Returns Double Hit: Diagnosis & Recovery Checklist

Companion to "The Returns Double Hit: Amazon's Frequently Returned Badge, the Returns Processing Fee, and How to Bring Your Return Rate Down (2027 Guide)".

Step 1 — Find your numbers (60 seconds per ASIN)

- Seller Central → Performance → Voice of the Customer
- For each key ASIN: 3-month return rate ___% vs suggested rate ___% · At Risk? ☐ · Badged? ☐
- Check the 12-month rate too — chronic problem or bad quarter?
- SKU Economics Report: last period's returns processing fee per SKU $___
- Check the exemptions before panicking: SKUs under 25 units/month are fee-exempt that month · FBA New Selection waives the first 20 returns on new parent ASINs · returns caused by Amazon's own errors don't count toward your rate (and are separately reimbursable — claim them)

Step 2 — Diagnose (one afternoon)

- Download 90 days of the FBA Customer Returns report (Reports → Fulfilment)
- Group returns by reason; write the top two reasons here: 1) ___ 2) ___
- Read 20 verbatim buyer comments for the top reason — the code is a label, the comment is the instruction
- Cut by variation: worst child ASIN ___ at ___% — one variation or the whole product?

Step 3 — Fix in this order

- Listing fixes first (hours): measurements/size chart, scale and colour-true images, remove the claim returns keep quoting, state what's NOT included
- Variation lever: pause or delist a poisonous child variation while it is fixed
- Packaging fix if "arrived damaged" is a top reason (drop-test the failure point)
- Product/batch fix if "defective" is a top reason (QC sample the current batch; check batch clustering)
- Do NOT: relaunch under a new ASIN to escape the badge, discourage legitimate returns, or discount blindly to chase lost conversion

Step 4 — Ride out the window (the honest timeline)

- Expect the badge for ~60–120 days after the fix — the trailing 3-month rate has to age out
- Expect the fee on pre-fix cohorts for the same period (deducted 7th–15th of the third month after shipment)
- Weekly: Voice of the Customer rate trend — improvement shows here weeks before the banner lifts
- Keep the product in stock; protect margin instead of chasing conversion with discounts

Step 5 — Keep / fix / cut review

- Recompute unit margin WITH the full cost of a return (fee + refund admin + unsellable losses — ~$10.52 sellable / ~$19.69 unsellable on a $29.99 item above threshold)
- Margin healthy and top reasons listing-side → FIX
- Margin survives while a product fix is funded → FIX AT PRODUCT LEVEL
- Margin negative at the realistic return rate, or the top reason is intrinsic → CUT

Monthly rhythm (15 minutes)

- Returns by reason — has the top reason moved?
- Voice of the Customer rates vs suggested rates for top ASINs
- SKU Economics fee line — falling as fixed cohorts replace bad ones?