



WePay Chargeback Overview

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General Chargeback Questions

What's a chargeback?

A chargeback is a transaction that has been disputed by the cardholder. Chargebacks occur for a variety of reasons: the cardholder may not recognize the purchase, the item the cardholder received may not be what was advertised, etc. Merchants generally have the opportunity to contest or concede the chargeback. If you decide to contest the chargeback, you will need to supply specific evidence based on the chargeback type.

Once WePay learns that the chargeback has occurred, we will automatically debit the funds from your account. If you win the chargeback, we will return these funds to your account.

What happens when I receive a chargeback?

WePay provides information and guidance for merchants who receive chargebacks. We keep you informed on the status of your chargeback as well.

Below are the steps that happen when a chargeback is initiated by the cardholder:

1. WePay is notified about the chargeback by the cardholder's bank
2. WePay automatically debits the funds from the merchant's account to cover the chargeback cost, and we notify the merchant about the chargeback
3. If applicable, the merchant can decide to contest or concede the chargeback
 - a. If the merchant concedes the chargeback, the chargeback is resolved in favor of the cardholder
 - b. If the merchant contests the chargeback, they must provide [supporting evidence](#)
 - i. WePay submits the supporting evidence to the credit card network for their decision on the chargeback
 1. If the credit card network rules in the cardholder's favor, the funds are not returned to the merchant
 2. If the credit card network rules in the merchant's favor, the funds are debited to the merchant's account
 3. In both scenarios, WePay will notify merchants of the decision

How am I notified that I have received a chargeback?

You will receive a notification via email that you have received a chargeback. This e-mail will contain pertinent details about the chargeback as well.

What should I do if I receive a chargeback?

When you receive a chargeback, you should review the information carefully, particularly the chargeback type. You may be given the option to contest or concede the chargeback. If you concur with the cardholder, click "Concede". If you want to contest the chargeback, consult [this page](#) to see what documents you will need to submit.

Once you have gathered all of the documents, you can click the "Contest" button and upload your documents. Please keep in mind that there are size limitations on files, so you may want to submit screenshots if necessary. For instance, if you would like to submit your refund policy but the file size is too large, you can take a screenshot of the page with the cardholder's signature.

What happens after I contest a chargeback?

Once WePay receives your response and any supporting evidence, we will contest the chargeback with the cardholder's bank on your behalf. There may be a \$15 non-refundable fee for contesting the chargeback; this will be withdrawn from your merchant account, or your bank account if the funds are not available in your merchant account. If you win the chargeback, WePay will immediately send you a notification and release the disputed funds back to your account. Due to timelines for card networks and issuing banks, the chargeback can take up to 45 days to be resolved.

How do I see the status of my chargeback?

You can view the status of your chargeback via e-mail notifications and through your merchant portal. You will receive an initial e-mail notification informing you of the chargeback details. If you decide to contest the chargeback and submit evidence, you will receive a notification once the chargeback is resolved as well.

What happens after I concede a chargeback?

If you concede a chargeback, you accept responsibility and the money is not returned to your account.

I would like more information on the chargeback reason code.

- **Charge not Recognized by Cardholder**
This is a very common chargeback type. The cardholder sees the purchase on her bank statement, but does not recognize the transaction.
- **Charge after Transaction was Cancelled**
The cardholder has canceled the transaction (or subscription), however her credit card was still charged.
- **Credit not Processed**
The customer expected to receive a credit for a reversed or cancelled transaction, but has not yet received the credit from the merchant.
- **Duplicate Billing**
The cardholder was charged multiple times for the same product.
- **Products not Delivered or Defective**
The product purchased by the cardholder is not delivered, not as described, or defective. Please keep in mind that this chargeback can be initiated for shippable merchandise, labor or services, and digital products. Based on the product type, different types of evidence are required.

How do I reduce my chances of receiving a chargeback in the future?

There are a few best practices you can implement to reduce the likelihood of receiving a chargeback:

- Deliver excellent service. Pride yourself on running on a business that prioritizes quality and customer experience. Furthermore, as refunds are less of a hassle to deal with than chargebacks, we recommend highlighting ways a customer can contact you if they are unsatisfied with the product or service they received. Include your support team's email address or 800 number, and make your refund policy simple and transparent. This will help ensure that customers choose the option that is less time-consuming and expensive. Another best practice is to consistently provide a summary of services, which is signed by the customer.
- Ensure you have a streamlined shipping process in place and always set appropriate expectations with your customers as to when they can expect full service or delivery. We also suggest keeping tracking numbers on all items that are shipped out.
- More best practices are [here](#).

