ensuring the respective GVO / DV / BU Leader is aware.

Complaints about Government Policy

If we receive a complaint about Government policy, the GCSM should consider whether he / she is aware of repeated expressions of dissatisfaction with this area of Government policy. And / or considers there may be substance in the customers concern that the law may be having an unintended or unfair effect. If so, the GCSM should bring the complaint, via their GVO/DV, to the Head of Customer Services at CEO attention. If appropriate, the Head of Customer Services will bring it to the attention of the relevant (CEO) Business Unit so that it can be referred to the appropriate client.

For the avoidance of doubt not every case will be a complaint about policy just because we explained that we have to apply the law. In some cases, the response to the complaint will be about why we did something and the explanation that we did it because the law required it. The GCSM should not pass on cases of this type as policy complaints.

What the GCSM does need to pass on are cases where the taxpayer complains that the law, or the way the VO applies it, is unfair - and the GCSM thinks there may be some substance to this. While needing to exercise some judgement here, it is not expected that the GCSM research the point. If the GCSM's view is that there may be something in the point, that is sufficient to justify passing it on.

The GCSM should not comment on whether a complaint about policy may be justified. He or she should explain to the complainant that we have to apply the law as it stands or in accordance with published guidelines. The GCSM should, however, tell the complainant that their view about the law being unfair has been noted, and will / has been passed to the Head of Customer Services and / or the respective Head of the Business Unit who can raise it with the appropriate Government Department.

If the GCSM needs to provide an explanation of a particular policy in order to deal with a complaint, he or she should contact the Head of Customer Services at CEO and ask for the appropriate line to take.

Further Advice

If you are unsure how to respond to a complaint, contact the [Customer Services Team](#) at CEO.

Financial Redress

Policy

The VOA Code of Practice on Mistakes (as set out in the booklet "[putting things right for you](#)") provides that when we have made what we regard as an **error** or an **unreasonable delay**, the taxpayer may be entitled to financial redress. Such financial redress is paid on an ex gratia basis – i.e. whilst agreeing to pay compensation, VOA is not accepting legal responsibility for a customer's loss. The term "ex gratia" **must** be included in any letter to the customer which states that we will provide financial redress.

What payments should we make?

Redress payments can be made:

- to reimburse any reasonable costs that complainants can show they have incurred as a direct result of our error or unreasonable delay
- in recognition of worry and distress caused to the complainant consequent upon our error or unreasonable delay (formerly known as a 'consolatory' payment); and

- in recognition of poor complaint handling (known as a 'botheration' payment)

Payments for worry and distress are made only in exceptional circumstances. The Customer Service Team at CEO maintain a record of these and botheration payments.

In certain circumstances, in respect of Capital Gains Tax and Inheritance Tax cases, the Revenue can waive interest on overdue tax where there has been an unreasonable delay. This may be appropriate when the total delays by us and any other HM Revenue & Customs officers involved are considered unreasonable. If a taxpayer - or his or her agent or Member of Parliament - objects to an interest charge he or she should be advised to contact the Revenue Office which made the valuation request; eg HM Revenue & Customs, etc.

When you are looking at a complaint, you need to decide whether financial redress is being sought. Some complainants are not looking for compensation but simply an apology and evidence that we will take action to prevent recurrence of the error / delay. Accordingly, we should only consider, or invite, a claim if the complainant makes it clear (either expressly or by implication) that he or she is seeking compensation.

If you believe the customer is seeking compensation, and that he or she is entitled to such a payment, or that you believe you should turn down the claim, refer the matter (setting out your views and reasons) to the Customer Service Team at CEO. [The team will advise on the appropriateness and quantum of any payment to ensure a consistent approach throughout the network having regard to recommendation for worry and distress or botheration you have made.] Internal Audit has endorsed this process so that the Customer Service Team can ensure a uniform approach.

HM Revenue and Customs has produced a [Financial Redress Handbook](#), and this is available on their website for reference purposes.

The booklet "[putting things right for you](#)" should be on display in reception areas and a copy should be routinely sent to anyone who makes a complaint.

Lessons to be learned

All complaints should be recorded by the GCSM on the Customer Contact Record (CCR) database. This enables us to monitor problems nationally. Because of the scale and diversity of our business, monitoring at the national level is more likely to produce information on general trends rather than identify specific problems.

