

# Understanding Chargebacks & Retrievals

## Chargebacks

A chargeback is a transaction that is in dispute by the cardholder or issuing bank. The chargeback occurs when a customer disputes a charge or the bankcard procedures followed. There are several reason codes for a chargeback including merchant fraud, product/service not as described, never received product/service, transaction not authorized by cardholder, etc. If your business receives a chargeback, your checking account will be debited for the amount in dispute. In addition, a fee for handling the chargeback may be imposed and reflected on the merchant statement. If there are questions regarding a chargeback your business has received, please contact our Customer Service Department at 1-800-201-0461.

## Retrieval Requests

In some circumstances a cardholder's issuing bank may request a copy of the sales slip containing the authorized signature. This is why it is essential to keep accurate records of all sales slips and/or sales drafts. Federal law requires merchants to maintain signed sales slips for a minimum of two years. The retrieval request will provide the cardholder's account number, a reference number, dollar amount, and the date the transaction was processed. The retrieval request must be completed and submitted for handling immediately. Failure to comply with the retrieval in the specified number of days could result in a chargeback. A fee for the handling of retrieval requests may appear on the merchant statement. If a retrieval request is received and there are any related questions, please contact our Customer Service Department at 1-800-201-0461.

## **Best Practices to Avoid Chargebacks**

### ***Do Not...***

1. Charge a customer more than once for the same product.
2. Accept an expired credit card.
3. Accept transactions that are declined. Never attempt to reauthorize a declined transaction.
4. Accept a transaction without a cardholder's signature.
5. Split a transaction into smaller sales to avoid a decline.
6. Charge a cardholder before shipping the merchandise.
7. Settle a transaction for an amount not exactly the same as the authorized amount (restaurants excluded).
8. Participate in a suspicious or fraudulent transaction.
9. Process a refund as a sale.
10. Process a transaction when the account number embossed on the card does not match the number on the sales slip.

### **Always...**

1. Electronically authorize every transaction.
2. Prepare and submit a written retrieval or chargeback reversal request within the specified time frame.
3. Charge the customer for the correct dollar amount.
4. Issue refunds promptly for returned products or cancelled services.
5. Settle all transactions within 24-hours.
6. Verify the signature on the sales slip with the back of the customer's card.
7. Obtain an imprint on transactions that can not be magnetically authorized or swiped through a POS terminal.

## **Chargeback Reversals**

In the event a chargeback is posted to your account, you have the right to submit a claim to reverse the chargeback. A reversal is a merchant's written defense of the validity of sale, including the supporting documentation. Supplemental information that may be submitted with a reversal claim includes:

- Signed sales slip/draft
- Manual imprint of the card

- Signed invoice, if applicable
- Proof of delivery and shipping records

Reversal claims must be submitted within the number of days indicated on the chargeback notification. Failure to submit and complete the paperwork within the allotted time frame will result in a non-reversible chargeback. For further information on chargeback reversals please contact United Bank Card's Customer Service Department at 1-800-201-0461.