



## Understanding & Avoiding Chargebacks

In a Non-Card Present Environment\*

What is a chargeback?

A chargeback is a reversal of a credit card transaction and usually occurs when a customer raises a dispute with their financial institution in relation to a purchase made on their credit card.

**Implementing the following strategies can help you avoid chargeback disputes in your business.**

1. If the sale is not being conducted in-person, obtain as much information as possible about the card holder. This includes full name, address, credit card number, name of the bank, expiration date, CCV and even their phone numbers.
2. Brand your company well with a memorable name that is the same across all forms of communication, to be recognizable on billing statements to avoid people not recognizing your company.
3. Be clear and upfront about your return policy and shipping policies on invoices, receipts and websites.
4. Contact the customer to confirm legitimacy of large or suspicious orders.
5. Keep your customer records updated to avoid chargebacks relating to closed accounts, cancelled Direct Debit Authorities. Keep copies of invoices , proof of delivery, quotations, emails and other correspondence.
6. Provide excellent customer service and quality products. Adding value to every interaction helps manage customer expectations and improve customer loyalty.
7. Never alter a sales receipt.
8. Do not accept declined transactions. Request another form of payment.
9. Always obtain an authorization for the exact amount of the transaction posted to the card.
10. Respond to all retrieval requests with valid, legible documentation. Merchants must provide legible copies of all documentation relating to the sale. This can include invoices, proof of delivery, quotations, emails, and other correspondence.

Chargebacks are sometimes unavoidable - but taking precautionary measures can help you protect your business, your customers, and the valuable asset that accepting cards is to your operation.

*\*Non-Card Present Environments includes E-Commerce , and mail order /telephone order ( includes hand keyed transactions)*