

# Ep #158: How to Handle Refund Requests

## Full Episode Transcript



With Your Host

**Simone Grace Seol**

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Welcome to *Joyful Marketing*! I'm Simone Seol, and I teach you how to get your life coaching practice fully booked without having to pay for ads, buy Instagram followers, or complicated sales funnels. It's not rocket science and you can do it too. Listen on to find out how.

Hey friends. Guess what? Today, we're going to talk about refunds and refund requests and how to handle them. Now, this is something that I get asked a lot of questions on and I wanted to share with you guys my philosophy on this, which I think has served my business really well. And I think it'll serve your business very well as well.

So there's a few things that I want you to know about refunds, how I approach thinking about it, and I'm also going to tell you exactly how I recommend handling a refund request conversation that I think is going to give you so much clarity and confidence as a coach.

So let's jump right in. Very first thing I want you to know about refunds is that when somebody asks you for a refund, that is not a bad thing. Nothing has gone wrong. It is not a problem. It doesn't mean you're a bad coach, it doesn't mean you suck, it doesn't mean anything. It just means you run a real business and not a hobby.

Here's the thing; refund requests will always happen no matter what, no matter what kind of business you're in. If you have a big enough volume of clients coming your way, if you have a big enough volume of humans that you are transacting with.

So in any other business, refund requests would be completely normal and they're also normal in the coaching business. And I think it's easier to kind of take it a little bit more personally because it is such a personal, intimate kind of business where you're really getting to know another person's brain.

But still, I really, really want to normalize refund requests. It happens to you for the first time, even if it's not for the first time, there can be an illusion of I'm the only person this is happening to, I must just suck as a coach or

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whatever. It is not true. It literally happens to everyone, and the more clients you have, the more it'll happen.

Hopefully it's a minority of cases. If it's like, you're getting tons of refund requests all the time, there's probably a different problem that we want to be curious about and solve for. But if it happens once in a while, it's completely normal. So please know that nothing has gone wrong. All it means is that you have a real business and that's a good thing.

So I just wanted to say that. Nothing has gone wrong, you're okay. Your business is okay. The second thing I want to tell you is to not set a refund policy out of fear. I get asked lots of questions about refunds and people ask me, "Hey Simone, what's your policy? What kind of refund policy should I have?"

And the thing is there's no one perfect refund policy. However, there can be "wrong" reasons for setting one, and a lot of times, people can set these policies out of fear. So I'm going to have this refund policy because people are not going to want to buy without a refund guarantee.

So if you think that for example, that's a policy set from fear of people not wanting to buy. Or if you say, "I'm going to have an iron clad no refunds under any circumstances policy because if I have this policy, then no one will ever ask for a refund and I won't ever have to deal with that."

That is also a policy set from fear of a scenario where somebody's asking you for a refund. A refund policy is not going to prevent awkward situations or uncomfortable emotions from happening. Those things will arise no matter what 100% if you're doing business on planet Earth as a human.

A refund policy's job is not to make life perfect or to make sure every client is happy forever. Instead, the job of a refund policy is to express the values that your coaching business represents, the vision that you have for what your coaching container is and where your client is going so that when you share the policy, your client can be informed and your decision-making can be guided in an intentional way.

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That is the function of it. Not to protect you from awkward situations. So have a policy that is rooted in love, in power, in abundance, as opposed to fear or defensiveness. I will not tell you exactly what that looks like because it's different for everyone. But I will give you two examples of what I think of as the two extremes of refund policies.

One refund policy on one extreme is like, no refunds no matter what. No exceptions, no refunds ever. That's one policy. And the other extreme of this is I'll just give refunds to whoever asks, any time, no questions asked, I'll just give it to you, totally always willing to give them.

Neither is good or bad, or better or worse. It all depends on the underlying reasons and your underlying intentions and whether you like them and can stand by them.

So for example, let's examine one end of this. If you want to have an iron clad zero refund policy, why is that? Do you like your reasons for it? Are those reasons in alignment with your business's highest values? Is it to protect you and your interests as a business owner, or is it to empower the client to show up with 100% commitment for themselves and to take responsibility for their decisions?

Or do you say that it's what I just said, which is empower the client, but really, it's to protect you. And that's okay if that's true, but be honest with yourself about it. And if there is fear or scarcity coming up, that's probably worth coaching yourself on so you can still have the same policy but not from a defensive fearful place.

