### Purpose of this Process

To protect your company from dissatisfied customers, product liability claims and safety recalls, every key department in your company, such as Sales, Customer Service, Compliance, Production and Management, should be trained in handling customers’ complaints about the company’s products and its procedures for processing returns.

### Product Safety Complaints

Customer complaints about product safety and quality should be given high priority by the company’s customer service and compliance staff. Serious safety and quality complaints can quickly evolve into threats of litigation, or reports to governmental agencies such as the CPSC or FDA that can turn into product safety recalls and claims.

### Customer Service, Compliance and Management Awareness

Usually, a properly trained customer service manager should be assigned to initially receive all customer product safety and quality complaints (whether by phone calls, emails or letters). All customer correspondence (e.g., letters or emails) should be carefully screened and, if they are serious or can become serious, then they should be elevated to the attention of the company’s appointed compliance manager, and if such communications are related to product quality, safety or compliance for additional oversight. Also, all such communications should concurrently be directed to someone on the company’s management team who is responsible for risk management, legal or regulatory compliance.

### Maintain A Complaint Call Logging System

A best practice is to create a customer call log to note every customer’s complaint or contact with the company on the company’s customer relations management system (or the equivalent, even if it’s a basic log sheet in a 3-ring binder) for recording the details of all phone calls, emails and other contacts from a customer or governmental agency. At the least, the complaint call log containing the customer’s comments or complaints about the quality, performance, durability, safety or compliance of the company’s products should be distributed monthly to applicable management members. More important, or urgent matters should be immediately elevated to management for handling before the customer can take other actions.

### Use The Information To Improve Products And Customer Experiences

Quite often, the information and insights gained from customers, whether business clients such as distributors, end-buyers and consumer end-users who have had experiences (positive or negative) with the products can frequently help the company to the development of valuable changes to improve the quality, safety or user experience of existing products, and to help in the development of future products.

### Customer Complaint Procedure

Every applicable customer-facing department in the company should be a means for customers to contact the company, be it by email, through a company website, or a phone number. Social media, such as Facebook, Twitter or other media should be used with caution when addressing or inviting consumer feedback about your products, especially about safety and quality.

**A. If a Serious Injury or Product Safety Condition:**

1. **Elevate to Management ASAP.** If a company staff member, such as a customer service representative or a sales person, receives a call or email that relates to a product safety condition or incident, perceived or otherwise, the staff member must immediately pass the information about the customer's complaint to a management member who is authorized to handle this type of serious situation;

2. **Take Immediate Action to Contact the Customer.** Every effort should be made to quickly, sincerely and effectively investigate the complaint and resolve the customer's complaint. The customer must be immediately contacted by telephone, email or text (with copies, screen shots or notes kept in the complaint call log) and be informed that the company (a) has received the complaint; and (b) a member of the company’s management will contact the customer as soon as possible to investigate the incident and take appropriate action. Any delays in responding to the customer or in resolving the complaint may result in further disappointment and frustration to the customer, all of which can lead to lawsuits and reporting of incidents to regulatory agencies such as the CPSC.

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*Sample was provided by industry members for the betterment of the promotional products industry.*
Sample Customer Complaint And Returns Handling Process

3. **Seek Legal Advice.** In ALL cases involving a serious safety condition or injury, a member of the company's management should immediately contact the company's legal counsel or product safety consultant for advice and direction. This is to ensure that proper notifications or reports can be made to the appropriate regulatory agency, and informed decisions can be made to secure and preserve evidence, inspect and quarantine inventory, and stop distribution of products, as needed.

**B. If No Injury or Safety Condition; Product Returns:**

1. **Seek the Return of the Product.** If no injury, defect, or product hazard is determined after communicating with the customer, then proper steps should be taken to have the product returned to the company. This is to give the company an opportunity to examine the product for any defects in design, materials, workmanship, packaging or transportation, or whether the customer or consumer misused the product in any way. It also helps to achieve possession and control of the product so the customer cannot use it and become injured from it, or perhaps use the product as evidence in a future claim or action.

2. **Issue a Return to Manufacturer Authorization to Customer.** Whether the company uses an RMA system or other means to authorize a customer to return product to the company, such procedure should be explained to your customer in writing. Postage, shipping and other miscellaneous costs should be covered by the company to facilitate the ease for the customer to return the product. Provide a return label, a shipping envelope or other packaging, if necessary, to facilitate the return process.

3. **Provide the Customer with a Refund or Credit.** Always extend the customer the usual courtesies such as a refund or credit for any product(s) returned to you. If appropriate, provide an incentive to the customer, or a small gift, to show your appreciation to the customer for their patience and inconvenience. This creates goodwill and saves a customer from doing business elsewhere.

4. **Confirm Shipping with Tracking.** Always use a shipping method that allows for tracking of the product return.

5. **Review all Returned Products.** All returned products should be carefully analyzed by members of the product and compliance teams, and, if appropriate, by management, to ensure that the product's condition matches the customer's complaint information. Furthermore, this part of the process ensures that all applicable aspects of the customer complaint loop has been fully covered and the matter can be closed.

**What If The Complaint Presents A Potential Safety Recall**

**Determining Whether a Recall is Necessary.** If a product has resulted in a serious injury or death, or the product complained of has what can be defined as a substantial product hazard or is not in compliance with applicable regulations, standards or bans, then the next step may be to consider giving notice to the CPSC under Section 15(b) of the Consumer Product Safety Act ("CPSA"). This is usually the first step in implementing the company's product safety recall procedure, which every company should have as part of its internal compliance policies and procedures.

**Seek Professional Advice.** The Company's management team should immediately consult with its product safety legal counsel or product safety consultant before proceeding with any official notifications to applicable governmental agencies such as the CPSC concerning any product safety complaint or notice of injury or death. There are various federal rules and procedures that must be followed timely to avoid violating the company's reporting obligations under applicable laws and regulations. If a recall is advisable by the CPSC or by the company's experts, then immediately implement the company's recall procedures and follow its recall checklist.