The GCSM who deals with a case in which something has gone wrong must take responsibility for identifying lessons that need to be learned. He / she should monitor any remedial action considered appropriate.

Whenever a GCSM deals with a case in which something has gone wrong, or in which a complaint has been made, he / she should ask himself / herself:

- if the problem was an error or oversight, or a failure to communicate properly, is there a need for training, or a reminder to colleagues to watch out for a particular point of difficulty in future?
- if the problem arose because something went wrong with a procedure or process
- should the procedure or process be reviewed / changed?

If it is not within the GCSM's power to make the change, he / she is responsible for passing on the suggestion to the Group VO, who will pass it to the Head of Customer Services. See section '[learning from complaints](#)'

Complaints made to others: providing reports and drafts to CEO

- [Avenues for complaints](#)
- [Reports and drafts](#)
- [Complaints to the Chief Executive's Office](#)
- [Complaints to a Minister](#)
- [Complaints to the Adjudicator](#)
- [The Adjudicators' investigation](#)
- [Complaints to the Parliamentary Ombudsman](#)
- [The Parliamentary Ombudsman's investigation](#)

Avenues for complaints

Most complaints about the VOA's handling of people's affairs are settled locally. Our publicity encourages customers who are dissatisfied with the way their affairs have been handled to contact the person with whom they have been dealing, the GCSM or the Group Valuation Officer at the office concerned in the first instance. If the matter cannot be resolved at this level, the customer can take his / her complaint to:

- the Chief Executive's Office
- the Adjudicator (if he / she is still not satisfied with the reply received from the Chief Executive's Office)

Customers may also complain to a Member of Parliament (MP), Members of the Devolved Legislature (MDLs) or Members of European Parliament (MEPs) The MP/MDL or MEP may:

- take the complaint up with the relevant Group office. In the past, Ministers have encouraged MPs to contact the relevant local office
- write to a Treasury Minister, or to the Chief Executive; or
- MPs can refer the complaint to the Parliamentary and Health Service Ombudsman (the "Ombudsman")

Occasionally, complaints may be made to the Chairman of HM Revenue and Customs. In such circumstances, the complaint will be passed to the Customer Service Team at the Chief Executive's Office, to prepare a draft reply for the Chairman to send.

Reports and Drafts

If a complaint is to be handled other than at the Group level, the Customer Service Team at CEO will normally ask the GCSM for a report, together with all the case papers. The Customer Service Team will give the GCSM a deadline for the provision of a report.

The Customer Service Team will use GCSMs' reports in formulating replies from CEO, drafting replies for others (eg Ministers, Chairman of HM Revenue and Customs, etc) or writing reports for the Adjudicator or Parliamentary Ombudsman.

GCSMs' reports should normally include:

- a summary of the complaint or complaints
- an explanation of what has occurred
- comments on any errors made, or unreasonable delays caused, by VOA; mentioning any mitigating circumstances
- a recommendation on what needs to be done to resolve the complaint or put right any mistakes; including a view on what financial redress, if any, might be due
- a conclusion; and
- any lessons to be learned from the case

A schedule showing the history of events is useful as an appendix to the report and to explain what has happened.

When a file is sent to CEO to accompany a report, the GCSM should check all papers are tidy and in proper order. It is important that **all** relevant papers are sent to CEO and that they are the **originals, not copies**.

If for any reason it is not possible to meet the deadline for preparing a report, let the person who asked for it know immediately and explain why.

Complaints made to the Chief Executive's Office

If a complaint is made to the Chief Executive's Office, and it has not been dealt with at the local level, the Customer Service Team will pass it to the appropriate GCSM for a reply (and inform the complainant of this action).

If, however, the complaint has already been dealt with at the local level, the Customer Service Team will acknowledge its receipt and will normally ask for a report and case papers from the GCSM. A member of the Customer Service Team at CEO will send a reply to the complainant. However, if the complaint to CEO is from an MP, addressed to the Chief Executive, he will sign the reply.

Complaints to a Minister

The Chief Executive will reply personally if the complaint is to a Minister.

