# REDUCE & ELIMINATE CHARGEBACKS

**31 things you can do to proactively reduce and even ELIMINATE Friendly Fraud CHARGEBACKS at your business**

Fighting chargebacks costs you time and money. And there are financial penalties every time a chargeback is issued against you, with progressive penalties for repeat offences of chargeback disputes. If you don't stay on top of these disputes, you can get shut down and even blacklisted! Here's your cheat sheet with 31 ways to reduce – or even eliminate – chargeback disputes.

## 1. Use a clear purchase description

This is the label the customer sees next to their purchase on their statement. Make sure they can easily recognize your business name and/or website. You want your customer to be clear about where the charge is coming from.

## 2. Post your refund and exchange policies

Don't leave your customers guessing about your refund policy. Many consumers assume that every business has a "no questions asked" return policy. Be sure *your* policies are clear and prominently posted.

## 3. Add a Terms and Conditions checkbox

Call attention to your refund policy and other terms of purchase by using a checkbox. By checking the box, your customers state they accept your terms and conditions.

## 4. Email AND mail a copy of the sales receipt

Set your system to instantly email a copy of the purchase receipt to your customer. Mail hard copy receipts if you are a mail order business or take orders by phone.

## 5. Send billing reminders and receipts

Be ethical! If your product or service has a recurring charge, send a receipt when the card is charged. Even better, send reminders BEFORE the charge is made, so that the cardholder can anticipate the charge. Your customers will appreciate it.

## 6. Include billing information on your Thank You/Confirmation Page

After the customer makes an online purchase, your confirmation page should include a reminder about billing procedures: how the card is charged and what description to look for on their statement.

### 7. Deliver products quickly

Your customer should not have to wait for something that they already paid for. If possible, charge for services and products at the time of delivery. If you do need to charge in advance, make sure to deliver products and services as quickly as possible.  And let the customer know *exactly* when to expect delivery.

### 8. Be quick to respond to customer inquiries and complaints

Many chargebacks come because the customer doesn't hear back from you soon enough. They draw their own conclusions – and those conclusions won't be in your favor.

### 9. Record the phone calls

If you have a call center or your employees handle customer service by phone, record the calls. (You must let the customer know that you are recording the call.) Recording calls keeps you, your employees and the customer accountable. Having a recording allows you to review calls for accuracy of the conversation.

### 10. Audit your batch totals regularly

Check daily totals to make sure they're in line with your typical sales.  You want to spot errors as soon as possible so a customer isn't charged $1,000 instead of a $100 for their order.

### 11. Use an online contract signing service

Keep your customer's information secure when you have them sign purchase orders or sign a "credit card on file" form. Customers should not send sensitive information in an email. Services like DocuSign or HelloSign let your customers sign contracts and orders securely.

### 12. Be VERY CLEAR about your Terms of Service - especially your Refund Policy

Make sure your customer understands everything they are buying and everything there is to know about the use of your product or service. Let them know exactly what you are charging upfront and any fees included with their purchase.

Be clear if there are monthly membership fees. It is not uncommon for a customer to think they are paying a onetime charge for a subscription service. If your customer wants a refund for a subscription product, how far back will you refund? Be clear!

**To learn more about chargeback prevention services, visit:**
**www.BancardSales.com/Chargebacks**

## 13. Gather as much information as possible about each customer

The more information the cardholder gives you, the better for the transaction and the more protection you'll have, should a chargeback dispute occur.

## 14. Make sure the customer knows your customer service protocol

Customers need to know how to contact you by phone and/or email if they have any questions or concerns. Make sure your contact information is clearly posted on your website and marketing materials. Whether you have an email support desk or customers can contact you by phone, consider having an automated message available that lets them know that you received their message and how quickly your customer support will respond.

## 15. Use the AVS and CVV System at the point of sale device.

Gathering this extra information helps ensure that the purchase is legitimate. Besides the 3-digit code on the back of the card, you can use street address or zip code, adding another layer of security.

## 16. Eliminate late fees, interest charges and penalties

Late fees and other penalties increase the likelihood of a transaction being disputed. So consider if it's really worth trying to collect that $10 late fee on a $100 dollar transaction.

## 17. Don't co-mingle merchant account funds

Don't ever take payments for services that are not offered by your company, even another company that you own. Keep your businesses separate.

## 18. Use CardSecure technology

Reduce security vulnerabilities by using a system like CardConnect. You'll want a program that deploys point to point encryption and payment tokenization.

## 19. Stay in contact

Don't disappear after the sale! Send out a monthly newsletter to all clients (by email and/or direct mail), especially your regular customers. This shows clients and customers that you're still there, doing want you do, and you're there for them if they need you. It's also another chance to remind them of your refund/return and purchase policies.

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## 20. Clearly disclose credit card surcharges

Although there is a legal way to pass your credit card fee on to customers, it is a very controversial issue. Know the *right* way to set up surcharging or cash discounting programs.

## 21. Use 3D Secure

This is another layer of security for online credit card transactions. Initiated and created by Visa and MasterCard, you see it online as 'Verified by Visa' and 'MasterCard SecureCode.'

## 22. Train your employees

Everyone in your company should know what triggers chargebacks. Implement procedures that help mitigate, reduce and eliminate the chance of chargebacks from your daily operations.

## 23. Make it easy to return items

Your return policy should be clear and simple. And if you *don't* allow returns, be sure that is clearly stated prior to purchase.

## 24. Send a post purchase "order summary" email

In addition to thanking them for their purchase, spell out the terms of service for their purchase, remind them of your return policy, what they bought, instructions on how to use it, where to go if they have questions about the purchase, and any other relevant information. Customers will appreciate this extra touch.

## 25. Offer a 30-day no-questions asked refund policy

Take the risk away from your customers. Offering a guaranteed, no questions asked refund puts the pressure on *you* to deliver over and above customer expectations – and provides buyer relief that may deter chargebacks.

## 26. Manage cancellations promptly

Cancel subscriptions and billing plans immediately upon request. You might also implement a self-cancel method for your customers, so they don't have any delay.

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## 27. Offer an “Update Your Card on File” Link

Customers may need to change their payment information. Make it easy with clear directions and links.

## 28. Implement Courtesy Calls

Follow up after the sale to make sure the customer is happy with the purchase and that they received everything as ordered. Find out if they have any questions. Making personal connections helps reduce disputes!

## 29. Keep records of customer purchases

Tracking customer history helps you identify problem clients. You may choose not to do business with them in the future. Or you may require alternate forms of payment like bank wire or cash.

## 30. Trust your gut and avoid fishy purchase requests

You’ll want to proceed with caution if someone wants to order a LOT of product and it’s your first time working with them. Consider adding additional layers to your buying process, like signing buyer contracts and providing business license information and other forms of identification.

## 31. Offer replacement as a FIRST option

If a customer claims a product is defective, offer to send them a replacement without having to return the damaged unit. Offering a replacement could be a more cost-effective option than going through a chargeback dispute.

## Bonus: 32. Hire a professional chargeback manager

Companies like Chargebacks911.com are “managed-for-you” services that help reduce potential fraudulent transactions. In some cases, they can eliminate chargebacks altogether. It may be much cheaper than dedicating an employee to handle chargeback issues for you.

*Are you ready to take action and prevent “friendly fraud” from costing precious time and money?*
*Contact us today:* [www.bancardsales.com/chargebacks](http://www.bancardsales.com/chargebacks)

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