5 tips for preventing chargebacks
Best practices for retailers

Global chargeback volume reached 615 million in 2021, according to Mastercard. For retailers, this means hefty fees, lost merchandise and increased overhead. 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
   - Prioritize customer service so you can deal with issues quickly

2. 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
   - 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

3. Communicate with customers — and document that you did
   - Provide the customers’ full delivery address on the proof of delivery, or ensure that the order form includes the delivery address and links to the proof of delivery/tracking number
   - If you allow customers to buy online and pick-up in store, get a signature when the merchandise is collected
   - If you’re installing a service, set reasonable expectations around timing and get the customer’s signature on the work order
   - Be available: Answer the phone and emails, and check social media accounts

4. Be consistent, fast and fair
   - Only submit billing after the product or service is shipped, and don’t bill for back-ordered items or voided transactions
   - Issue timely refunds and credits for merchandise returned, canceled or not received
   - 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
   - Educate staff on complaint procedures

5. Use all the tools at your disposal
   - Use standard cardholder information, available to everyone, to verify transactions
   - Verify any transactions that seem out of the ordinary or are over a preset amount
   - 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

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