

Keap Pay - Handling Chargebacks

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What is a chargeback?

A chargeback occurs when a cardholder contacts their issuing bank (e.g. Capital One, American Express, Chase) and disputes a purchase made on their credit card.

Chargebacks can be filed within 180 days after a purchase, can be initiated by the cardholder or their bank. When the cardholder initiates a chargeback, they request their bank to withdraw the funds from the business who processed the payment and transfer it back to their bank account. If the cardholder's bank triggers the chargeback, the bank typically refunds them directly and then debits the amount from the business. The card network associated with the transaction will then set a deadline so that the business has a chance to dispute the chargeback.

1. How to prevent chargebacks
2. What can I do
3. Chargeback dispute guidance
4. Chargeback dispute documentation
5. FAQ's

How to prevent chargebacks

Chargebacks are never ideal for a business. They force refunds, reduce brand reputation, and ultimately cost you money. While never completely avoidable, chargeback risk can be mitigated by all businesses. The most common reason people will file a chargeback is when they believe they were wrongfully charged for a transaction. However, keep in mind that a chargeback can be filed for an invalid reason. To prevent chargebacks, businesses can take a few steps to lower their risk:

- **Have a clear refund policy** - Customers sometimes get confused in the terms and conditions. Having a crystal clear refund policy allows them to distinguish what can be returned and what can't.
- **Include good contact information on your website** - If a customer is able to settle the issue with you, they are much less likely to charge back a transaction. In fact, issuing banks always request that customers attempt to settle disputes with businesses before filing a chargeback. If there is a clear phone number and email address for customer support, it is likely you can handle all disputes before they escalate into chargebacks.
- **Be detailed in your product descriptions** - Represent products and services accurately by offering detailed descriptions and clear pictures.
- **Avoid manually keying credit card information** - Everyone makes mistakes and punching in the wrong information could result in a chargeback.

Note; A customer may file a chargeback if they don't recognize your business on their credit card statement, with Keap Pay this is dependent on the DBA name on your application.

What can I do

When a chargeback is initiated for one of your transactions, there are two different ways to dispute it.

1. **Gather the necessary documents and information to initiate a dispute**
2. **Coordinate with the customer directly and have them cancel the chargeback**



It is up for you to decide on how to proceed. If the chargeback is valid and you accept the fees that are incurred, you can leave the chargeback as is. However if you would like to dispute it through Keap Pay, please see below.

Chargeback dispute guidance

Chargebacks can be frustrating and financially challenging for businesses. However, it's essential to remember that you have the right to dispute chargebacks that you believe are unjustified or erroneous. This guide will walk you through the process of disputing a chargeback and provide you with steps to increase your chances of a successful resolution.

Step 1: Gather Documentation

Collect all relevant documents related to the disputed transaction. This may include the original order receipt, proof of delivery, communication with the customer, tracking information, and any other evidence that supports your case.

Step 2: Understand Chargeback Reason Codes

Each chargeback comes with a reason code, which explains why the customer initiated the chargeback. Familiarize yourself with these codes, as they will help you build a solid case for your dispute. Common reason codes include "Item Not Received," "Unauthorized Transaction," and "Item Not as Described." For more information and for a full list of all the possible chargeback reason codes, [please see the PDF linked here](#).

Step 3: Review the Chargeback Details

Carefully examine the chargeback notification, as it will provide information about the transaction, the customer's claim, and the requested amount. Cross-reference this information with your records to ensure accuracy.

Step 4: Submit your chargeback dispute

Provide the collected documentation and supporting information to the Keap Payments team prior to the chargeback deadline.

- You should've already received an email from the payments team notifying you of the chargeback. Respond to their email and forward the documentation or email it directly to them using payments@keap.com

Step 5: Monitor Communication

Stay vigilant for any updates regarding the chargeback. We may request additional information or clarification. Respond promptly to any requests to avoid delays in the resolution process.

Chargeback dispute documentation

Successfully disputing a chargeback hinges on the ability to present compelling evidence. In essence, you're presenting documentation to the card network that the transaction was valid. The more solid and precise evidence that you present, the more likely you are to win the chargeback dispute. Be sure to review the reason for the chargeback before submitting the evidence to dispute the chargeback.