Why is my account debited before I respond to a chargeback?

When you receive a chargeback, the chargeback amount is automatically debited from your merchant account. This happens because funds are needed to cover the cardholder's refund, which generally happens immediately once a chargeback has been requested. If you win the chargeback, these funds will be returned to your WePay merchant account.

Why is my account balance negative?

When a chargeback is created, your merchant account will automatically be debited for the disputed amount.

If there aren't enough funds in your merchant account at the time of a chargeback, then WePay may deduct that money from your incoming payments or debit your bank account or credit card on file.

What is WePay's policy on chargeback volume?

WePay complies with card network rules on chargeback volume. Currently, the industry maximum chargeback rate is 1% of merchant monthly transactions. We monitor the chargeback rate for merchants, and provide alerts if a merchant is experiencing a particularly high chargeback volume.

For situations in which a merchant's chargeback rate is elevated and does not decrease over time, WePay reserves the right to close the merchant account.

I have already talked to the cardholder, and he is going to cancel the chargeback with his bank. Can you cancel the chargeback or make it go away?

Unfortunately, WePay and other payment providers are unable to control or cancel chargebacks. WePay follows the required processes with banks and card networks to resolve chargebacks.

In this circumstance, WePay must provide evidence that the cardholder is no longer pursuing the chargeback. The best evidence for this chargeback type comes from the cardholder's bank, stating that the cardholder is canceling the chargeback.

Can I reach out to the cardholder's bank?

WePay recommends that merchants contact the cardholder - not the cardholder's bank - to resolve the chargeback.

I have already issued a refund, so why did I still get this chargeback?

Merchants can receive chargebacks up to 120 days after the original transaction occurred. Cardholders tend to reach out to both the merchant and their bank to receive the disputed funds. Sometimes the bank still issues a chargeback - even after you provide a refund - since the bank is not aware of this refund. If this happens, we encourage you to challenge the chargeback and provide evidence about the refund being issued.

How To Challenge Chargebacks

What documents do I provide for different types of chargebacks?

The link [here](#) includes the types of documents needed for different chargeback types.

What types of files can I submit to contest the chargeback?

Currently WePay accepts JPG, JPEG, TIF, TIFF, PNG, and PDF files. For each chargeback, you can submit up to five files, with each file at 2 MB or smaller. If you have multiple picture files which exceed the combined size limit, we recommend that you compress each individual file and upload again.

I have submitted all my documents, so when will I know the status of the chargeback? And where can I check to see my status?

Your merchant portal will provide you with the latest information on your chargeback status. You will receive e-mail notifications regarding your chargeback as well.

Once you receive notification about a chargeback, it will take approximately 20 days for AMEX to resolve the chargeback, and 45 days for all other card networks to resolve.

How many days do I have to submit my evidence?

From the day that you receive your first chargeback notification, you will have 5 business days to submit your evidence. This window ensures that WePay has sufficient time to represent the evidence to the cardholder's bank and/or card network within their allocated timeframes. Late submissions of evidence will be evaluated on a case-by-case basis and submitted accordingly.

Do I always need to supply evidence if I want to contest a chargeback?

In two scenarios, WePay will contest automatically and additional documentation is **not** needed from merchants. These types are recognition chargebacks and refunds. If either of these scenarios occurs, you will be notified via e-mail, but you will not need to take any action.

Best Practices For Preventing Chargebacks

General Guidelines

- For all of the products and services that you are selling, be sure to provide:
 - A description
 - Pricing
 - Any additional details needed to convey an appropriate customer expectation for the product or service
- The above information can be shared on a webpage, the customer receipt, or the contract signed by the customer.
- If a customer requests to cancel a subscription prior to the new billing period, have a process or steps to ensure that the customer will not be billed for subsequent months.
- After the transaction has been completed, send the customer a follow-up email informing them of transaction details as well as what they will see on their statement.

