



## Understanding & Avoiding Chargebacks

In a 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. 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.
2. Be clear and upfront about your return policy and shipping policies on invoices, receipts and store displays.
3. 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.
4. Provide excellent customer service and quality products. Adding value to every interaction helps manage customer expectations and improve customer loyalty.
5. Never alter a sales receipt.
6. Do not accept declined transactions. Request another form of payment.
7. Always obtain an authorization for the exact amount of the transaction posted to the card.
8. If the sale is being conducted in-person confirm that the cardholder's name matches drivers license name. Also have the cardholder sign the receipt at the time of sale.
9. Respond to all retrieval requests with valid, legible documentation. Make sure to include the credit card number, transaction date, transaction amount and cardholder signature.
10. If the sale is being conducted in person, compare the credit card account number on an electronically printed draft to the credit card number embossed on the credit card. If the numbers don't match, call your Automated Voice Authorization Center and tell the operator you have a "Code 10."

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.