



## PREVENTING CHARGEBACKS

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A chargeback occurs when your client or the cardholder disputes a specific credit card transaction. A chargeback is initiated by the cardholder through their card-issuing bank. This action allows the card brands to investigate the charge.

In the event of a client chargeback or charge dispute, the best defense is a good offense. The card-issuing bank is looking to see if you, the merchant, had permission to charge the credit card, and did you provide a service. A few simple steps on the front end can help ensure you have the best opportunity to win a chargeback case, and avoid potential loss of income.

### Most Common Chargeback Reasons Include:

1. Did not have permission from the cardholder to charge the card.
2. Did not provide the service or work agreed to by the cardholder.
3. The dollar amount charged was different than what was agreed to.

### Tips to Avoid Potential Client Chargebacks:

1. Obtain authorization from the cardholder for the specific dollar amount being charged.
4. Confirm the name on the card. If the name is different from your actual client, obtain additional approval from the actual cardholder.
2. When accepting credit card information over the phone or through your website, ensure you have a charge authorization or previous client agreement to charge payments on file.
3. Have clients specifically initial the payment and credit card policies in their client agreements. This specifically shows the client was notified of the payment policies and agreed to them.
4. Payments from relatives or other third parties. Make sure to include the specific client name and invoice number. Obtain signature from the third party to confirm they are accepting responsibility for payment of another party.
5. Obtain client initials next to any specific cancellation policies included in your client agreements.

### What Happens When You Receive a Chargeback Notice:

1. Your client has filed a formal dispute on a specific charge amount.
2. Notice is generally sent electronically from the card-issuing bank.
3. As a courtesy, AffiniPay will attempt to notify you via email or phone to expedite the process.
4. Time is critical. You will be asked to respond within a 7-10 day time period. (The exact date will be set by the card-issuing bank). It is important to respond promptly.
5. You will need to provide documentation to support the transaction in question. This should include any payment authorization or payment communication from the client. You may also be asked to show proof of work or services performed. Please note, you will not be asked to disclose sensitive client information or details on a particular matter. Keep in mind your client is declining payment to you, so the bank is already aware you are working with that particular cardholder.

As part of our service, AffiniPay is available to support you in your efforts to win a chargeback dispute. We are also happy to review your chargeback process and make recommendations to avoid potential client dispute situations. Our goal is to help you and your clients have a positive payment experience.