



[Maxpay Chargeback Guide](#)





What is a chargeback?

A chargeback is the process an Issuing bank uses to handle a disputed transaction. Issuing banks are given certain rights under the credit card association rules to reverse a sales transaction. Chargebacks can be initiated by the Cardholder or by the bank itself.

When a merchant receives a chargeback the funds are withdrawn from the merchant's account and returned to the bank.

Why can chargebacks arise?

A customer may file chargeback due to:

- fraudulent cards
- processing errors
- duplicate transactions processed
- the service/merchandise was not provided or not as described
- the customer can't recognize the charge on his or her card billing statement





There are 6 types of transactions related to chargebacks:

- **retrieval request**

A retrieval request is an inquiry initiated by a Cardholder directly to their Issuing Bank. This could be the first step in the chargeback process or the cardholder is questioning the transaction and/or requesting more information.

- **first chargeback**

A reversal of a credit card sale disputed by the Cardholder or Issuer Bank

- **second chargeback**

- **representation**

The merchant gathers evidence supporting the belief that the transaction was authorized and carried out according to the agreed upon terms, then represents the transaction with the acquirer's assistance

- **chargeback reversal**

If the issuer feels the merchant has adequately disproved the cardholder's claim, the chargeback will be reversed.

- **lost representation**

If the merchant wasn't able to contradict the cardholder, the representation will be considered as lost and the transaction amount will be permanently removed from





The merchant's account.

Every chargeback can have the following statuses:

- **opened** - chargeback was received
- **represented** - representment was received
- **reversed** chargeback reversal was received
- **closed**- lost representment was received

Accept chargeback or not:

Accept chargeback if:

The customer is correct

You accept liability

Transaction should have been refunded

Challenging the chargeback is not worth the consequent expense.

Challenge the chargeback if:

You dispute the customer's claim and you have evidence to support your case. Evidence includes proof that the service was provided and/or the correct merchandise was delivered.





If you decided to dispute the chargeback, provide Maxpay with the supporting documentation within 7 days of the chargeback's issuance:

- A copy of the original sales receipt
- Order forms
- Tracking numbers
- Any communication with the customer, including emails or social media interactions
- Proof of the customer receiving, owning, or using the merchandise in question
- Proof that the merchandise delivered was not damaged or defective

Please, send all the documents to support the representment request to chargebacks@maxpay.com.

Maxpay chargeback team will investigate all the details, complete the representment document and send all the details to the bank.

Remember: never include full card details on the documentation sent for representment.

- Chargebacks which were previously refunded are represented without any supporting documents. Please, provide the Maxpay chargeback team with ARNs or chargeback references for chargebacks were already refunded.

Note: Issue a full refund to the relevant card if you receive a complaint from a disappointed customer.

This may be more cost-effective than receiving a chargeback.

- 3D secure transactions which were chargeback are highly likely to be won.

Please, send the filled Maxpay representment template with all transaction details to Maxpay chargeback team.





There is a table with chargeback reason codes for Visa and MasterCard with their causes, explanations and required documentation for representing

VISA

Information required by Chargeback type	Reason Codes Visa	Explanations	Causes	Documentation Required
EMV Liability Shift Counterfeit Fraud	10.1	A cardholder is claiming that they did not authorize or participate in a transaction that you processed. The cardholder’s bank determined all of the following things occurred	A cardholder claims he or she did not participate in the transaction you processed. A counterfeit EMV-chip card was used in a card-present environment. And one of two things have occurred: The transaction did not take place in a chip-reading terminal; OR [online only] the transaction was chip-initiated. But your card processor didn’t transmit all of the chip data to Visa in the authorization request.	Provide documentation that the EMV chip was read and that all of its data was transmitted to Visa. Some documentation include: Proof of the terminal being EMV PIN-compliant; AND an imprint or signature that was created by the cardholder. If you already processed credit or a reversal: Provide documentation of the reversal; AND include the transaction amount and the date it was processed.
EMV Liability Shift Non-Counterfeit Fraud	10.2	The cardholder’s bank received a call from their cardholder who is insisting that they did not authorize or participate in a transaction that you processed. The cardholder’s bank determined all of the following occurred.	A cardholder claims his or her EMV-chip card was stolen, and that it was used in a fraudulent transaction. The transaction happened in a card-present environment.	Provide documentation that the EMV chip was read, the terminal was EMV PIN-compliant and that all of its data was transmitted to Visa. Some documentation include: Proof of the terminal being EMV PIN-compliant; AND an imprint or signature that was created by the cardholder. If you already processed credit or a reversal: Provide documentation of the reversal; AND include the transaction amount and the date it was processed.
Other Fraud – Card Present Environment	10.3	A cardholder is claiming that they did not authorize or participate in a key-entered or unattended transaction conducted in a card-present environment.	The cardholder did not authorize or participate in a Card Present environment transaction	Provide evidence of both an imprint or a PIN or Consumer Device Cardholder Verification Method (CDCVM).





