Unit 44: Resolve Customers’ Complaints

Unit reference number: R/506/2151
QCF level: 3
Credit value: 4
Guided learning hours: 22

Unit summary

This unit gives learners the knowledge, understanding and skills to be able to manage and resolve customers’ complaints.

Customers’ complaints are time consuming and can be troublesome. Only a fraction of dissatisfied customers will actually complain, however, of all the customers who encounter a problem, the majority do not tell you but they do tell their friends and family. When customers do complain, how the organisation deals with the complaint can have a big impact on the organisation. Customer complaint handling is a skill and done properly it can enhance an organisation’s reputation and retain and gain new customers.

In this unit, you will learn how to deal with customers’ complaints in a way that provides a positive outcome for customers and the organisation. You will understand how different customer-complaint monitoring techniques can be used to collect data and how the data can be used to improve the service the organisation provides. You will also learn about the advantages and limitations of offering compensation or replacements and the implications of admitting liability on the basis of a customer complaint.

You will be able to confirm the nature, cause and implications of customer complaints, so that solutions can be found to meet customer and organisational requirements. You will learn about techniques used in negotiation and conflict management. You will then be able to use these techniques to agree on solutions with customers that address the complaint without going outside the limits of your authority, while adhering to organisational policies and procedures, and legal and ethical requirements.
Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

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<td>1.1 Assess the suitability of a range of monitoring techniques for customers’ complaints</td>
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<td>1.2 Explain how to identify those complaints that should prompt a review of the service offer and service delivery</td>
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<td>1.3 Explain negotiating techniques used to resolve customers’ complaints</td>
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<td>1.8 Explain the advantages and limitations of offering compensation or replacement products and/or services</td>
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<td>2 Be able to deal with customers’ complaints</td>
<td>2.1 Confirm the nature, cause and implications of customers’ complaints&lt;br&gt;2.2 Take personal responsibility for dealing with complaints&lt;br&gt;2.3 Communicate in a way that recognises customers’ problems and understands their points of view&lt;br&gt;2.4 Explain the advantages and limitations of different complaint response options to customers&lt;br&gt;2.5 Explain the advantages and limitations of different complaint response options to the organisation&lt;br&gt;2.6 Keep customers informed of progress&lt;br&gt;2.7 Agree solutions with customers that address the complaint and which are within the limits of their own authority&lt;br&gt;2.8 Record the outcome of the handling of complaints for future reference&lt;br&gt;2.9 Adhere to organisational policies and procedures, legal and ethical requirements when dealing with customers’ complaints</td>
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AC1.1: Assess the suitability of a range of monitoring techniques for customers’ complaints
- Monitoring techniques: e.g. customer feedback cards, web-based customer satisfaction surveys, mystery shopping, social media feedback, mentions by external media
- Suitability: factors, e.g. fit with customer service strategy, ease of use of metrics, selection of relevant measures

AC1.2: Explain how to identify those complaints that should prompt a review of the service offer and service delivery
- Identifying complaints: based on types of complaints, e.g. indicates breakdowns in service delivery, potential to damage the reputation of the organisation, cause potential financial damage, regarding products faults and quality, linked to health and safety products and/or services

AC1.3: Explain negotiating techniques used to resolve customers’ complaints
- Basis of negotiating or bargaining power: large customer, e.g. greater bargaining power; small customer, e.g. less individual bargaining power, possible power base through social media or pressure groups
- Negotiating techniques: e.g. listening and questioning techniques to gather information; use of empathy; identifying the root cause of the complaint; use of persuasion techniques, e.g. positive spoken and body language, mirroring, understanding and using allowable concessions and alternative options appropriately; discuss alternative solutions with the customer

AC1.4: Explain conflict management techniques used in dealing with upset customers
- Conflict management: definition; negotiation techniques
- Conflict management techniques: e.g. showing empathy, remaining calm when dealing with difficult customers, identifying the root cause of the complaint; explore best solutions with the customer; offering alternative solutions; use of escalation procedures
AC1.5: Explain organisational procedures for dealing with customer complaints

- The knowledge to meet this AC depends on the particular organisational requirements and context. Learners need to apply the knowledge specific to their organisation to meet this AC.

