

Who Pays for Free Returns

After the holidays, many people are left with a familiar problem: a small pile of things they don't really want. The sweater that doesn't fit, the gadget you won't use, or the gift you pretended to like all sit in the corner like homework you keep delaying. Returning them feels difficult, but just throwing them away feels wasteful. For many modern shoppers, especially online shoppers, returning has become a normal second step of buying, not just a rare situation.

Because returns take time and energy, some people now pay others to handle them. Services like ReturnQueen focus on what businesses call reverse logistics, the process of moving products from the customer back to the retailer. For a flat pickup fee, they collect several items from a customer's doorstep, pack them, print labels, and ship them out from their own facility. The customer does not have to find a box or stand in line; they only need to leave the items outside. Gig platforms and local helpers offer similar services, turning "please return this for me" into a small part-time job, especially during the busy holiday season. This new "returns help" industry has grown quickly as people look for more convenience in everyday life.

At the same time, returns have become a huge cost for retailers. In 2023, research from the National Retail Federation and Appriss Retail reported that U.S. retailers took back about 743 billion dollars in returned merchandise, which was 14.5% of all retail sales. Online purchases are returned more often than products bought in physical stores: the online return rate was around 17.6%, while in-store-only returns were closer to 10%. For every one billion dollars in sales, the average retailer lost about 145 million dollars to returns. Handling a return means paying for shipping, checking the item, sorting it, and deciding whether to resell, discount, send to resale markets, or throw it away. Industry reports suggest that processing a return can cost retailers a large part of the item's original price, sometimes close to 40% once all expenses and discounts are included.

Fraud makes things even more difficult. Not every return is honest. Some people bring back stolen goods or items bought with fake payment details, and others practice "wardrobing," using clothes or other products once and then returning them as if they were new. In 2023, one NRF-related report estimated that about 13.7% of returns were fraudulent and that return fraud caused around 101 billion dollars in losses for retailers. Many retailers said they had problems with wardrobing and with returns of shoplifted merchandise. To control this, stores add more checks and rules, which slows down the process and sometimes makes honest customers feel like they are not trusted.

To reduce these costs, retailers are changing how returns work. Some now charge restocking fees, especially for electronics or expensive items that lose value as soon as the box is opened. Others shorten the time limit for returns or charge customers for mail-in returns while keeping in-store returns cheaper or free. Big fashion and department store brands in the U.S. have also started charging small but noticeable fees for mailing back unwanted items, and electronics stores may charge much higher fees when a device has been activated or opened. At the same

time, many companies are investing in technology such as returns management systems, which use data and automation to move good items back into inventory quickly and send other items to secondary markets or recycling.

This situation creates a clear tension between customers and retailers. Surveys show that most shoppers think easy or free returns are very important, and many say that one bad return experience will make them stop buying from a store in the future. Retailers, however, need to protect their profits and reduce waste, so they try to limit returns and fight fraud. If returns are too easy and too cheap, people may order many items casually and send a large part back. If returns are too strict or expensive, customers may choose a different store. Services like ReturnQueen and gig workers who do return errands do not solve this conflict, but they help consumers live with it by selling convenience on top of changing store policies. In the end, that sweater or gadget sitting in the corner is more than just a personal problem. It is a small part of a larger system where time, money, and convenience all meet—and where returning something has become almost as complex as buying it in the first place.

- 1) How easy is it to return clothes, shoes, or electronics in your experience?
- 2) Have you ever kept something you did not like because returning it felt like too much trouble?
- 3) Would you stop shopping at a store if they made returns more difficult or more expensive?
- 4) Do you think companies are justified in making returns more difficult or more expensive?
- 5) Do you think it is okay for companies to resell returned items as if they were new?
- 6) In your opinion, what is a fair return policy for both customers and companies?

Facility	(n)	a building or place equipped for a specific business or service	The returns are sorted at a facility near the airport.
Fraudulent	(adj)	involving dishonesty or deception to gain money or advantage	The retailer blocked the account after spotting fraudulent returns.
Gadget	(n)	a small device designed to do a particular task	He bought a kitchen gadget that peels garlic in seconds.
Gig	(n)	a short-term job, often paid per task	She picked up a gig delivering packages on weekends.
Handle	(v)	to manage or deal with a process, problem, or task	Our team can handle the paperwork for the refund request.
Logistics	(n)	the planning and organization of moving goods from one place to another	The company improved its logistics to deliver packages faster.

Merchandise	(n)	goods that are bought and sold by a store or business	Damaged merchandise is often discounted to clear inventory.
Shoplifted	(adj)	stolen from a store without paying	Police recovered shoplifted items from a nearby resale stall.
Tension	(n)	a feeling of strain or conflict between people or groups	There was tension between customers and staff after the policy change.
Wasteful	(adj)	using more resources than necessary or causing unnecessary loss	Leaving the lights on all day is wasteful.