STANDARD OPERATING PROCEDURE

Retail Loss Prevention SOP

Document no.	SOP-RTL-007
Revision	1.0
Owner	Loss Prevention Manager
Effective date	September 15, 2026
Review cycle	Every 12 months

1. Purpose

To reduce theft and inventory loss through consistent deterrence, observation, and reporting, while keeping staff and customers safe and within company policy and the law.

2. Scope

Applies to shoplifting deterrence, incident observation, and reporting for retail store staff. It does not cover internal cash handling controls, which are addressed in the POS and cash register SOP.

Definitions

Shrink	Inventory loss from theft, damage, or administrative error, measured against expected stock levels.
Concealment	When a person hides merchandise on their body, in a bag, or in clothing, often used as an indicator of possible theft.

3. Responsibilities

Sales Associate	Greets customers to deter theft and quietly notifies a manager or loss prevention associate of anything suspicious.
Loss Prevention Associate	Monitors high-theft zones, documents incidents, preserves footage, and runs register and inventory audits.
Store Manager	Decides on law enforcement contact per policy and reviews shrink trends with the team.

RACI matrix

Activity	Sales Associate	Loss Prevention Associate	Store Manager
Greet customers and deter theft	R/A	C	I
Monitor high-theft zones	C	R/A	I
Document and report an incident	C	R/A	I
Decide on law enforcement contact	I	C	R/A
Run register and inventory audits	I	R/A	C

R = Responsible, A = Accountable, C = Consulted, I = Informed

4. Materials and PPE

Materials, tools and systems

- CCTV monitoring system
- Daily loss prevention log
- Incident report forms
- Electronic article surveillance tags and detectors
- Cash and inventory audit checklists

5. Procedure

Step	Task	Owner	Done
5.1	**Greet every customer at entry** Greet every customer who enters within the first few seconds, since visible staff attention is one of the most effective theft deterrents.	Sales Associate	☐
5.2	**Monitor high-theft zones** Check high-theft categories and blind spots on the sales floor and CCTV monitors regularly throughout the shift, rather than only when something looks unusual.	Loss Prevention Associate	☐
5.3	**Recognize behavior indicators** Watch for indicators like concealment, avoiding staff, or lingering in blind spots, and treat them as a reason to observe more closely, not as proof of theft.	Loss Prevention Associate	☐
5.4	**Observe without accusing** If a customer's behavior looks suspicious, offer normal customer service from a visible distance rather than confronting or accusing them directly. **Warning:** Never accuse a customer of theft based on appearance or behavior alone. Observation only, and only trained staff make a stop decision under company policy.	Sales Associate	☐
5.5	**Notify a manager quietly** Quietly notify the store manager or loss prevention associate of what was observed, using a discreet signal or message rather than announcing it near the customer.	Sales Associate	☐
5.6	**Follow policy before any approach** Only approach a suspected shoplifter if company policy and applicable law allow it and every required condition, such as watching the concealment and the exit, has been met. **Checkpoint:** Any approach follows every condition in company policy, confirmed with a manager before it happens.	Loss Prevention Associate	☐
5.7	**Never pursue outside the store** If a person leaves the store without paying, let them go. Do not chase, block, or physically confront them in the parking lot or street. **Warning:** Never chase or physically confront a suspected shoplifter, inside or outside the store. Employee and customer safety comes before recovering merchandise.	Loss Prevention Associate	☐
5.8	**Document the incident right away** Write down a description of the person, what was taken, the time, and the exit used as soon as possible after the incident, while details are fresh.	Loss Prevention Associate	☐

Step	Task	Owner	Done
5.9	**Preserve CCTV footage** Save or flag the relevant CCTV footage covering the incident before it's overwritten, and note the camera numbers and timestamps on the incident report.	Loss Prevention Associate	☐
5.10	**Contact law enforcement per policy** Decide whether to contact local law enforcement based on company policy and the specifics of the incident, and provide the incident report and footage if they respond. **Checkpoint:** Every incident report that meets the company's reporting threshold is submitted to the store manager the same day.	Store Manager	☐
5.11	**Run scheduled register audits** Run scheduled, unannounced spot audits of registers and high-shrink categories to catch both external theft and internal control gaps.	Loss Prevention Associate	☐
5.12	**Review shrink results with the team** Review the store's shrink and incident trends with staff on a regular cadence, focusing on training and awareness rather than singling out individuals.	Store Manager	☐

6. Quality checks

- Every reportable incident has a completed incident report and preserved footage.
- No staff member approaches or pursues a suspected shoplifter outside company policy.
- High-theft zones are checked at a documented, regular interval each shift.
- Register and inventory audits happen on the scheduled cadence, not only after a loss is discovered.

7. Records

- Incident report forms
- Daily loss prevention log
- CCTV footage retention log
- Shrink and inventory audit results

8. KPIs

- Shrink as a percentage of sales
- Number of documented incidents per month
- Register and inventory audit completion rate

9. Common mistakes

- Approaching or accusing a customer based on appearance alone.
- Chasing a suspected shoplifter into the parking lot.
- Failing to document an incident the same day it happens.
- Letting CCTV footage of an incident get overwritten before it's saved.

10. Revision history

Revision	Date	Description	Reviewed by
1.0	September 15, 2026	Initial release	Alexa Uskova

Approval

Prepared by	Approved by	Date

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