Warranty claims handling

Process Definition Document (PDD): template and worked example

Example company (fictional): Corrigan Cycles Ltd, a manufacturer and online retailer of electric bicycles in Ireland with a service centre in Limerick (about 190 employees).

Document control

Field	Value
Process name	Warranty claims handling
Process owner	[Name, role]
Prepared by	[Name]
Reviewed by	[Names of the people who do the work]
Approved by	[Name, date]
Version	1.0 (as-is)
Status	Draft

How to use this template

This is a complete process definition document (PDD) for warranty claims handling, also called warranty management, after-sales claims or product defect claims. It describes how a claim is submitted with proof of purchase, checked against the warranty terms, diagnosed from photos or by inspection, decided as repair, replacement or refund, how the product travels to the service centre and back, how the cost is recovered from the component supplier and how the claim is closed. The company is fictional, but the roles, systems and exceptions are typical of a manufacturer that also sells directly to consumers.

Use it as a starting point. Replace the company details, keep the sections, and open ten recent claims from start to finish, because the real path is usually longer than the one in the warranty policy. Most companies change the warranty period per component, the limit for decisions without inspection and the rules on who pays for transport. Consumer law gives buyers rights that exist alongside a commercial warranty, and these differ by country, so check them locally. Product recalls, insurance claims and accident damage are left out on purpose.

- Replace the company, the shop and ERP systems and the carrier with yours. If claims are handled in a spreadsheet, name the sheet and who owns it.
- Set the warranty period per component and write it in one table. Many disputes start with a customer who understood 24 months and a technician who applied 12.
- Write down the limit for decisions without a manager, the number of claims on one serial number that triggers a review, and your rule for repair versus replacement.
- Check consumer law in each country you sell to. Statutory rights on faulty goods exist next to a commercial warranty, differ by country and often last longer than the commercial period.
- Decide who pays for transport and what happens when a customer returns an item that has no fault. Put both in the terms and in the decline letter.

1. Purpose and scope

This procedure describes how Corrigan Cycles Ltd handles warranty claims, from the moment a customer reports a defect to the moment the claim is closed, the customer has a working product or a refund and the cost has been claimed from the supplier where the fault lies with a component. It gives customer service, the technical team, the

service centre, finance and the logistics partner one shared description of who does what, so that valid claims are settled quickly, invalid claims are declined with a clear reason and the company recovers what suppliers owe it.

In scope

- Warranty claims for bicycles, batteries and chargers sold by the company in Ireland and the United Kingdom
- Proof of purchase and eligibility check against the warranty terms
- Diagnosis from photos and videos or by inspection at the service centre
- Decision to repair, replace or refund, and the execution of that decision
- Return and delivery logistics by the carrier
- Claims on component suppliers for the cost of defective parts
- Closure and reporting of claims by cause

Out of scope

- Product safety recalls and field actions
- Accident damage and theft, which go to the customer's own insurer
- Claims on bicycles bought from independent dealers, who handle their own customers first
- Paid repairs outside warranty and servicing
- Chargebacks raised through the card scheme

2. Process at a glance

Item	Description
Trigger	A customer reports that a product has a fault and asks for it to be repaired, replaced or refunded under the warranty.
Starts when	The customer submits a claim with the order number, a description of the fault and, where available, photos or a video.
Ends when	The product has been repaired, replaced or refunded, the claim is closed with a cause code and the supplier recovery, if any, has been raised.
Inputs	Warranty claim form with fault description and photos, Proof of purchase and delivery record, Warranty terms and the periods per component, Product serial number and build record, Supplier agreements and recovery terms
Outputs	Claim record with reference number, Eligibility decision and the reason, Diagnosis and fault code, Repair order, replacement order or refund instruction, Return label and delivery to the customer, Supplier recovery claim, Closed claim with cost and cause code
Volume	About 5,200 claims a year, roughly 20 per working day, of which about 82% are accepted, with a peak in spring when the season starts
Working hours	Customer service Monday to Friday, 09:00 to 17:30. Service centre Monday to Friday, 07:30 to 16:00. Targets: eligibility decision within 2 working days, and a repair or replacement completed within 10 working days of receipt of the product.