Reports

The Customer Service Team at CEO will fax details to the appropriate GCSM and ask him/her to send them a report, and if appropriate, the relevant files within three working days. The GCSM must ensure that the report:

- covers all aspects of the complaint; and
- draws attention to shortcomings or mistakes in the way the case has been handled

He or she should also ensure that the Customer Service Team is told if the deadline cannot be met or if the matter concerns another office.

Communicating with the taxpayer

Make up a dummy file containing copies of the original complaint and the Group office response, in case the taxpayer/ratepayer or his agent makes a follow-up call. Consult the Customer Service Team before contacting the taxpayer/ratepayer about any matter related to the complaint.

After the reply has been signed the Customer Service Team will return the file (if held) together with a copy of the reply to the GCSM for any necessary "after issue" instructions.

Complaints to the Adjudicator

For more information about the Adjudicator take a look at the [website](#). The Adjudicator looks into the way the VOA has handled the customer's affairs - for example, complaints about excessive delay, error, discourtesy, or the way the VOA has exercised any discretion. The Adjudicator will review a case only after the Customer Service Team at CEO (tier two / step 2) has considered it and the customer is still not satisfied with the reply.

When The Adjudicator's Office receives a complaint from a customer it forwards details to the Customer Service Team at CEO to establish whether or not they have been given the opportunity to address the complaint. If the Customer Service Team has not had this opportunity they will consider the case and reply to the complainant. These cases are known as Assistance Cases.

If the customer has already received a reply from the Customer Service Team, or remains dissatisfied with the outcome of the Assistance Case, the Adjudicator will review this case. These cases are known as Investigation Cases.

In Investigation Cases, the Customer Service Team, who will arrange for a formal report to be sent to the Adjudicator within 28 days of receipt of this complaint.

Reports

The Adjudicator does not lay down precise rules about the form the report should take: we suggest reports from the GCSM to the Customer Service Team follow the same format as for reports to CEO in cases being dealt with by the Parliamentary Ombudsman. The report should:

- contain a full statement of the relevant facts, clearly cross referenced to the appropriate documents in the papers, together with a chronological sequence of events
- comment on specific points raised, indicating whether the office's actions were justifiable and reasonable and/or to what extent office error or shortcomings are involved
- contain any other useful background information relating to the complaint

The Adjudicator's investigation

The Adjudicator normally produces a factual summary of events. If the case is complicated the Adjudicator will often check this with the Customer Service Team at CEO and the customer. The Adjudicator will try to resolve the complaint by mediating between the parties. But, if this is not possible, the Adjudicator will make a formal recommendation. The VOA has undertaken to accept the Adjudicator's recommendation in all but exceptional circumstances.

If you receive a letter about a complaint under investigation by the Adjudicator, you should:

- tell the GCSM who will liaise with the Customer Service Team at CEO.
- send a copy of the letter to the Adjudicator; and
- tell the complainant what action you have taken

If you receive a complaint about the way the Adjudicator has investigated a complaint or The Adjudicator's recommendations, you should explain that:

- as the Adjudicator is outside the management structure of HMRC and the VOA it would be inappropriate to comment on the Adjudicator's actions and that you will forward a copy of the complaint to the Adjudicator; and
- that the complaint can be pursued further by asking a Member of Parliament to refer it to the Parliamentary and Health Service Ombudsman. The Adjudicator cannot subsequently investigate a case investigated by the Parliamentary and Health Service Ombudsman

The Customer Service Team at CEO will be happy to give further advice if it is needed

Complaints to the Parliamentary and Health Service Ombudsman

The Ombudsman is responsible to Parliament, through a Select Committee, for investigating complaints referred by Members of Parliament. For more information about the Ombudsman take a look at the [website](#). The Ombudsman has set out three sets of [Principles](#) which outline the approach public bodies should adopt when delivering good administration and customer service, and how to respond when things go wrong.

If a complaint is ever received in the network ensure it is forwarded immediately to the Customer Service Team at CEO.

