



Complaints

BUSINESSSENSE

Let's talk complaints

In this two-part special, Tim Kelly discusses the 2015 Consumer Rights Act and how to handle customer complaints.

One of the biggest issues for any business and a measure of how good they are is how they handle complaints. It never ceases to amaze me how uninformed the collision repair industry is about the 2015 Consumer Rights Act (CRA) and how to handle complaints.

In fact, a lot of the larger businesses I come across are as bad, if not worse than smaller ones – and there really is no excuse. The ramification of poor complaint handling is being taken to court, with the potential for the courts to award in favour of the claimant with a cost order on top. This means you are liable for their legal cost as well as your own. A recent case where I was acting as an expert witness ended up with total cost well in excess of £100,000.

I have acted in cases on both sides of the fence where I have been on the side that has won and the side that has lost. The facts that are always evident in these cases are a complete lack of understanding of how to handle complaints, what action can be taken to reduce or even eliminate complaints before they occur, and what to do when they do.

Every company should have a complaint handling process in place, that complaint process needs to reflect the consumer entitlement under the 2015 CRA – scan the QR code below to view.

What constitutes a complaint?

A consumer complaint under the 2015 CRA arises from a potential breach of contract, this is why it is so important to have a contract in place with the specifics of what has been agreed.

Should the complaint be valid, the customer can request a refund, repeat service, or rectification at a

reduced cost. So, it is very important to handle the complaint correctly.

What is the Consumer Rights Act?

The 2015 Consumer Rights Act has come out of the “Sales of Goods and Services Act 1979” and the “Trade Descriptions Act 1968”, along with a few other statutes in law that have all been brought together under the 2015 Consumer Rights Act.

These are there to protect the consumer where the goods or services you are purchasing are “as described” “fit for purpose” and of “merchantable quality”. Services provided should also be carried out with “due care, skill and attention” and are “agreed” as part of a contract.

There are variations of this, but for the purposes of this article and ease of clarity, it provides a good starting reference point. For specifics, please refer to part 2 and see the QR code below.

The fundamental thing that every business needs to have in place is a written contract with the consumer.

Contract law

Whether this is your “estimate” or “proforma”, you should be specifically advising what works you are going to carry out, what the customer expectations are (ie, if the customer is expecting a “show car finish”, I would expect the cost to reflect it) and what fee is going to be charged. This is the basis of your contract. If the terms and conditions are clear, specific, and concise, it reduces the potential of a complaint of what could otherwise be over an ambiguous area.

Tune in next month, where we will run through how to go about handling a complaint correctly.