

# What you need to know about Chargebacks

As a Merchant, you know that accepting credit cards is a convenient and safe method of payment for you and your customers. Sometimes, however, customers may not agree with a charge that appears on their credit card statement. When that happens, the disputed amount may be “charged back” to the Merchant who posted the sale.

This Fact Sheet explains how the Chargeback process works, outlines what you need to do to resolve disputed transactions and provides some tips to prevent Chargebacks from occurring.

## Why do Chargebacks happen?

Chargebacks can result from customer disputes after a transaction has been accepted and deposited to the Merchant’s bank account. They can happen for many reasons – it may be that the customer simply doesn’t recall making the transaction; it may be that the customer is dissatisfied with the product or service received, or perhaps the customer never received the product or service at all.

As a Merchant you should always attempt to resolve Chargebacks.

## How does the process work?

A Chargeback is always initiated by the Cardholder’s issuing bank and then sent to TD Merchant Services. When a Chargeback is received, TD Merchant Services charges your Bank Account for the Chargeback amount and the corresponding handling fee.

**What you need to do:** If you receive a Chargeback, you need to prove that an authorized sale took place in accordance with the rules and regulations set out by the relevant payment card network. Obtain all records for the sale and fax them to TD Merchant Services at 416-982-6165 or email the documents to [TD.MSChargebackSupport@td.com](mailto:TD.MSChargebackSupport@td.com) with the subject line: *Chargeback MID#* (your Merchant identification number) within 15 days of the withdrawal from your Account.

## Documents that can help you dispute the Chargeback include:

- Sales drafts that are dipped/inserted, swiped, manually imprinted; swiped and manual imprinted receipts must have all required components
- Documents outlining the transactions, such as (but not limited to) invoices, agreements and policies
- Your store’s cancellation policy
- Your signed Merchant/Cardholder Agreement
- Authorization on a keyed transaction and corresponding Merchant/Cardholder Agreement
- A signed delivery note



## Retrieval request

You may also receive what's called a "retrieval request." This is a request for a copy of the sales draft (receipt) with full details of the transaction.

You may get a retrieval request if a Cardholder does not recognize a transaction, if one is needed for legal purposes or to support a Chargeback.

**What you need to do:** If you receive a retrieval request, you need to provide a legible copy of the receipt within the timelines stated on the retrieval request form and fax the copy to the number on the request form. Receipts can also be scanned and sent via email to the address provided on the request with the subject line: *Chargeback MID#*.

If you don't send in the necessary information within the timelines allowed, you may be subject to a Chargeback with no further recourse.

## Tips to help minimize Chargebacks:

Here are some reminders that may minimize your risk of Chargebacks.

- Make sure the credit card presented is valid. Check the standard identification and security features. If you're not sure what to look for, visit the "Merchant" sections on [visa.ca](http://visa.ca) or [mastercard.ca](http://mastercard.ca).
- Check the customer's signature. For face-to-face transactions, ask the customer to follow terminal prompts. Ensure the customer correctly inserts the chip card in the terminal or swipes the card, if required. Obtain a signature on the sales draft and check that it matches the signature on the back of the card.
- Ensure proper authorization procedures are followed. Always obtain an authorization number, when required, before processing a transaction.
- Stay on top of recurring payments. Keep a file of your signed agreements with your customers and submit your transactions on a timely basis. If you process a recurring transaction after a customer cancels or changes the arrangement, it may be charged back.
- Respond promptly to all copy requests. If TD Merchant Services requests a copy of a transaction receipt, respond by the due date specified. Check that your copies are legible and clearly show the following: account number, transaction date and amount, card expiry date, your company name and location and, for in-person transactions with non-chip cards, the customer's signature.
- Respond to terminal prompts. Always follow the prompts on your terminal.
- Process mail order and telephone order transactions properly. Obtain a pre-authorization when the order is placed. When the customer arrives to pick up the merchandise, insert the card and complete the sale.
- Take advantage of Merchant tools for additional protection. Add *Verified by Visa\** and *MasterCard SecureCode®* programs as additional protection for e-commerce transactions.

## For more information

For further information on chargebacks, retrieval requests and general rules and regulations visit:

- [tdmerchantservices.com](http://tdmerchantservices.com)
- [visa.ca/merchant](http://visa.ca/merchant)
- [mastercard.com/ca/merchant](http://mastercard.com/ca/merchant)

For information on retrieval requests and chargebacks received by you, call the TD Merchant Services help desk at 1-800-363-1163, 24/7 365 days.