Complaints about Local Authorities

These should be referred to the relevant Local Government Ombudsman

For England and Wales

[Local Government Ombudsman • Home](#)

For Scotland

[Scottish Public Services Ombudsman | Scottish Public Services Ombudsman](#)

Complaints requiring Valuation Office Agency assistance

Valuation Office Agency may be involved in some of the complaints made to the above bodies. Where the District Valuer business stream has been requested to provide a reports or valuation, these should be made in writing and endorsed "In Confidence". Hard copies will be provided if specifically requested. The report should set out any assumptions made in arriving at any valuation provided. The reports should be sent direct to the relevant body with the relevant sector and resource leader being copied in.

Enquiries Received From the Parties

If the local office is approached by either the complainant or the authority concerned whilst the matter is still under investigation, the matter should be referred, to CST CEO who will advise on the way forward and will liaise with the Head of Land Services Professional Policy.

What CEO does on receipt of a complaint

The Customer Service Team at CEO will take their lead from the Ombudsman and have regard to any earlier investigations / complaint cases, and if necessary:

- telephone the GCSM (who acts as the point of contact) and sends details of the complaint; and
- request a report / updated report to be sent with all the relevant files to the Customer Service Team within four working days, copy request attached
- where a specific officer is named in the complaint, provides guidance as to options available to the individual

Action to be taken by the GCSM if contacted

The GCSM must make a report within four working days of being advised of a complaint by the Customer Service Team. Before finalising the report, he or she should contact the Customer Service Team for advice if, for example, a Tribunal hearing is imminent.

The GCSM's report must be factual, and in chronological order. It should:

- cover every aspect of the complaint
- include relevant background material
- comment on whether or not it is considered that the actions taken were justified, drawing attention to **every** mistake and shortcoming even though they may not be the subject of the complaint

The GCSM should ensure the CST is fully aware of any changes, updates if an earlier report has been complied.

The GVO / DV is responsible for:

- ensuring the report(s) covers the appropriate ground; and
- sending it with the file(s), if appropriate, to the Customer Service Team

If a file is missing, telephone the Customer Service Team for advice immediately. The Ombudsman will not normally accept that a file is missing until an exhaustive search has been made.

The GCSM must ensure that the report is prepared in time for despatch by the due date.

This work must not be delayed. The GCSM must telephone the Customer Service Team if there is any doubt that the report will be despatched on time.

If the file papers are being sent the GCSM should keep a copy.

The Parliamentary Ombudsman's investigation

After the files have been received the Chief Executive will send a report to the Parliamentary Ombudsman. The Ombudsman's Investigating Officers may ask for all the papers to be sent to them. They will then photocopy them and return them. During the course of the investigation, the Investigating Officers will ask questions and may also wish to speak to or interview the staff involved in the case. If this happens the Customer Service Team will give them advice.

When the Ombudsman has concluded the investigation a draft interim report is sent to the Chief Executive for comment on factual accuracy and recommended remedies. This will be sent to the GCSM for information if necessary. The GVO / DV, via the GCSM, may also be asked to comment on draft replies to the Ombudsman. When the draft report has been agreed the Ombudsman issues a final report to the MP who referred the complaint. He sends a copy to the Chairman and the Chief Executive with additional copies for sending to any officers who were named in the complaint.

The Customer Service Team will normally keep all the files while the Ombudsman considers the complaint. The CST can, however, return the file temporarily if it is required.

While the Ombudsman is investigating the complaint, the GCSM should ensure that:

- discussing the complaint in correspondence is avoided if possible
- if it is necessary to discuss the complaint, the Customer Service Team is consulted before doing so

and

- any correspondence about the complaint - including notes of any telephone calls - is copied to the Customer Service Team

If you receive a complaint about the Parliamentary Ombudsman's investigation, or the results of that investigation:

pass the matter to the GCSM who should consult the Customer Service Team;

do **not** quote from the Parliamentary Ombudsman's Report - even in response to a letter from the customer or the customer's representatives - without consulting the Customer Service Team. The legislation governing the actions of the Parliamentary Ombudsman protects him from libel proceedings. The Valuation Office Agency has no such protection. If we were to repeat comments in the Parliamentary Ombudsman's report, which could be viewed as defamatory, we might be sued for libel.

Learning from Complaints

- [Using information as a basis for change](#)
- [Recording complaints consistently](#)
- [Taking action](#)
- [Giving feedback on action taken](#)

Using information as a basis for action and change

We need to use the information from complaints as the basis for action and change.

