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** 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** 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** 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. **Checkpoint:** A purchase is confirmed by receipt or POS lookup before any refund is issued.	Cashier	☐
5.4	**Inspect the returned item** 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** 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** 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** 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. **Checkpoint:** Any return outside standard policy has a manager approval recorded in the POS.	Store Manager	☐
5.8	**Process an exchange for another item** 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** 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** 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** 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

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