Customer returns handling

Process Definition Document (PDD): template and worked example

Example company (fictional): Wolnar Home Sp. z o.o., an online retailer of small appliances and home goods with a returns centre in Lodz, Poland (about 140 employees).

Document control

Field	Value
Process name	Customer returns 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 customer returns handling, also called reverse logistics, returns management or RMA process. It describes how a return is authorised, how the parcel is received and inspected, how the item is graded and sent to restock, refurbishment or scrap, and how the refund or credit is triggered. The company is fictional, but the roles, systems and exceptions are typical of an online retailer with its own returns centre.

Use it as a starting point. Replace the company details, keep the sections, and spend a shift at the returns bench, because the real process usually differs from the one in the policy. Most retailers change the return window, the grading scale and the value limit above which a second person must approve a refund. Warranty repairs with the manufacturer, marketplace returns handled by the marketplace and customs on cross-border returns are left out on purpose.

- Replace the company, the ERP and the payment provider with yours. If returns are tracked in a spreadsheet, name the sheet and who owns it.
- Set your own return window and the value limit in step 16. The 400 PLN limit and the 'third return in 90 days' rule here are examples that depend on your margins and your fraud experience.
- Write your grading scale in plain words with photos. Most disagreements between inspectors disappear once each grade has one example per product family.
- Decide when you refund: on delivery to the carrier, on receipt or after inspection. The choice changes your cash exposure and the tone of customer communication, so document it clearly.
- Add your special categories: batteries, hazardous goods, food, electronics with personal data, or items that must go back to the manufacturer.

1. Purpose and scope

This procedure describes how Wolnar Home Sp. z o.o. handles customer returns, from the moment a customer asks to return an item to the moment the item is back in saleable stock, refurbished or scrapped, and the refund or credit has been triggered. It gives customer service, the returns centre, finance and the carrier one shared description of who does what, so that customers are paid back quickly, returned stock is not left in boxes for weeks and refunds are only paid for goods that actually came back.

In scope

- Returns from the retailer's own web shop within the 30 day return window
- Return authorisation and prepaid label creation
- Receiving, identification and inspection of returned parcels
- Grading and the decision to restock, refurbish or scrap
- Triggering the refund or store credit
- Claims against the carrier for goods lost or damaged in the return

Out of scope

- Warranty repairs handled by the manufacturer
- Marketplace returns that the marketplace processes itself
- Customs clearance on returns from outside the EU
- Chargebacks raised through the card scheme

2. Process at a glance

Item	Description
Trigger	A customer asks to return an item, by the web form or by contacting customer service.
Starts when	The customer submits a return request with order number and reason.
Ends when	The item is in saleable stock, in the refurbishment queue or written off, and the refund or credit has been triggered in the payment system.
Inputs	Return request with order number and reason, Original order and delivery record, Return parcel with the label or return slip, Product master data with the standard grading rules, Refund policy and return window
Outputs	Return authorisation (RMA) and prepaid label, Receipt record in the WMS, Grade and disposition per item, Refund or store credit instruction, Stock movement to saleable, refurbish or scrap, Carrier claim where goods were damaged in transit
Volume	About 38,000 returned items a year, roughly 150 per working day, with a peak of 400 a day in January
Working hours	Customer service Monday to Friday, 08:00 to 18:00. Returns centre on one shift, 06:00 to 14:00, Monday to Friday. The target is a refund within 3 working days of receipt.

3. Roles and responsibilities

Role	Responsibilities
Customer (external)	Requests the return, packs the item, hands the parcel to the carrier and answers questions about the condition of the goods.
Carrier (external)	Collects the parcel or takes it from a drop-off point, delivers it to the returns centre and handles claims for loss or damage in transit.
Customer Service Agent	Reviews return requests, checks the order and the return window, creates the RMA and the label, and answers customers about the status of their refund.
Receiving Clerk	Opens return parcels, scans the label, matches the parcel to the RMA, photographs the contents and registers the receipt in the WMS.
Returns Inspector	Tests and inspects each item, assigns a grade, checks serial numbers and decides the disposition: restock, refurbish, scrap or return to supplier.
Returns Supervisor	Handles unmatched parcels, reviews inspector disagreements with the customer, approves scrap and write-offs, and manages the backlog.
Refurbishment Technician	Cleans, repackages or repairs graded items, retests them and confirms they are fit to be sold as grade B.
Finance Analyst	Approves refunds above the value limit, reconciles refunds to the payment provider and books write-offs and carrier claims.
Odoo WMS (system)	Holds RMAs and receipts, suggests the disposition from the grading rules and sends the refund instruction to the payment system once the item is received and graded.