This Involves: -

- consistent and comprehensive recording of complaints and the improvements and analysis of their implications
- getting a clear picture of users' views of the service and the improvements they want
- channelling the information to those who can take action to prevent problems recurring
- taking that action
- giving some feedback on the action taken to complainants, service users and staff

Recording Complaints Consistently

Accurate and relevant information about complaints is essential if our service to customers is to be improved and the VOA is hampered if it does not have this information.

All complaints should be recorded, even if they are resolved at the first point of contact, as they can provide valuable information to the Agency which is otherwise lost.

GCSMs are required to complete an entry in the complaints database for every complaint received.

The Complaint database enables complaints to be categorised by:

- source
- subject
- nature
- outcome

The database also allows staff to record what was done to try to resolve the complaint.

The aim of the system is to capture basic information in a simple manner to identify trends and allow the pattern of complaints to be established. For example, it may be worth knowing that we have say 100 complaints about the Form of Return but it would be much more useful to know that 60 of them were about one particular question.

In order to provide a complete audit trail, complaints paperwork should be cased and filed by the GCSM.

Taking Action

Complaints should be an agenda item at management meetings to ensure that action is taken to prevent complaints recurring and to ensure an improvement in the service.

Giving feedback on the action taken to complaints, service users and staff.

In responding to complaints, managers should inform the complainant of the action taken so that the complainant can be reassured the problem will not recur either to the complainants or to other service users.

Staff directly involved in the issue that caused the complaint, (if not handling the matter themselves), should be kept informed of progress during the investigation and on most occasions should see the response to the complaint.

Most Groups provide formal feedback in the form of a bulletin or circular informing all staff about types of complaint, outcomes and redress provided. This alerts people to possible problems in their own work and helps improve customer service and complaints handling in general.

The Severity and Priority of the Problem

- [The Gnumeric Manual, version 1.10](#)
 - [Reporting a Problem](#)
 - [Filing a report](#)

The severity level indicates the seriousness of the problem and the priority level indicates the desire of the developers to address the bug. These fields are used mostly by the developers and should both be left as "normal" unless the user has a good reason to change them.

There are two cases when the user should change the severity of the report. In the first case, if the user has a problem which causes *Gnumeric* to crash (to suddenly disappear or stop working) or a problem in which data is lost, the severity should be set to "critical". In the second case, if the user has a report about a desired feature, the severity should be set to "enhancement" so the developers will know right away that the desired functionality has not yet been added to the program.

The problem severity levels are explained below.

Table 17-2 Problem Severity

Severity Level	Explanation
blocker	The level used to indicate a problem which must be fixed before any next release.
critical	The level used to indicate a very important problem such as a program crash or loss of data.
major	The level used to indicate a severe problem but one that does not cause a crash or loss of data.
normal	The level to use by default and used for the majority of reports.
minor	The level used for problems which do not affect the functioning of the program.

Severity Level	Explanation
trivial	The level used to report typos, aesthetic, and other very small problems.
enhancement	These are reports which are requests for future improvements of the program.

The priority level should be left at the "normal" level since this is a field used by the developers themselves.

Every business has to deal with situations in which things go wrong from a customer's point of view.

However you respond if this happens, don't be dismissive of your customer's problem - even if you're convinced you're not at fault. Although it might seem contradictory, a customer with a complaint represents a genuine opportunity for your business:

- if you handle the complaint successfully, your customer is likely to prove more loyal than if nothing had gone wrong
- people willing to complain are rare - your complaining customer may be alerting you to a problem experienced by many others who silently took their custom elsewhere

Complaints should be handled courteously, sympathetically and - above all - swiftly. Make sure that your business has an established procedure for dealing with customer complaints and that it is known to all your employees. At the very least it should involve:

- listening sympathetically to establish the details of the complaint
- recording the details together with relevant material, such as a sales receipt or damaged goods
- offering rectification - whether by repair, replacement or refund
- appropriate follow-up action, such as a letter of apology or a phone call to make sure that the problem has been made good

If you're proud of the way you rectify problems - by offering no-questions refunds, for example - make sure your customers know about it. Your method of dealing with customer problems is one more way to stay ahead of your competitors.