Return Policy

- To minimize customer confusion, we recommend that you create a short and simple return policy.
- “No returns” is not a return policy. Merchants should provide customers with an option if they are unsatisfied with the product or service. For example, you may offer the ability to exchange the product; provide store credit; or provide additional services.
- Make sure your return policy is clearly shown on your website (WePay recommendation: include this on the checkout page). All customers should see the return policy prior to purchasing, and ideally would click to agree to the policy during checkout. In addition, we recommend that merchants present some high-level bullet points on their refund policy on the checkout page.

Physical Goods

- Always obtain tracking information when shipping physical goods.
- Require that the shipment is signed for at the time of delivery. This is especially important for high value items.
- Confirm that the shipping address is a valid address (not a PO Box or a freight forwarding company, which may have the word “shipping” in it).
- Keep the customer updated on any delays and inform them of the expected delivery date if an issue arises.
- Offer to provide a refund if you cannot ship the merchandise in the timeframe provided to the customer.

Things to Look Out For

The below items may indicate a potentially fraudulent transaction. We recommend paying close attention to these indicators prior to processing a payment. If you feel that a transaction is fraudulent, we recommend that you do not process the transaction.

Customer Indicators

- A suspicious-looking e-mail address, with an outdated domain (@inbox.com) or random numbers and letters
- Refusal to speak on the phone regarding any issues, or only supplying a Voice over Internet Protocol (VOIP) or chat service as phone contact information
- Exceptionally poor grammar, typos, or lack of proper English if the customer lives in or is shipping to a location where English is the prominent language
- Customer responses at times that would far exceed normal business hours and are not indicative of the location in which they claim to reside (i.e. the customer always replies at 3 AM PST and they claim to live in California)

Transaction Indicators

- Rush orders for high value items - or numerous items - with requests to ship immediately using the fastest shipment method available
- Orders in which the cardholder is not in the same location as the merchandise delivery (IP /phone/ email domain does not match the destination country)
- Splitting the payment across multiple cards
- Any additional or unusual requests in payment methods

Documentation to Contest Chargebacks

[Documentation Types](#) [Sample Documentation](#)

The following documentation is needed based on the chargeback type. Please keep in mind that there are size limitations on files, so you may want to submit screenshots if necessary. For instance, if you would like to submit your refund policy but the file size is too large, you can take a screenshot of the page with the cardholder's signature.

Currently WePay accepts JPG, JPEG, TIF, TIFF, PNG, and PDF files.

Documentation Types

Credit not Processed

Returned Merchandise or Service Cancellation Inconsistent with your Disclosed Return or Cancellation Policy

- Documentation showing that the cardholder was aware of and agreed to your policy
 - Specifically, the cardholder's signature must appear on a sales receipt or other document stating your return policy

Card Charged After Payment was Canceled

- Signed contracts, agreements or terms of service
- Refund policy
 - A screenshot displaying the policy as located on your website - please include the browser URL in the screenshot

Card Charged After Subscription was Canceled

- Contract, Terms of Service and/or Refund Policy that states the terms of the subscription agreed to by the cardholder at the time of the transaction
 - Entire document must be made available to cardholder prior to checkout

Products not Delivered or Defective

Labor/Services not Delivered

- Signed contracts, agreements or Terms of Service
- Proof of the service rendered
- Correspondence with the cardholder (emails, texts)

Shippable Merchandise not Delivered

- Signed contracts, agreements or Terms of Service
- Tracking numbers and/or delivery confirmation (sign into your carrier's website to provide the URL)
- Correspondence with the cardholder specific to the delivery (emails, texts)

Digital Product not Delivered

- Signed contracts, agreements or Terms of Service
- Proof of digital receipt to cardholder's e-mail address
- Logins with the I.P. and access information
- Correspondence with the cardholder (emails, texts)

Product/Service not as Described or Defective

- Signed contracts, agreements or Terms of Service
- Refund policy
 - A screenshot displaying the policy as located on your website - please include the browser URL in the screenshot
- Itemized receipt
- Proof of work, or detailed condition of product or service
- Description of the item with an image of the item
 - The URL should be present if on a webpage while taking the screenshot
- Available information on damage during shipment
- Digital Services: Logins with the I.P. and access information
- Correspondence with the cardholder (emails, texts)

