STANDARD OPERATING PROCEDURE

# Retail Returns and Exchanges SOP

| | |
|---|---|
| **Document no.** | SOP-RTL-004 |
| **Revision** | 1.0 |
| **Owner** | Store Manager |
| **Effective date** | September 15, 2026 |
| **Review cycle** | Every 12 months |

## 1. Purpose

To process customer returns and exchanges fairly and consistently, protecting the customer experience while limiting return fraud and inventory loss.

## 2. Scope

Applies to in-store returns, exchanges, and store credit for merchandise purchased at the store. Online order returns processed through a separate channel are covered by a separate SOP.

### Definitions

| | |
|---|---|
| **Store credit** | A credit issued to the customer's account or as a printed voucher instead of a cash or card refund. |
| **Return window** | The number of days after purchase during which an item can be returned or exchanged under store policy. |

## 3. Responsibilities

| | |
|---|---|
| **Sales Associate** | Greets returning customers, inspects item condition, and restocks or routes items after processing. |
| **Cashier** | Looks up purchases, processes the return, exchange or store credit in the POS, and issues the refund. |
| **Store Manager** | Approves exceptions outside standard policy and reviews suspicious return patterns with loss prevention. |

### RACI matrix

| Activity | Sales Associate | Cashier | Store Manager |
|---|---|---|---|
| Verify proof of purchase | C | R/A | I |
| Inspect returned item condition | R/A | C | I |
| Process refund, exchange or credit | C | R/A | I |
| Approve an out-of-policy exception | I | C | R/A |
| Flag suspicious return patterns | C | C | R/A |

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

## 4. Materials and PPE

### Materials, tools and systems

- POS terminal with returns function
- Store return policy reference sheet
- Store credit vouchers
- Restocking labels
- Loss prevention referral form

## 5. Procedure

| Step | Task | Owner | Done |
|---|---|---|---|
| 5.1 | **Greet the customer and hear the request**<br>Greet the customer, ask what they'd like to return or exchange, and ask for the receipt or other proof of purchase. | Sales Associate | ☐ |
| 5.2 | **Check the item against policy**<br>Confirm the purchase date is inside the return window, and check the item's condition, tags, and packaging against the store's return policy. | Cashier | ☐ |
| 5.3 | **Look up a purchase without a receipt**<br>If the customer has no receipt, search the purchase by card number, loyalty account, or order number in the POS before deciding how to proceed.<br>**Checkpoint:** A purchase is confirmed by receipt or POS lookup before any refund is issued. | Cashier | ☐ |
| 5.4 | **Inspect the returned item**<br>Examine the item for damage, wear, or missing parts, and separate it as resalable, damaged, or return-to-vendor before it goes back to stock. | Sales Associate | ☐ |
| 5.5 | **Choose refund, exchange or credit**<br>Ask the customer whether they want a refund, an exchange for another item, or store credit, and process the choice in the POS returns function. | Cashier | ☐ |
| 5.6 | **Refund the original payment method**<br>Refund cash purchases in cash and card purchases back to the original card whenever the POS and policy allow, rather than substituting a different tender. | Cashier | ☐ |
| 5.7 | **Get manager approval for an exception**<br>When a return falls outside the standard window or condition rules, the store manager reviews the circumstances and approves or declines the exception at the register.<br>**Checkpoint:** Any return outside standard policy has a manager approval recorded in the POS. | Store Manager | ☐ |
| 5.8 | **Process an exchange for another item**<br>Ring the new item and the return together in the same transaction so the POS calculates any price difference the customer owes or is refunded. | Cashier | ☐ |
| 5.9 | **Restock or route the item**<br>Return resalable items to the sales floor with a fresh tag if needed, and route damaged or defective items to the return-to-vendor area with the reason noted. | Sales Associate | ☐ |

| Step | Task | Owner | Done |
|---|---|---|---|
| 5.10 | **Flag a suspicious return pattern**<br>When a customer or associate shows a repeated pattern of high-value or receiptless returns, note it and refer the pattern to loss prevention for review rather than confronting the customer directly. | Store Manager | ☐ |
| 5.11 | **Close out the paperwork**<br>Print or save the return receipt, file any manager approval form, and update the POS notes if the return required special handling. | Cashier | ☐ |

## 6. Quality checks

- Every return outside standard policy has a documented manager approval.
- Refunds go back to the original payment method except where policy allows otherwise.
- Returned items are correctly sorted as resalable, damaged, or return-to-vendor.
- Receiptless returns are looked up in the POS before a refund is issued.

## 7. Records

- Return and exchange transaction log
- Manager approval forms for exceptions
- Loss prevention referral notes

## 8. KPIs

- Return rate as a percentage of sales
- Percentage of returns processed within policy without exception
- Average return processing time

## 9. Common mistakes

- Refunding to cash when the original purchase was on a card.
- Skipping the condition check on exchanged items.
- Approving repeated receiptless returns without flagging the pattern.
- Restocking a damaged item without noting the defect.

## 10. Revision history

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

## Approval

| Prepared by | Approved by | Date |
|---|---|---|
| | | |

*This is a template. Adapt it to your organization, equipment and local regulations before use.*

## Scan for the latest version

Opens this template online, where you can download it again in Word, PDF, Excel or CSV — free, no sign-up.

Or add it to Perfect Wiki so your team can find it and ask questions about it in Microsoft Teams, Slack, kChat or Mattermost.