



# Handling complaints

Running a corporation is not always easy. People have different experiences and opinions, and sometimes things go wrong. But with the right attitude and a good process, responding to a complaint can strengthen a corporation.



## Communication is key

It's important that directors **listen carefully** to members and **communicate regularly** with them. Many complaints result from poor communication and misunderstandings.

**Receiving a complaint can be useful** for a corporation. Complaints are a way for members and stakeholders to express what's important to them, and to raise issues that need to be resolved.

## Policy and procedure

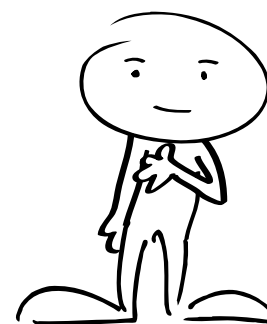
Best-practice complaints-handling requires you to:

- look at complaints as a form of feedback from someone who cares about the corporation and its objectives
- be committed to resolving complaints—and prove that commitment to the complainant.

By handling negative situations well you can build a positive reputation for your corporation. Having a policy and procedure in place can help your corporation to handle complaints consistently well:

- **Set up a process for receiving complaints:** Corporations should let everyone—members, customers, employees and others—know how to make a complaint, and who to talk to about it (or where it should be sent).

- **Acknowledge:** When a complaint is received make sure you acknowledge it promptly and politely. Let the complainant know the next steps and when they can expect a response from the corporation. Do you need to examine the matter further, refer it elsewhere, seek expert advice?
- **Listen without judging:** It's natural to get defensive when someone complains, especially if you don't agree with what they are saying, or they are angry. Try to maintain a polite and respectful attitude.
- **Work out the problem:** Listen (or read) carefully. Make sure you fully understand the matter, that you know what action the complainant expects the corporation to take, and that you have all the details in writing.
- **Discuss the matter:** Speak with everyone involved; make sure you have all the facts. Any personal information (e.g. identifying information about the complainant) should be treated in confidence—unless the person agrees to their information being disclosed.
- **Decide what to do:** Different complaints will require different responses, and possibly involve different people at your corporation. With straightforward complaints a simple explanation may be all that's needed. If the issue concerns how the corporation is run, check what your rule book says. Give each complaint careful consideration.

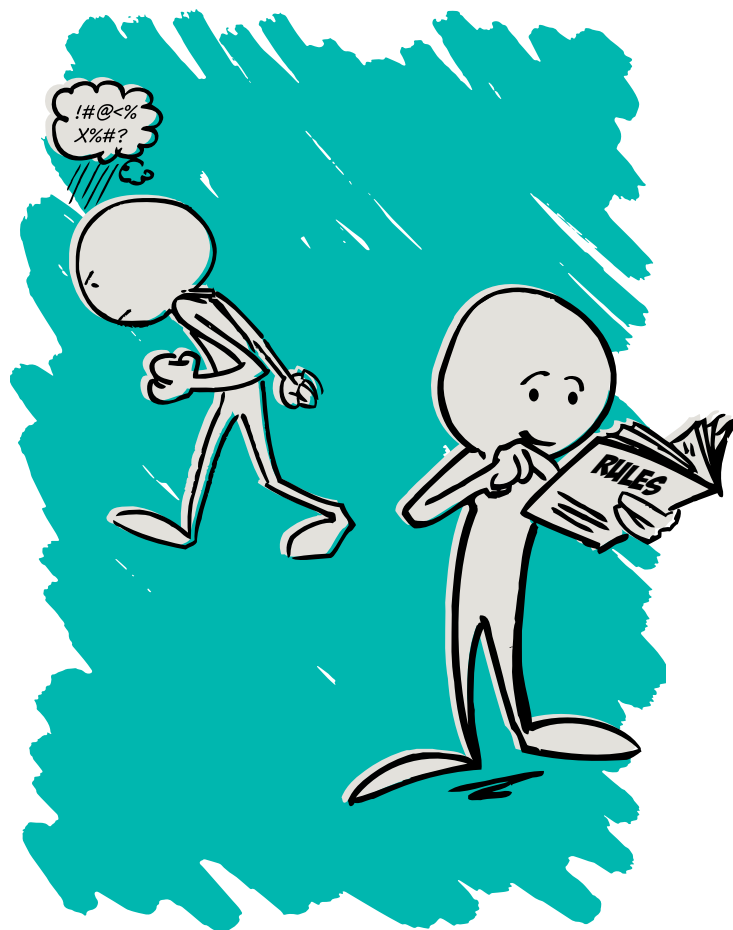


- **Keep the complainant informed:** Let the person know of the progress of their complaint.
- **Fix the problem or say why you can't:** Tell the complainant what you can and cannot do. Make sure the complainant understands. If the complainant agrees to a proposed solution, implement it immediately. If you can't fix the problem or you consider it is not your responsibility, give the complainant your reasons.
- **Inform the complainant of the decision and the reasons for it.** Keep a record of the complaint and how it was handled. Give the complainant your decision in writing.

## Pay attention to the issues

Directors should use information from complaints to help them identify wider issues in the corporation, either about its business activities or its governance arrangements. Such information can be used for monitoring and evaluating business performance, and may even guide strategic decisions.

The act of responding to a complaint can either enhance or detract from the corporation's reputation. Directors and staff should make sure that your corporation learns from every complaint.



## Advanced complaints-handling

Did you know there is an Australian standard that provides guidelines for organisations to handle complaints? It covers the following areas:

- a) creating an **environment that is open to feedback** (including complaints), resolving any complaints received, and enhancing the organisation's ability to improve its products and services
- b) involving and securing the **commitment of managers**, and ensuring there are **adequate resources** to manage complaints—including training of staff
- c) **recognising and addressing** the needs and expectations of complainants
- d) providing complainants with an **open, effective and easy-to-use process** for complaining
- e) **analysing and evaluating** complaints in order to improve the quality of products and services, including customer service
- f) **auditing** of the complaints-handling process
- g) **reviewing** the effectiveness and efficiency of the complaints-handling process.

Not-for-profit Law has a model policy and procedure for handling complaints at [nfplaw.org.au/complainthandling](http://nfplaw.org.au/complainthandling)



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NOTE: This fact sheet is not a substitute for legal advice. It is intended as a quick overview of the topic. For more detail see the CATSI Act or consult a lawyer.