



chargebacks top ten ways to reduce them

A chargeback occurs when a customer, correctly or not, claims that you the merchant have either not delivered a product or service they have contracted for, or that the product or service is not up to the standards or expectations that they had for your product or service. The customer then demands a refund using the chargeback as a refund tool, even if they have not called you with the goal of resolving the issue. Below is a list of the top ten ways you can reduce your chargebacks. Contact us to discuss these points and additional options.

- 1) Use the Address Verification System (AVS) to confirm that the address provided matches the address on the card being used.
- 2) Collect the CVV code as verification that the person making the order has access to the card.
- 3) Review your chargeback reason codes and change your script, offer and marketing accordingly. If any of the above are unclear, your customer's expectations will be set incorrectly which greatly increases the change of a chargeback.
- 4) At a minimum, you want to have tracking numbers for all of your shipments. In addition you may want to consider requiring a signature upon delivery of your product.
- 5) Utilize chargeback scoring to detect customers who chargeback frequently.
- 6) In addition to scoring your own customers you can also use a shared negative database.
- 7) Participate in the Verified by Visa and the MasterCard SecureCard programs.
- 8) Make sure you are using the best transaction code possible. This can make it harder for a customer to win a chargeback.
- 9) If you have a continuity program you should email customers prior to each billing cycle.
- 10) Process refunds as quickly as possible. It is also helpful to email the customer when the refund has been issued.

Some additional tips:

- * use a clear descriptor and include your phone number
- * provide easy to find contact data on your website
- * clearly state your terms & conditions on your website

CambridgeCommerce, Inc.
Travis Gomez
p: 760.643.4004
m: 760.519.0721
www.cambridgecommerce.com