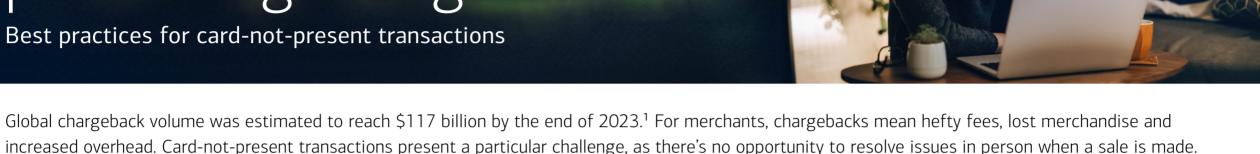


7 tips for preventing chargebacks

But there are steps you can take to minimize and effectively manage chargebacks.



1 Be recognizable and accessible

- Make your billing descriptor easy to recognize so customers won't think it's a fraudulent charge when they look at their statement
- Ensure that people know how to contact you: Put customer service number, website and social media channels on receipts

Ensure that people know your policies before they buy

- Chargebacks are sometimes seen as an easy way to return a product, so make cancellation/return information readily understandable and prominent
- Communicate terms and conditions for services, and use "I agree" or "Acknowledgment" checkboxes to ensure your customer sees them
- Set out your guarantee policy
- Have clear steps that customers should take if they are dissatisfied, and make sure you have an internal process set up



Global chargeback volume was estimated to reach \$117 billion by the end of 20231

3 Communicate with customers and document that you did

- Provide prompt billing confirmation
- Give clear expectations about delivery time frames
- Send updates when an order has shipped or if there is a delay in shipping
- Send updates when the order has been delivered, and who it was delivered to, if possible
- Be available: Answer the phone and emails, and check social media accounts

4 Be consistent, fast and fair

- Issue refunds and credits quickly
- Educate staff on complaint procedures
- If you're not issuing a refund, provide a detailed explanation of your decision
- For damaged or defective merchandise, ensure that repairs or exchanges are done quickly and to the customer's satisfaction

Protect against fraud

- Use standard cardholder information, available to everyone, to verify transactions
- Ask for enhanced cardholder information like Card Verification Codes (CVV)
- Use Address Verification (AVS) services, as well as services like 3D Secure and Enhanced Authorization
- Verify any transactions that seem out of the ordinary or are over a preset amount

6 Devise processes that make it easier to challenge chargebacks

- Agree on a set of rules: For example, you may decide to write off amounts under \$250 (reflecting the fees involved in contesting a chargeback) and focus on larger sales
- Consider whether you need specific rules for different chargeback categories, directing resources to areas where there's the best chance of recovering money

7 Use all the tools at your disposal

- Talk to your banking partner and credit card providers about tools and software to help automate and manage chargebacks
- Treat chargebacks like any other fraud, looking for patterns and staying vigilant



May Lose Value