3. Roles and responsibilities

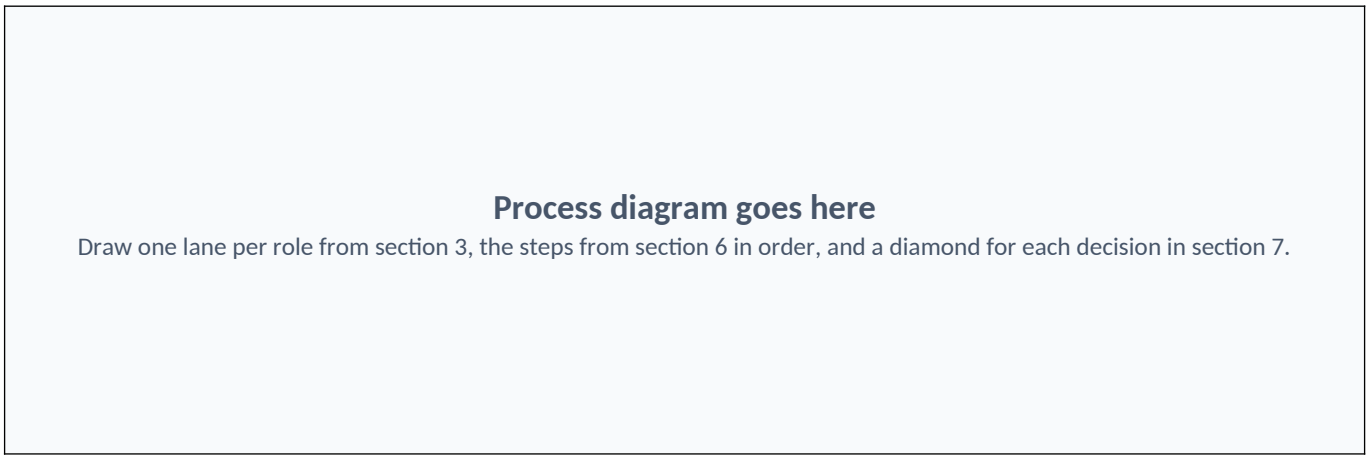
Role	Responsibilities
Customer (external)	Submits the claim, provides the proof of purchase and photos, packs and hands over the product and confirms that the repair or replacement is accepted.
Carrier (external)	Collects the product from the customer, delivers it to the service centre and returns the repaired or replacement item, and handles claims for damage in transit.
Component Supplier (external)	Supplies motors, batteries and controllers, receives recovery claims with evidence and issues credit notes or replacement parts.
Warranty Coordinator	Receives claims, checks the proof of purchase and the warranty terms, decides eligibility, arranges the collection and keeps the customer informed.
Technical Advisor	Assesses photos and videos, runs remote diagnostics with the customer and

Role	Responsibilities
	recommends repair, replacement or inspection.
Service Technician	Inspects the returned product, confirms the fault, repairs it, tests it and records the failed part and the labour.
Warranty Manager	Approves replacements and refunds above the coordinator's limit, decides borderline eligibility cases and owns the warranty policy.
Supply Chain Analyst	Reserves replacement stock, ships replacements, tracks returned parts for supplier claims and keeps the claim files for suppliers.
Finance Analyst	Pays refunds, books warranty costs, raises supplier recovery claims and reconciles credit notes.
Warranty system (system)	Holds claims and their status, checks the order and serial number against the sales record, calculates the warranty end date and sends status messages to the customer.

4. Systems

- Shopify: web shop orders and customer data
- Business Central: stock, repair orders, refunds, supplier credits
- Freshdesk: claim tickets and customer messages
- Warranty claim portal: claim form, photo upload and status
- Carrier portal for collection labels and tracking
- Serial number register with the build record and component batches
- Excel sheet for supplier claims in progress

5. Process map



6. Procedure, step by step

#	Step	Who	What happens	System	Output
1	Submit a warranty claim	Customer	Fills in the claim form with order number, serial number, a description of the fault and photos or a short video. About 78% use the portal and 22% write to customer service. The form asks when the fault first appeared and how the product was used.	Warranty claim portal, Freshdesk	Claim received
2	Match the order and calculate the	Warranty system (system)	Matches the order and serial number to the sales record and calculates the end of the warranty from the delivery date, with 24	Warranty claim portal, Shopify, serial	Claim with warranty status