Additional Chargeback Types**Charge not Recognized by Cardholder**

- Signed contracts, agreements or Terms of Service
- Itemized Receipt
- Correspondence with the cardholder (emails, texts)

Chargebacks Related to Donations

- Correspondence with the cardholder (emails, texts)

Duplicate Billing

- Separate receipts for each transaction
- Proof that products/services from each transaction have been delivered

Sample Documentation

Sample Invoice

BUSINESS NAME
Business Address
Business Phone Number

Invoice

Date	Invoice #	Due Date
February 17, 2017	345686	03/17/2017

TO:
NAME Tim Stern
Address 123 Yardley Way

SHIP TO:
NAME Tim Stern
Address 123 Yardley Way

Qty	Description	Unit Price	Total
1	[Subscription] 3 Boxes of Cat Food Every 3 Months - \$60.00	\$60.00	\$60.00
Total Purchases			\$60.00

Payments Made

1/18/2017	Credit	\$60.00
	Card - Approved MasterCard xxxxxxxxxxxx9179	
Total Payments & Adjustments		\$60.00

Payments Due

2/17/2017	Current	
Outstanding Balance		\$60.00
Balance Due Now		\$60.00

Sample Itemized Receipt

Data Science - Student Enroll date: 3/11/2017 [Shopping Cart](#) \$1,200.00

Student Information

Name: Tim Stern
Student ID: 9653
Address: 123 Yardley Way

Order Items

Name	Price/Unit	Type	Total Price	Fulfillment	Modify Fulfillment	Remove
Data Science 202 Class	\$800.00 x 1	Class	\$800.00	N/A	N/A	Remove
Data Science 202 Book	\$400.00 x 1	Product	\$400.00	N/A	N/A	Remove
ORDER TOTAL			\$1,200.00			

Payments

Date	Type	Status	Amount	Note
12/11/2016	CreditCard	APPROVED (DiscoverXXXXXXXXXXXX2676)	\$1,200.00	Auto Charge For Invoice Ids:326

Payment Total	\$1,200.00
BALANCE	\$0.00

Sample Proof of Usage of Product / Service

Previous Classes


Date	Start Time	End Time	Title
08/11/2016	8:00a	8:30a	Overview: What is Data Science?
08/25/2016	8:00p	8:30p	Statistics Overview

Course Module progression:

- Student received 2 of the 6 Modules for the program (33% Complete)
- 2 Overviews provided

Sample Tracking / Delivery Confirmation

208/2017 UPS: Tracking Information

 [United States](#) [Welcome, Chris](#) [Logout](#) [Changing Languages](#) [Contact UPS](#) [The UPS Store](#)

[My UPS](#) [Shipping](#) [Tracking](#) [Freight](#) [Locations](#) [Support](#) [UPS Solutions](#)

Save up to 18% on UPS shipping for your business.
Sign up and start saving in your first week of shipping. [Sign Up Now](#)

[View Tracking History](#)

Tracking Detail Like Print Help

1ZE35Y33YW976543 [Add Description](#)

Updated: 02/18/2017 4:19 P.M. Eastern Time

Delivered by Local Post Office

Delivered On:
01/17/2017 at 11:15 A.M.
[Proof of Delivery](#)

Need more information?

Shipping Information

Sample Refund Policy

“You are entitled to a 10-day period during which you have the right to cancel your membership in Data Science 202 and receive a full refund from Data Science 202. If you wish to cancel in this way, please contact us at refund@datascience202.com. You will be refunded by the same method that you used to pay the fee, and in accordance with our Refund Policy.”

Sample Correspondence with the Customer

Subject **Order Confirmation from Data Science 202**

From Contact: Data Science 202 <contact@datascience202.com>

To <customer@customer.com>

Date 2016-05-13 00:26

• Invoice_363821.pdf (348 KB)

Dear Customer,

Thank you for ordering from Data Science 202 on May 1, 2016. The following email is a summary of your order, and your proof of purchase. If you paid by credit card, please look for *Data Science 202* on your credit card billing statement .

The paid invoice for this purchase is attached to this email.

Thank you for choosing Data Science 202!

Sincerely,

Data Science 202

123 Main Street

San Francisco, CA 94109

Refund and Cancellation Policy:

<https://datascience202/return-policy>