



| IN THE KNOW

CHARGEBACKS: WHY THEY HAPPEN AND THE PROCESS TO DISPUTE THEM

WHAT IS A CHARGEBACK?

A chargeback is when a cardholder disputes a transaction they don't recognize or believe was done in error.

WHAT ARE THE MOST COMMON REASONS FOR A CHARGEBACK?

FRAUDULENT

Cardholder didn't authorize the charge

UNRECOGNIZED

Customer doesn't recognize the merchant name or location on their credit card statement

DUPLICATE

Customer believes the merchant charged them twice for the same product or service

SUBSCRIPTION CANCELED

Customer believes the merchant charged them for a subscription after it should have been canceled

PRODUCT NOT RECEIVED

Customer believes they did not receive the goods or services they purchased

PRODUCT UNACCEPTABLE

Customer feels the product was received but was defective, damaged, or not as described

CREDIT NOT PROCESSED

Customer informed the merchant the purchased product was returned or the transaction with the business was canceled, but it has not yet refunded or credited the customer

GENERAL

Unfortunately, this reason doesn't fit into one of the other categories, but can still be used by the cardholder.

GENERAL CHARGEBACK PROCESS

1

The cardholder disputes a credit card charge with their bank.

2

The bank then sends a chargeback request to the card brand company, and takes the disputed amount and chargeback fee from the merchant.

3

The card brand company asks the merchant for evidence the charge was valid.

4

Merchant gathers evidence and send a response to the credit card company

5

The card brand reviews the evidence, which could take up to 75 days after the response is submitted by the merchant.

6

The card brand company resolves the chargeback.