



Chargeback FAQs



A chargeback is a transaction disputed by the cardholder or card issuer. There are many reasons for chargebacks, the most common being returned merchandise, terminated services, disputes, errors, or fraud. Here are some frequently asked questions when dealing with chargebacks.

How long does a cardholder have to dispute a charge and are there any exceptions to the timeframe?

For most disputes the time frame is 120 days (U.S.) and 180 days (International) from the transaction date of the original sale or the date of discovery of the issue (i.e., defective merchandise). However, in some instances the time frame may be longer or shorter depending on the specific reason code.

Why do I have to pay a chargeback fee when the transaction is valid and the customer is the one who initiated the chargeback?

The chargeback fee is applied to all chargebacks received regardless of the outcome of the case. This fee covers the administrative costs associated with processing the chargeback.

How can I get a chargeback when I received an approval code on the transaction?

An authorization code simply verifies that the card is in good standing, has not been reported lost or stolen at the time of the transaction, and has sufficient funds available for the amount of the transaction you are attempting to process. An authorization code does not guarantee that you will not receive a chargeback.

Why isn't there a cardholder name on the documents I received?

Issuing banks are not required to provide a cardholder name to the acquirer or the merchant. On some chargeback reason codes the cardholder name might be found within the supporting documentation; however, not all reason codes require the issuer to supply supporting documentation. A cardholder name is never provided by the issuer on a copy request/retrieval.

Why does the Transaction Search Report show amounts under auth and/or sales that are not associated with the amount on the letter I received?

The Transaction Search Report may reflect additional sales or authorizations attempts to the same card during the same time period. However, in most cases these reports will only reflect the authorization and/or sale for the amount being disputed.

Where is it documented that I cannot charge for loss, theft, or damage?

The Card Association's Regulations state that delayed or amended charges must be processed as a separate transaction and that the cardholder must authorize the additional charges after being informed of the loss, theft, or damage.

Why does the transaction get an approval code if there is a negative AVS or Card Verification response?

AVS and CVV2/CVC/CID2 are tools designed to help the merchant make the best possible decision when accepting a transaction. If you get a negative CVV2/CVC/CID2 or AVS response, you should review the transaction in its entirety to determine if you want to continue with the sale regardless of whether or not you received an authorization code. Negative responses on CVV2/CVC/CID2 or AVS can be an indicator of potential fraud.





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If I get an approval code how can I receive a chargeback for an Invalid Card Number?

The first six digits of a credit card identifies the bank who issued the card. If the first six digits of a card are valid, an authorization code can be granted by the system especially on smaller transactions as the system will stand in for the issuer and provide an authorization in most of these cases.

My state law only requires that I post the cancellation/refund policies at the register. Why isn't this accepted by the Card Associations?

The Card Associations definitions of proper disclosure of your return/cancellation policy are that the cardholder must have acknowledged the policy by signing or initialing in close proximity of said policy. This provides evidence they have read and agreed to your return/cancellation policy. They specifically require a retail merchant to have the policy printed on the sales draft below the signature line and be at least 1/4 inch in size. An e-commerce merchant must place their policy on their website and have the cardholder click to accept or agree to the terms & conditions during the checkout process.

Why do I have to wait so long for an answer to Arbitration, Compliance, and Good Faith?

Specified time frames are allotted by Card Associations for each step of the process. This allows the merchant's processor and the cardholder's bank to obtain and submit appropriate documentation to be reviewed in each case. Elavon and the issuing bank have no control over the length of time it takes for the Card Associations to rule on a case. Good faith collection cases are not governed by the Card Associations and therefore no time frames for responses have been set for that type of collection attempt.

Why did you debit my account without notifying me first?

When the chargeback is initiated by the card issuing bank and sent to Elavon an automatic debit follows. This debit is passed to the merchant as long as the issuer has met all of the association requirements for the particular reason code they used to process the chargeback. This is in accordance with your merchant agreement and the terms of service which you signed and/or received during the initial sign-up and activation of your account.

Why are you taking the cardholder's side without getting my side of the story?

Elavon has no interaction with any cardholder who may be disputing charges. Elavon represents you, the merchant, and assists you in providing the correct information on any dispute you might receive. Our goal is to help you resolve these disputes in your favor. However, all remedies to a chargeback must be in compliance with the Card Assoc rules and regulations.

How can I protect myself from chargebacks on special ordered items that require a deposit or restocking fees if a customer decides later they do not want the item?

A merchant's best defense is to ensure they obtain cardholder signatures for all transactions and properly document and have the cardholder sign the cancellation/return policy on any order. It is also very important to manage the customer's expectations upfront, document your efforts and work directly with the cardholder to resolve misunderstandings or conflicts.

