



Avoiding Chargebacks: The Ideal Transaction

Point of Sale

- Obtain an authorization for every transaction.
- Always call your authorization center when you receive a “Call” message in response to an authorization request.
- Do not complete any transaction if the authorization request was declined.
- Get the cardholder’s signature.
- Enter each transaction into the point-of-sale terminal only once. Then deposit it only once.
- Communicate merchandise return, refund, and/or service cancellation policies to the cardholder at the time of the transaction.
- Void all incorrect sale receipts and make sure that transactions are processed only once.

Fulfillment (Card not present)

- Inform customers about the status of their transactions.
- If the item(s) or services(s) ordered by the cardholder will be delayed, inform the cardholder in writing the delay and the expected date of delivery or service.
- If the item ordered by the cardholder is out of stock, or not available and delivery will be delayed, inform the cardholder in writing. Also, give the cardholder the option to purchase a similar item or cancel the transaction
- Ship the item(s) before depositing the transaction.

Processing Transactions

- Deposit sales and credit receipts with your merchant bank/acquirer as quickly as possible, ideally within one to five days of the transaction date.
- If a customer requests cancellation of a monthly, quarterly or annually recurring transaction, always respond to the request and cancel the transaction immediately or as requested by the cardholder.