Remember, the card network reviews your evidence and may not be familiar with your internal systems, including an explanation of the evidence provided will increase your chances of winning.

| | Duplicate Transaction | Product/Service Not Received | Fraud | Canceled/Returned | Defective/Not as Described | Refund Not Processed | General | Incorrect Amount | Canceled/Recurring |
|---|-----------------------|------------------------------|-------|-------------------|----------------------------|----------------------|---------|------------------|--------------------|
| Rebuttal Letter | X | X | X | X | X | X | X | X | X |
| 3DS | | | X | | | | X | | |
| Proof of Credit | X | | X | | | X | X | X | |
| Transaction History | X | | X | | | | X | | X |
| Invoice | X | X | X | | | | X | X | |
| Proof of delivery (physical or digital goods) | | X | X | X | | | X | | |
| Recurring Billing Agreement | | | X | | | | X | | X |
| Photographic Evidence | | X | X | | | | X | | |
| Signed Purchase Order | | | X | | | | X | X | |
| Email or other historical customer communications | X | X | X | X | X | | X | | X |
| AVS Verification | | X | | | | | X | | |
| Proof of Authorization | | | | | | | | X | |

Compelling Evidence Defined:

- **Rebuttal Letter** - A rebuttal letter is a recap of what your evidence package includes and how it argues against the reason code that was selected for the chargeback.
- **Proof of Credit** - Screenshots showing that a refund was issued for this customer. Include timestamps and any transaction IDs available.
- **Transaction History** - History showing that this customer has had multiple non-disputed transactions with you in the past.
- **Invoice** - Copies of any invoices related to that transaction.
- **Proof of Delivery** - Tracking details with delivery pictures showing that the cardholder received their product. For digital purchases, email delivery or login history will also work.
- **Recurring Billing Agreement** - Screenshots highlighting that the cardholder agreed to enter a recurring agreement. This could be on your checkout page, terms of services, or email notifications.
- **Photographic Evidence** - Screenshots showing the cardholder is in possession of the product or was present during the time of service.
- **Signed Purchase Order** - Copies of any purchase order that has a wet or electronic signature from the cardholder.
- **Email or Other Historical Communication** - Any records you have of communication with the cardholder can be beneficial to disprove fraud or that you were unwilling to resolve the issue. Equally as important, you can explain that the cardholder never contacted you, disproving a credit being owed or cancellation not taking place.
- **Address Verification** - Proof that as a merchant you confirmed that the address that was provided to you related to the transaction and/or shipping.
- **Proof of Authorization** - Proof that the customer understood what they were being billed for and the amount prior to the transaction taking place.

FAQ's

Q - How will I be notified of a chargeback?

A - When a chargeback is filed against you, the payments team will reach out via email to the owner listed on the Keep Pay application. If a chargeback has been filed, please have the owner check if they received an email from

payments@keap.com.

Q - When are funds pulled when I have a chargeback?

A - Once a chargeback is received, the funds from the chargeback will be debited from your deposit or deposit account the next business day. You will have until the chargeback deadline date to dispute it.

Q - Can I refund a payment that has a Pending Chargeback?

A - Refunds **cannot** be applied to payments that have a pending chargeback. When a chargeback is filed, the funds are immediately returned to the cardholder and is debited from your deposit or deposit account the next business day. Applying a refund for a payment that has a Pending Chargeback would result in the cardholder getting two refunds.

Q - How do I track a chargeback's status?

A - You can track the status of a chargeback that has been filed through the Payments dashboard in your app. Simply hover over the "type" header, then filter by chargeback. The status column will show if the chargeback is still pending, or if it's been won or lost.

Q - I've filed a dispute, how long does it take for a final decision to be made?

A - Typically a final decision is received within 50 days from the date the dispute is filed. Once a final decision is made, the status for the chargeback will read as "won" or "lost".

Q - I won the chargeback dispute, when do I get my money back?

A - Once a chargeback has been won, you can expect to get your funds deposited within the next 2-4 business days.