4. Systems

- Odoo: web shop orders, RMAs, WMS and stock
- Zendesk: customer requests and tickets
- Adyen: payment refunds
- Carrier portal for return labels and tracking
- Handheld scanners, label printers and photo station
- Excel sheet for scrap and write-off approval

5. Process map

Process diagram goes here

Draw one lane per role from section 3, the steps from section 6 in order, and a diamond for each decision in section 7.

6. Procedure, step by step

#	Step	Who	What happens	System	Output
1	Submit a return request	Customer	Fills in the return form with order number, item and reason, or writes to customer service. About 70% use the form and 30% write an email.	Web shop, Zendesk	Return request received
2	Check order and return window	Customer Service Agent	Checks that the order exists, that the item was delivered less than 30 days ago and that the product is returnable. This takes 3 to 5 minutes per request.	Odoo, Zendesk	Eligibility checked
3	Handle a request outside the policy	Customer Service Agent	If the window has passed or the item is not returnable, the agent offers an alternative such as store credit, or refuses with an explanation. About 8% of requests fall in this group.	Zendesk	Decision recorded in the ticket
4	Create the RMA and the return label	Customer Service Agent	Creates the return authorisation in Odoo and generates a prepaid label in the carrier portal, then emails both to the customer. This takes 4 minutes.	Odoo, carrier portal	RMA number and prepaid label
5	Pack and send the item	Customer	Packs the item with the return slip and hands the parcel to the carrier. Customers take 3 to 9 days on average to post it.	Carrier	Parcel in transit
6	Deliver the parcel to the	Carrier	Delivers the parcel, normally 2 to 4 days after posting. Tracking shows the parcel as	Carrier tracking	Parcel at the returns centre

#	Step	Who	What happens	System	Output
	returns centre		delivered once the driver scans it at the dock.		
7	Scan and match the parcel	Receiving Clerk	Scans the label and matches the parcel to an open RMA. This takes 2 minutes. About 6% of parcels have no readable label or no RMA.	Odoo WMS, scanner	Parcel matched to an RMA
8	Identify an unmatched parcel	Returns Supervisor	Searches by customer name, address and order number, asks customer service to contact the customer and, after 30 days, moves unclaimed items to the unidentified shelf. This takes 10 to 30 minutes per parcel.	Odoo, Zendesk	Parcel matched or parked
9	Open the parcel and photograph the contents	Receiving Clerk	Opens the parcel, takes photos of the item and the packaging, and registers the receipt line by line against the RMA. This takes 4 to 6 minutes.	Photo station, Odoo WMS	Receipt with photos
10	Inspect and test the item	Returns Inspector	Checks completeness, signs of use, damage and the serial number, and tests the item where a test routine exists. This takes 5 to 15 minutes per item.	Test bench, Odoo WMS	Inspection result
11	Assign a grade	Returns Inspector	Assigns grade A (as new), B (used but working or in damaged packaging), C (needs repair) or D (not repairable). The WMS suggests a disposition from the grading rules for the product.	Odoo WMS	Grade and suggested disposition
12	Flag a wrong or missing item	Returns Inspector	If the item differs from the one on the RMA, or parts are missing, flags the receipt and asks customer service to contact the customer. This applies to about 7% of returns.	Odoo WMS, Zendesk	Mismatch flagged
13	Agree a partial refund with the customer	Customer Service Agent	If the item is used or incomplete, explains the reduced refund to the customer and records the outcome. Disagreements go to the Returns Supervisor. About 3% of returns end in a partial refund.	Zendesk, Odoo	Agreed refund amount
14	Review a disputed grade	Returns Supervisor	Looks at the photos and the item, confirms or changes the grade and records the reason. This takes 10 to 20 minutes and applies to about 1% of returns.	Odoo WMS, photos	Final grade
15	Trigger the refund instruction	Odoo WMS (system)	Once the item is received and graded, the system sends the refund to the payment provider for the agreed amount, or issues store credit. Orders paid by invoice or bank transfer create a task for finance instead.	Odoo, Adyen	Refund instruction sent
16	Approve high-value refunds	Finance Analyst	Reviews and releases refunds above 400 PLN, or any refund for an order with more than two returns in 90 days. About 9% of refunds need this approval. It takes 5 minutes each.	Odoo, Adyen	Refund released or held
17	Move the item to its destination	Returns Inspector	Moves grade A items back to saleable stock, grade B and C to the refurbishment shelf, and grade D to the scrap cage, scanning the location each time. This takes 2 minutes per item.	Odoo WMS, scanner	Stock moved
18	Refurbish and retest	Refurbishment Technician	Cleans, repackages or repairs the item, retests it and relists it as grade B stock. About 22% of returns pass through refurbishment. Waiting time on the shelf	Odoo WMS, test bench	Refurbished item in B stock