#	Step	Who	What happens	System	Output
	warranty end date		months for the frame, 12 months for the motor and 6 months for the battery capacity. Claims without a match are flagged for the coordinator.	number register	
3	Check proof of purchase and eligibility	Warranty Coordinator	Confirms the purchase, that the claim is within the warranty period for the part, that the product has not been sold on without notice and that the fault is not listed in the exclusions such as accident damage or lack of servicing. This takes 5 to 10 minutes. About 12% of claims have no proof of purchase at first.	Freshdesk, Shopify	Eligibility status
4	Request missing proof or information	Warranty Coordinator	Asks the customer for the invoice, the bank statement or the dealer receipt and for clearer photos. The claim waits for 10 working days and is closed with a message if there is no answer. Accepted proof of purchase includes the serial number plate with the register entry.	Freshdesk, email	Proof received or claim paused
5	Decline or refer a claim outside warranty	Warranty Coordinator	If the warranty has expired or the fault is excluded, explains the reason in writing, points out the customer's statutory rights, which depend on the country, and offers a paid repair with a quote. Borderline cases go to the Warranty Manager. About 18% of claims are declined or referred.	Freshdesk	Decline letter or referral
6	Decide a borderline eligibility case	Warranty Manager	Looks at the evidence, such as a fault just after the end of the warranty on a high-use product, or a fault that is typical for a component batch, and may approve the claim as goodwill. This takes 10 minutes and applies to about 3% of claims.	Freshdesk, Business Central	Approval or confirmed decline
7	Assess the fault from photos and video	Technical Advisor	Reviews the photos and the video, asks the customer to run a short test such as a reset or a battery check, and decides whether the fault can be found remotely. About 25% of claims are resolved at this step with a part or a setting change, without a return. This takes 10 to 20 minutes.	Freshdesk, warranty claim portal	Remote diagnosis and recommendation
8	Send a replacement part to the customer	Technical Advisor	For simple faults such as a brake lever, display or charger, orders the part and sends it with a short guide. The customer confirms the fix within 14 days. About 20% of claims end this way.	Business Central, carrier portal	Part shipped
9	Arrange collection of the product	Warranty Coordinator	Books a collection with a prepaid label and a box for the batteries that meets the transport rules for lithium cells. Tells the customer the collection window and what to pack. The company pays for transport for accepted claims.	Carrier portal, Freshdesk	Collection booked
10	Collect and deliver the product to the service centre	Carrier	Collects the packed product and delivers it to the service centre, normally within 2 to 4 working days. Damage found at delivery is photographed and reported.	Carrier portal	Product at the service centre
11	Receive and inspect the product	Service Technician	Registers the arrival against the claim, checks the serial number, inspects the product for damage, signs of misuse and the reported fault, and runs the test	Business Central, serial number register	Inspection report with fault code

#	Step	Who	What happens	System	Output
			routine. This takes 30 to 60 minutes. About 9% of inspected products show a fault different from the one reported.		
12	Record the failed part and the cause	Service Technician	Notes the failed component, its batch number and the likely cause, photographs it and tags it for return to the supplier when the cause is a defect in manufacturing. This record is the evidence for the supplier claim in step 18.	Business Central, serial number register	Failed part tagged with evidence
13	Decide repair, replace or refund	Warranty Coordinator	Follows the rule: repair if it can be done within 10 working days, replace if the repair cannot be done or the same fault has occurred twice, refund if no replacement is available or the customer has a statutory right to one. The coordinator can decide up to 600 EUR. About 70% of accepted claims end in repair, 22% in replacement and 8% in refund.	Business Central, Freshdesk	Decision on the claim
14	Approve a high-value replacement or refund	Warranty Manager	Approves replacements and refunds above 600 EUR and any third claim on the same serial number. This takes 5 to 10 minutes and applies to 11% of claims.	Business Central	Approved or changed decision
15	Repair and test the product	Service Technician	Fits the new part, updates the software, runs the road test and the battery test, and records the labour and the parts used. Repairs take 2 working days on average, and up to 6 when a part is on back order.	Business Central	Repaired and tested product
16	Ship a replacement	Supply Chain Analyst	Reserves a replacement from the warranty stock, which holds 40 units of the most common models, prepares it and ships it with the return label for the defective unit. Customers with a long wait are offered a loan bike where available.	Business Central, carrier portal	Replacement shipped
17	Pay the refund	Finance Analyst	Refunds the customer to the original payment method for the price paid, less a deduction only when the policy and local law allow it, and books the cost to warranty. Refunds are paid within 5 working days of the decision.	Business Central, payment provider	Refund paid
18	Send the failed part to the supplier	Supply Chain Analyst	Collects the tagged parts weekly, packs them with the claim file containing the batch number, photos, inspection report and cost, and sends them with the supplier's return form. About 38% of claims involve a part that is recoverable.	Excel, Business Central	Supplier claim submitted
19	Chase and reconcile supplier credits	Finance Analyst	Tracks open supplier claims, chases those older than 45 days and matches credit notes to claims. Recovery today is about 61% of the value of the claims sent. The rest is lost to rejected claims and claims sent late.	Business Central, Excel	Credit note matched to claim
20	Confirm with the customer and close the claim	Warranty Coordinator	Checks that the customer has the repaired or new product and that it works, asks them to confirm, and closes the claim with a cause code, the cost and the outcome. A claim is not closed while a supplier recovery is open, but the customer case is closed. Claims with no confirmation after 7 days	Freshdesk, warranty claim portal	Closed claim with cause and cost