And of course, you can go far in the opposite direction and you can have - a client's going to ask for a refund whenever and I'll just give it to you no questions asked any time, if that's your policy, are you doing that out of respecting your client's desire and agency and knowing that you'll always have enough?

Or is it out of fear of having potentially difficult conversations? Is it out of fear of allowing discomfort and tension in a coaching conversation where

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the client might have negative thoughts about you because of what you make it mean about you?

Because then if your lack of confidence that you can coach from a genuinely unattached, neutral, clean coaching space when somebody might be experiencing uncomfortable thoughts and feelings about you, that's something that you want to work on as a coach.

So your policy can be somewhere in between, where you just - it's situation-dependent. So for each time, examine your reasons and make sure that they feel like they're really in alignment with the highest vision for your business, highest vision for who your client is and who you are.

So no policy, like I said, is going to completely prevent refund requests. No policy is going to guarantee that everybody's happy all the time. However, you can have a policy that is truly informed and guided by your highest values and that is really going to make all of the difference.

So now, I'm going to tell you exactly how I recommend handling a situation if a client were to ask you for a refund, how to have that conversation. And now, I'm speaking mainly in the context of one-on-one coaching here because that's where a lot of these conversations come up.

And so if you are not selling one-on-one coaching, you can still kind of get the gist, the energetic point of what I'm saying here and apply it to your decision-making in business.

So step one to handling a refund request is to check your energy. It's often that the client will come in to have that conversation with you expecting a confrontation. Or if not a confrontation, at least they'll expect you to kind of question them from a skeptical place.

Think about all the times that you've asked for a refund for whatever, it could be a consumer product. Asking for a refund is not the most fun activity in the world. And especially if it's something as personal and intimate as coaching, consider the fact that even deciding to come and talk

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to you about it in the first place was probably a really hard decision for them to make, a vulnerable one to even open that conversation.

And they're most likely in a state of a bit of anxiety or fear. We've all had experiences with customer service, or at least I have. There have been times when I'm on the phone with a bank or something, a 1800 number, and then I've had experiences of okay, I need something from them and they're being really difficult, I had to really put my foot down to get what I want.

Most of us have had experiences like that. And there comes a point where you're like, okay, for me to get really what I want, being nice is not going to cut it, I have to put my foot down. And that might be unconsciously what your client is expecting, for you to kind of get into a fight with them, for them to have to get into an energy of confrontation that is not what a coaching relationship feels like.

And as a coach, there is no reason whatsoever at all that we should ever get into a fighting energy with our clients. So here's the thing; your clients may show up in anxiety, whatever, fear, they probably will, so have compassion for it. And the first thing you want to do is make sure you are in a calm, grounded, loving energy.

Because listen, this is going to allow you to do the most important thing that can make or break a refund conversation, which is to be on their side. When a client brings that to you, be on their side as a human being. Not just as their coach.

Think about how you would feel if you were their sister, their best friend. That's what I mean by being on their side. It's sometimes easy for us coaches to see our clients as objects of coaching. Okay, you bring me a problem, let me coach your mind on that.

But listen, clients are human too, especially when they're in this vulnerable state. They want to be met and cared for as humans. Care about them as humans more than and before you care about keeping your money, and

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that will create such a more powerful experience for both of you in that situation.

So I want you to literally stop, pause, and check your nervous system. Ground yourself in your power and in your love and see your client as a human being who's having a difficult experience and feel the love and care in your heart for them.

Now, that's step one and that also doesn't mean feel pity for them or go, "Poor you, let me relieve you of this discomfort as fast as possible." That's not what I mean. What it really means is not making this be about your ego, not putting the problem solving above the humanity of your client so that you can truly show up without attachment in service of them. So that's the first thing, check your nervous system state first.

Second, when you're feeling grounded, ask if they're open to chatting about it or if they've made up their mind. Sometimes they'll tell you, they'll say, "Hey, I'd like a refund but I'd like to talk about it," or they'll say, "I've made up my mind."

But if they haven't told you, just ask. And one really useful policy is never coach without consent. If they've already hired you, the consent to coach any time is implied. I'm your coach, you hired me, now my job is literally to coach you, I have your consent.