General knowledge may include:

- Procedures: formal complaints procedures and informal complaints procedures.
- Purpose of a complaints procedure: e.g. resolve customer complaints quickly, minimise damage to the organisation’s reputation, information gained can be used to inform and improve customer service.

AC1.6: Explain when to escalate customers’ complaints

- Escalation: levels of authority in the organisation; limits of own authority, limits of knowledge, losing control of the situation, level and speed of progress.

AC1.7: Explain the cost and regulatory implications of admitting liability on the basis of a customer complaint

- Financial costs: e.g. individual compensation claims, class action compensation claims, out of court settlements, regulatory fines, cost to brand image.
- Regulatory implications: regulatory investigations arising from customer complaints, e.g. Financial Ombudsman such as the Office of Gas and Electricity Markets (Ofgem) and Water Service Regulation Authority (known as Ofwat); potential closure of the organisation.

AC1.8: Explain the advantages and limitations of offering compensation or replacement products and/or services

- Advantages: e.g. customer retention, enhanced reputation for resolving issues; positive media coverage.
- Limitations: e.g. customers may still change supplier, increased costs, satisfactory resolution may not be known widely.
Information for tutors

Suggested resources

Books

Websites
www.instituteofcustomerservice.com – The ICS website provides information and guidance on many aspects of customer service, including how to handle customer complaints

Assessment
To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meets the assessment criteria, centres should apply the Unit Assessment guidance and the requirements of the Assessment Strategy below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

Unit assessment requirements
This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership, in Annexe A. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

Unit assessment guidance
This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements of the unit. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

The main evidence collection methods for demonstrating achievement of learning outcome 2 are likely to be a combination of direct observation and professional discussion with the learner, supported by a review of relevant work products. The evidence collected can be based on situations where the learner is handling and resolving internal or external customer complaints, whether face to face, by email and/or by telephone.
Direct observation is suitable where the learner is handling customers’ complaints face to face and/or by telephone, this would provide evidence for AC2.1, AC2.3 AC2.6 and AC2.7. The assessor can carry out the observation unobtrusively using professional discussion to evidence the knowledge underlying the performance being undertaken.

Product evidence seen during an observed performance or separately from observed performance should be evaluated and commented on by the assessor (e.g. emails, letters, spreadsheets, completed records, Word documents and database reports). These could be an alternative source of evidence for AC2.1, AC2.3, AC2.6 and AC2.7 in the instances where the interactions with customers are by email. They can also provide evidence for AC2.8.

The professional discussion could focus on providing evidence for AC2.4 and AC2.5 as well as for the knowledge and understanding underpinning the learner’s performance. For example, for AC2.7, the learner could explain the rationale for the choice of options offered to customers. Similarly, for AC2.2 the learner could explain how they took ownership and personal responsibility for customers’ complaints. The evidence for learning outcome 2 can be further supported by a witness testimony from an appropriate person in the workplace, for example for AC2.9 confirmation from a line manager that the learner has followed the correct organisational policies when dealing with customers’ complaints.

Evidence to confirm the achievement of learning outcome 1 could be integrated into the professional discussion for learning outcome 2 and would give the learner the opportunity to link and apply their knowledge to their workplace activities as well ease the burden of assessment for both the assessor and the learner. There are good opportunities to relate the assessment of the knowledge requirements to the competence activities, for example for AC1.2 the learner might use examples of complaints they have resolved to explain the reasoning behind a service review. An example for AC1.4 might be where the learner explains the negotiating techniques they have used in situations where customers were upset. Alternatively, evidence could be provided through the use of a reflective account, where the learner could address the underpinning knowledge and understanding requirements for learning outcome 2. Learners’ responses or statements to meet the knowledge requirements must be at a sufficient depth and breadth to meet the level of demand of the operative verbs.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.