#	Step	Who	What happens	System	Output
			are closed automatically.		

7. Decision points and business rules

- Does the claim match a sale and is it within the warranty period for the part? No: the coordinator asks for proof or declines (steps 3 to 5). About 18% of claims.
- Is the case borderline, such as a fault just after the warranty ends? Yes: the Warranty Manager may approve it as goodwill (step 6). About 3% of claims.
- Can the fault be solved remotely or with a part sent to the customer? Yes: no return is needed (steps 7 and 8). About 45% of claims.
- Does the inspection show a fault other than the one reported, or misuse? Yes: the claim is reassessed and the customer informed (steps 11 and 13). About 9% of inspected products.
- Repair, replace or refund? Repair if possible within 10 working days, replace after a failed repair or a repeat fault, refund if there is no replacement (step 13).
- Is the value above 600 EUR, or is it the third claim on the serial number? Yes: the Warranty Manager approves (step 14). About 11% of claims.
- Is the failed part recoverable from a supplier? Yes: it is tagged, sent with the evidence and followed until the credit arrives (steps 12, 18 and 19). About 38% of claims.

8. Exceptions

- Damaged battery (about 4%): treated as dangerous goods, the customer is told not to charge or ship it in ordinary packaging, and a specialist carrier with approved packaging collects it.
- Product bought second hand (about 3%): the claim is accepted only where the warranty is transferable and the original proof of purchase or a dealer record exists, and the serial register is updated.
- Customer in the United Kingdom (about 9%): the claim follows the same steps, but returns are shipped by a customs-cleared carrier and the customer is told in advance about any import charges.
- Product lost or damaged by the carrier on the way back to the customer (under 1%): the Supply Chain Analyst opens a carrier claim and sends a replacement at once, without waiting for the claim outcome.
- Peak weeks in spring: the repair target moves from 10 to 15 working days, a banner is shown on the claim portal and customers are offered a loan bike when stock allows.

9. Controls

- No claim is accepted without a matched proof of purchase or a documented decision from the Warranty Manager.
- The system calculates the warranty end date from the delivery date and the coordinator cannot overwrite it without a recorded reason.
- Segregation of duties: the person who decides a refund does not pay it, and the technician who inspects the product does not decide eligibility.
- Decisions above 600 EUR and third claims on the same serial number need the Warranty Manager's approval.
- Every failed part that may be recoverable is tagged at inspection and tracked until it is sent or scrapped, and the weekly list is checked against the repair orders.
- Replacement stock is counted every month and compared with the replacements recorded in the system.
- Declined claims always include the reason in writing and the customer's statutory rights, checked in a monthly sample of ten files.

10. Known issues today

- Customers submit claims without a proof of purchase, and the claim waits for ten days, which delays the repair.
- Photos are too poor to diagnose, so products come back for inspection that could have been solved remotely.
- Technicians do not always tag the failed part, and the supplier claim then lacks evidence and is rejected.
- The supplier claims sheet is an Excel file outside the main system, and claims older than 90 days are often written off.
- Batteries wait for the specialist carrier for up to a week, and customers have no bike during the busiest weeks.
- The same fault on the same model is repaired many times, but the information does not reach the product team.

11. RACI matrix

R = responsible (does the work), A = accountable (owns the outcome), C = consulted, I = informed.

Activity	Coordinator	Technical Advisor	Technician	Warranty Manager	Supply Chain	Finance
Check proof of purchase and eligibility	A/R			C		
Decide a borderline eligibility case	R	C		A		
Assess the fault remotely	C	A/R				
Inspect and record the failed part	I	C	A/R		I	
Decide repair, replace or refund	A/R	C	C	C	I	I
Approve a high-value replacement or refund	R			A	I	C
Ship a replacement and manage warranty stock	I				A/R	
Pay refunds	C			I		A/R
Claim and reconcile supplier recovery		C	C	I	R	A

12. KPIs

KPI	Definition	Target
Claim cycle time	Working days from the complete claim to the product being back with the customer or the refund being paid. Target: 12 working days for claims that need a return.	[set]
Eligibility decision time	Working days from the complete claim to the eligibility decision. Target: 2 working days.	[set]
Remote resolution rate	Share of accepted claims closed without the product being returned. Today 45%.	[set]
Acceptance rate	Share of claims accepted, by product and by claim reason. Today 82%.	[set]
Warranty cost per unit sold	Cost of repairs, replacements, refunds and transport divided by units sold in the same period, by model.	[set]
Supplier recovery rate	Value of supplier credits received divided by the value of recoverable claims sent. Today 61%, target 80%.	[set]
Repeat claim rate	Share of repaired products that come back with the same fault within 6 months.	[set]

13. Revision history

Version	Date	Author	Change
1.0	[date]	[name]	First as-is version

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