However, if the client is asking you for a refund, it's possible that they've already withdrawn consent or not. You literally don't know until you ask. So the thing is when you ask to chat about it, if they would consent to chatting about it and they sense that you are genuinely coming from a place of caring about them, and caring for them, and genuinely not attached to keeping the money, they will want to open up and chat. Why not?

And here's some things that I have said in the past and really meant in my heart. I might have said something like, "Listen, even if you take the refund and exit the coaching relationship, I'm totally willing to do that, and also right now, I'm still your coach and I want to help you make a decision that

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you feel amazing about. That's my job as your coach. If you want to discontinue coaching and take the refund, I want you to feel amazing and empowered about doing that. And if you do decide to stay, I want you to feel amazing and empowered about that too. So let's talk about it. Is there any part of this that doesn't feel amazing and empowering? If so, I'll help you. Let me coach you on it. Whatever the decision is, I will support you. My only interest is in helping you make the decision and to feel amazing about it."

So I have said this in the past and when you are genuinely - again, I'm going to repeat this. When you're genuinely coming from a place of being completely and happily willing to give them their money back and you're genuinely just looking out for what's in their best interest and genuinely from an emotional place of being on their side, they can feel it. And it'll create the trust and safety that is so necessarily for a conversation like this to go well.

So after you open up the conversation that way, here's what happens next. You coach them. As coaches, we only ever do one thing. One thing only, which is to help the client get clarity on what they want and help take steps towards it. Okay, I guess that's two things.

But we only do these two things ever over and over. One, help the client get clarity on what they want. Two, we help them take action towards it. That's it. So that's what you do then. So what is the client truly wanting when they say I want a refund? What's really going on? What's happening in their lives?

Completely remove your own agenda or your own thoughts about, oh, I know what's best for them, and get curious and coach. I want to tell you a story about what has happened in the past for me. A client who I'd been working with for a good while came to me asking for a refund. And she was willing to talk about it. She was open to talking about it.



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And so we started talking and coaching, and what happened was she'd experienced so much growth and in that process, she was experiencing a ton of painful emotion. You know how it tends to be with growth. It involves a lot of uncomfortable emotion.

And her brain thought, "Oh my gosh, these emotions aren't fun. How do we make these uncomfortable emotions stop? Oh, let's stop coaching. Coaching is making us do all these horrible things and make us go out of comfort zone. It's painful, so if we stop coaching, we can turn off the discomfort."

So I'm going to be honest with you, I coached her hard. I was like, listen to me, I'm not giving you a refund, here's what's happening in your brain. And I was able to go into that place because of the relationship we already had. And at the end, she had such an amazing transformation from the way I coached her and she was like, "You know what I realized, I've always been a quitter. I always quit when things get hard. And because you coached me, I realized this is the one time where I'm going to be like, no, I'm not going to quit on myself anymore," and that changed everything for her.

And much later, she accomplished so many amazing things. She hit goals that were beyond what she could imagine for herself in the beginning, and she thanked me specifically for that conversation where she asked for a refund and I was like, oh hell no.

And she also said that she grew so much as a coach because she saw me being willing to risk the relationship and stand up for her dreams and not just be like, oh, here's your money, just to avoid the confrontation. So she saw that modeled and now she can do the same for her clients and hold a neutral, loving space because of it.

So another way to open this conversation is asking something like, okay, let's talk about what you really want. Do you truly want to not be coached? Or do you want to be coached or are you experiencing obstacles that's making it feel difficult? Because I can help you figure those out.

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Because sometimes they truly, truly don't want to be coached, and other times they want to be but their brain is telling them oh, running out of money, or we're not making enough progress, or some kind of thought error that you can coach them on.

You'd be surprised how much you can find out, how far you can go just by genuinely being unattached, being on the client's side, and asking questions from a place of neutral, loving curiosity, with consent to coach.

Now, I'm going to say something that sound like a complete contradiction of everything I already said. There have been times when somebody has asked for a refund where I was like, cool, of course, no problem, here it is, send you off with love.

Those were times when I also had a feeling that it truly wasn't the right fit for them at the time. And I want you to hear me when I say this. Your coaching can be wonderful and your client can be wonderful. You can put two wonderful people together and not have it be the most wonderful fit at a particular point in time. Kind of like dating.

