

Disputes with customers can be costly. However, a complaint that doesn't escalate into a dispute can actually help your business.

The advice below, from Consumer Affairs Victoria, can help you reduce complaints about your products or services - and turn those you do get into an opportunity, instead of a dispute.

Why this matters

Complaints have always been an issue for business. With the popularity of Facebook, Twitter and other social media, it's easier than ever for one unhappy customer to cause real damage to your reputation. The flipside is that a complainant who you listen and respond to can become a valuable ambassador for your business.

The cost, distraction and stress of an ongoing dispute can harm your business in many ways - particularly if it goes to a court or tribunal. It's better to resolve it and get on with your business.

If you approach the complaint positively, it could identify a potential improvement in your product or service. Every complaint can help you and your staff see things from the customer's perspective. It's also likely that for every customer who complains, there are others who experience the same problem, but don't bother contacting you.

Reducing complaints

Here are 10 tips for avoiding complaints and disputes:

- listen to every customer, so you know exactly what they expect
- know your responsibilities and your customers' rights
- use written contracts or agreements where appropriate
- provide clear terms and conditions
- give timeframes and explain any delays
- have a complaint-handling system and train staff to use it
- appoint a complaints officer to manage your complaint-handling process
- make it easy for customers to provide feedback or complain
- track and record complaints, so you can identify and fix recurring problems
- if you sense a dispute from the outset, consider declining the business.

There are many ways you can invest in your complaint-handling system. For example, you can buy complaint-tracking software, conduct customer satisfaction surveys or hire a secret shopper to test your customer service levels.

Handling complaints

A complaint-handling procedure makes it easier for staff to deal with complaints quickly. If your industry body has set up a code of conduct, it may help guide you. You can [search for industry bodies on the Business Victoria website](#). Naturally, your procedure must recognise the customer's legal rights. Industry codes cannot overrule the law. For guidance, see [Consumer Affairs Victoria's advice on fair trading](#).

Set up a complaint-tracking database. Log the date, location, cause and outcome of every complaint. Over time, review them and use this to inform staff and streamline your complaint handling. Better still, you may identify a way to improve the product or service that is generating complaints. Ask yourself: "where are we going wrong?" This could highlight that a particular staff member, or third party provider, is associated with most of the complaints.

Dealing with disputes

If a complaint does become a dispute, deal with it promptly if you can. Even when it's unclear whether you have done anything wrong, if the customer is being reasonable it may be better to resolve things and move on.

If a customer is being loud and disruptive in a public space, remain as calm as you can. Consider inviting them somewhere else to discuss the dispute, such as an office if appropriate. Similarly, if they are airing their grievance on social media, it may be better to ask them to call you, so you can discuss the issues properly.

Follow up each dispute by mail or phone, and make sure the outcome is properly recorded.

The right resources make it easier

Make use of the free resources available to help you deal with complaints and disputes.

If you don't have your own complaint form, you can use Consumer Affairs Victoria's sample form, or modify it to suit your business. First check whether your profession must use a prescribed form - for example, conveyancers, owners corporation managers and retirement village operators must use specific forms.

If you're in retail, download the free MyShopRights app for iPhone or Android. It provides a convenient way to check the rights of you and your customers.

You can also refer to the complaint-handling advice on the [Consumer Affairs Victoria](#) and [Business Victoria](#) websites.

Regardless of the issue, keep a record of all correspondence in case a regulator or lawyer gets involved later. However, it's best to try and resolve the dispute yourself. Hopefully, instead of losing a customer, you can turn the dispute into a win-win.

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