While service quality is an important determinant of customer satisfaction, firms are sometimes confronted with extreme service failures that have a profound impact on customers. These problems occur across service industries, ranging from severe internet outages to strong delays for airlines or trains. A key question that has not been addressed in the literature is: how do service crises impact customer satisfaction over time? To address this question, we introduce a Double-Asymmetric Structural VAR model. It captures not only the short- and long-term effects of service performance on customer satisfaction, but also the differential effects of service crises versus service restoration. We analyze a unique dataset from a major European railway company, spanning seven years of monthly service performance and satisfaction observations. During this period, severe winter weather caused dramatic service crises. We find that losses not only loom larger than gains in the short run, but they also have stronger long run effects on satisfaction than gains. The impact of a crisis also strongly depends on the prior momentum in the service performance.

**Key-words:** Service Crises, Customer Satisfaction, Time-Series Models, Prospect Theory.