You can go out a little bit, not entirely hit it off, it doesn't mean that you're a horrible person or they're a horrible person. It just means it wasn't the best fit for this time. That is a thing. Does not mean something has gone wrong.

So when something is not a great fit, I want you to know that your brain is going to want to find blame and fault. You might try to blame and find fault with the other person like, oh, they weren't being coachable, they just weren't committed, which is making them wrong.

Or you can shift that blame and fault inward and blame yourself and say it was my fault, I failed them, I suck, I failed to impress them. Just know that every time your brain thinks there needs to be blame and fault to be attributed somewhere, that's a thought error. What if nothing went wrong? It was nobody's fault, two people tried a thing, and it just didn't work out and that's how life is sometimes and it's totally fine.

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So when I feel this is probably not the best fit, no problem, here's your refund, without coaching them, it's because I knew that that was the right thing to do. So how do I know the difference between when I should do that or when I should offer to coach them and coach them hard, really fight for them, whatever?

I cannot tell you a hard and fast rule. I use my coaching intelligence and my intuition and I weigh the context. And I have developed a trust in my own coaching intelligence and my own intuition and for the most part, they have served me really well.

I want you to have it as a goal to both have the grace and the sufficiency to always be willing to give a refund with love, but also have the backbone as a coach to be willing to coach a client hard if there's consent to do so if you truly feel that this is literally just their brain sabotaging them and I just need to stand up for their goals and for the commitment they made in the beginning of the coaching relationship.

Sometimes I feel very clear based on my relationship with them and based on what I know of them, where they are in their minds, and other times, I don't pretend to know what's best for them because I don't and I go into the conversation with an open mind.

So these are the principles that you want to root yourself in. Have the abundance and the grace and the sufficiency of like, you don't want to be like, clasp at your money like I can never give this back, or if I give it back it means something has gone wrong.

But at the same time, notice if any part of you is like, not wanting to have that conversation because you don't trust yourself to genuinely care for them and advocate for them from a place of completely being divorced from your own ego agenda. Hope that makes sense.

So that is how I handle refund requests. And I really have been thanked for how the client ended up feeling at the end of that conversation. Regardless of whether they stayed or whether we said goodbye for the time, I think the

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best possible outcome is when they leave the container feeling like, man, that coach is amazing, I would love to work with them again if given the chance, I'd be so happy to refer them to my friends if anybody needs a coach.

That's a beautiful outcome. Can you always have that outcome 100% of that time? No, because again, this is business concerning human beings, and sometimes it can get messy, which again, is also okay. There's no way you're going to do business with lots of people and ensure that everybody's going to have only pleasant emotions.

But for the most part, the principles that I introduced in this podcast have led to really beautiful, mutually enriching relationships, and to me, that's what business is all about.

So I'm going to drop one last simplest, most pragmatic advice I can give about refunds, which is really important, which is always, always, always have enough money in your bank account to be able to give refunds if anyone were to ask for it.

Let's say if you have 10 clients, always have enough money in your bank account to be able to give a refund no problem if one or two out of 10 were to ever ask for a refund. It doesn't mean you expect that they will. It doesn't mean you live in fear of okay, somebody's going to ask for a refund, I have to be ready to give it back any time.

But here's why; you never ever, ever want to enter a conversation about a refund from a place of, oh crap, I don't have the money to give it to them. You never want to be in that place. You always want to be in sufficiency and you want to know that all of your needs are taken care of and that you giving the refund is not going to harm you. And it's such a disempowering place to be to be afraid of anyone ever asking for a refund because you don't have the money to give it back.

So don't spend all of your coaching money, all of your revenue. Make sure that you're setting aside enough for expenses and sometimes those

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expenses include refund requests. And it's really smart to be prepared. Be smart.

Not because it's going to happen all the time, it won't. But when it does, you can enter that conversation with total sufficiency, with total sufficiency, abundance, you're taken care of, you know you have the money. You do not want to be in the opposite situation.

So okay, that is all of the ideas and wisdom that I have to impart on the subject of refund requests. I hope that was helpful. I hope this helps you create beautiful relationships and I hope this helps you show up in greater more generous service of everyone that encounters your business. Alright my friends, I'll talk to you next week. Bye-bye.

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