#	Step	Who	What happens	System	Output
			averages 6 working days.		
19	Approve scrap and write-offs	Returns Supervisor	Reviews the weekly scrap list, checks whether the supplier will take back defective goods, and approves the write-off. About 4% of returns end up scrapped.	Excel, Odoo	Approved write-off
20	Reconcile refunds and file carrier claims	Finance Analyst	Matches refunds to received items each week, books write-offs and files claims for parcels damaged or lost in transit. This takes about half a day a week.	Odoo, Adyen, carrier portal	Reconciled refunds and claims

7. Decision points and business rules

- Is the item inside the 30 day window and returnable? No: the agent offers store credit or refuses (step 3). About 8% of requests.
- Does the parcel match an open RMA? No: the Returns Supervisor identifies it or parks it for 30 days (step 8). About 6% of parcels.
- Does the item match the RMA and is it complete? No: the inspector flags it and customer service contacts the customer (step 12). About 7% of returns.
- Which grade does the item get? A goes to saleable stock, B and C to refurbishment, D to scrap (steps 11 and 17).
- Does the customer accept the reduced refund? No: the Returns Supervisor reviews the grade (step 14). About 1% of returns.
- Is the refund above 400 PLN, or the third return on the order in 90 days? Yes: the Finance Analyst must approve it (step 16). About 9% of refunds.
- Can the supplier take back a defective item? Yes: it goes back to the supplier for credit instead of being scrapped (step 19).

8. Exceptions

- Customer sends the item back without a request (about 4%): the parcel is held, and customer service contacts the customer before any refund is made.
- Parcel arrives empty or with a different product (under 1%): photographed at opening, escalated to the supervisor and the carrier, and no refund until clarified.
- Item is a hygiene product that has been opened (about 2%): refused under the policy, and the customer is offered to collect it or have it disposed of.
- Peak weeks in January: parcels wait up to 6 working days before opening, and the refund target moves from 3 to 7 working days.

9. Controls

- Segregation of duties: the person who receives a parcel does not grade it, and the inspector does not release refunds.
- No refund is triggered before the item is received and graded, except for approved cases of lost parcels.
- Every parcel is photographed at opening and the photos stay attached to the receipt, which protects both the customer and the company in disputes.
- Refunds above 400 PLN and repeat returners need second approval from finance.
- Serial numbers are scanned at receipt for products that have them, to catch swaps with older or counterfeit units.
- Scrap and write-offs are approved by the supervisor and recorded in the system with the reason.

10. Known issues today

- Customers send items back before the request is approved, and these parcels cannot be matched for days.
- Grading differs between inspectors, so the same item can be a B for one person and a C for another.
- Refurbishment items wait on the shelf for a week or more while sellers have none of that product in stock.
- The scrap approval is done in an Excel sheet outside the system, and entries are sometimes missing at month end.
- Customers ask where their refund is, because the refund step is invisible to customer service until the payment provider confirms it.

11. RACI matrix

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

Activity	Customer Service	Receiving Clerk	Inspector	Supervisor	Refurbishment	Finance
Check eligibility and create the RMA	A/R	I		C		
Receive and match the parcel	I	A/R		C		
Inspect and grade the item		I	A/R	C		
Agree a partial refund with the customer	A/R		C	C		I
Review a disputed grade	C		R	A		
Refurbish and retest			C	A	R	
Approve high-value refunds	I			C		A/R
Approve scrap and write-offs			R	A		I
Reconcile refunds and carrier claims		I		C		A/R

12. KPIs

KPI	Definition	Target
Return cycle time	Working days from parcel delivery at the returns centre to the refund being sent. Target: 3 working days.	[set]
Receipt backlog	Number of return parcels delivered but not yet opened, counted at the start of each shift. Target: under one day of volume.	[set]
Resale recovery rate	Share of returned items that go back into stock as grade A or B, by item count. Today 74%.	[set]
Refurbishment waiting time	Average working days an item stays on the refurbishment shelf before it is relisted.	[set]
Unmatched parcel share	Share of received parcels that could not be matched to an RMA at the first scan.	[set]
Refund exceptions	Number of refunds sent before the item was received and graded, reviewed monthly by finance.	[set]

13. Revision history

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

Free template from processfix.ai. You may copy and adapt it. The company in the example is fictional.