Other Fraud – Card Absent Environment	10.4	The cardholder’s bank has filed a dispute stating that their cardholder did not authorize or participate in a transaction conducted in a card-absent environment (i.e., internet, mail-order, phone-order, etc.).	The cardholder did not authorize or participate in a transaction conducted in a Card Not Present environment. OR A fraudulent transaction was completed in a Card Not Present environment using an account number for which no valid card was issued.	Respond to this dispute with evidence of an imprint and a signature or PIN. If a non-authenticated security transaction was processed with an Electronic Commerce Indicator value 6 in the Authorization Request, provide proof that the issuer responded to the Authentication Request with a Cardholder Authentication Verification Value. Or, supply proof that the transaction was properly authorized.
Visa Fraud Monitoring Program	10.5	Visa notified the cardholder’s bank that the Visa Fraud Monitoring Program (VFMP) identified the transaction.	Visa notified the issuer that the transaction was identified by the Visa Fraud Monitoring Program and the issuer has not successfully charged back the transaction under another reason code.	Provide proof that the issuer has successfully charged back the transaction under another reason code.
Card Recovery Bulletin or Exception File	11.1	The cardholder’s bank determined that both of these occurred: • You did not obtain an authorization on the transaction date, and • The account number was listed in the Card Recovery Bulletin for the Visa region in which you are located.	The transaction was below the merchant's floor limit and the merchant did not obtain authorization. On the transaction date, the account number was listed in the Card Recovery Bulletin for the Visa Region where the merchant is located (All excluding US Domestic).	Respond by providing evidence that the transaction was chip-initiated and offline-authorized, if applicable.
Declined Authorization	11.2	You processed a transaction where you received a Decline or Pickup response, but you completed the transaction anyway.	An Authorization Request for a magnetic stripe-read or chip-initiated transaction using a counterfeit card received a Decline Response, or a Pickup Response and a subsequent authorization was obtained by a means other than Voice Authorization. The merchant completed the transaction.	Provide evidence that the transaction was chip-initiated and offline-authorized, if applicable.
No Authorization	11.3	You processed a transaction where an authorization was required, but not obtained.	Correct and valid authorization was not obtained by the merchant.	Provide evidence that shows the cardholder gave consent to authorize the transaction. Some examples include an e-signature or a checked box that indicates a purchase was acknowledged--and approved.





Late Presentment	12.1	The transaction was completed past the required time limits.	The transaction was not processed within the required time limit and the account number was not in good standing on the chargeback processing date. OR The transaction date is more than 180 calendar days before the processing date.	Respond by providing the transaction receipt or other documentation with a transaction date that disproves late presentment.
Incorrect Transaction Code	12.2	You sent a transaction with an incorrect transaction code	This chargeback involves the use of an incorrect transaction code. Examples include the merchant receiving the wrong API to complete the transaction.	Provide transactional data from the payment processor and gateway in order to show the transaction code is correct.
Incorrect Currency	12.3	You sent a transaction that was processed with an incorrect currency code	This chargeback involves the use of an incorrect currency.	Provide evidence and authorization that indicates consent was given to the merchant, and that the currency is correct.
Incorrect Transaction Account Number	12.4	You either processed the transaction to an incorrect account number or did not authorize the transaction and it was processed to an account number not on the issuer's master file.	The acquirer processed a PIN-authenticated Visa Debit transaction and one of the following; the adjustment contains either: an incorrect account number or a non-matching account number, the adjustment posted to a "closed" or "non-sufficient funds" account.	Provide the original transaction date and the trace number.
Incorrect Transaction Amount	12.5	The cardholder submitted a claim to their bank that says one of the following things happened: • The transaction amount is incorrect. • An addition or transposition error was made when calculating the transaction amount. • You altered the transaction amount after the transaction was completed without the consent of the cardholder.	The acquirer processed an adjustment of an ATM cash disbursement or a PIN-authenticated Visa Debit transaction and one of the following; the adjustment posted to a "non-sufficient funds" account and the adjustment was processed more than 10 days after the transaction date	Provide the original transaction date and the trace number.





Duplicate Processing or Paid by Other Means	12.6	The cardholder claims that a single transaction was processed more than once. The cardholder claims that they paid for the merchandise or service by other means (i.e. cash, check, other card, etc.).	A single transaction was processed more than once using the same account number. OR the cardholder paid for the same merchandise or service by other means.	To respond, provide either two separate signed or imprinted transaction receipts or other record to prove that separate transactions were processed. OR respond by providing documentation to prove that you did not receive payment by other means for the same good or service.
Invalid Data	12.7	An authorization was obtained using invalid or incorrect data.	Correct and valid authorization was not obtained by the merchant.	Provide evidence that authorization was provided by the cardholder. Some examples include an e-signature and checked box next to the terms and conditions.
Services Not Provided or Merchandise Not Received	13.1	The cardholder claims that merchandise or services that they ordered were not received or that the cardholder cancelled the order as the result of not receiving the merchandise or services by the expected delivery date (or merchandise was unavailable for pick-up).	The cardholder participated in the transaction, but the cardholder or an authorized person did not receive the goods or services because the merchant was unwilling or unable to provide the goods or services.	Provide documentation to prove that the cardholder or an authorized person received the goods or services at the agreed location or by the agreed date.
Cancelled Recurring Transaction	13.2	A recurring transaction was processed after it was cancelled or that the cardholder's account was closed.	The cardholder withdrew permission to charge the account for a recurring transaction or, in the Europe Region, an installment transaction (All Regions) OR The acquirer or merchant received notification that the cardholder's account was closed or, in the Europe Region, facilities were withdrawn or the cardholder was deceased, before the transaction was processed (All Regions).	Provide documentation to prove that the service was not cancelled or to show that neither you nor the acquirer were notified that the account was closed. In all regions excluding Europe, you may also provide documentation to prove that the transaction was not previously charged back.
Not as Described or Defective Merchandise/Services	13.3	The cardholder's bank received a notice from the cardholder claiming that the goods or services were one or more of these:	Either the goods or services did not match what was described on the transaction receipt or other documentation presented at the time of purchase.	You need to provide documentation to prove that the goods or service matched what was described, a rebuttal addressing the cardholder's claims, and if





		<ul style="list-style-type: none"> • Merchandise or services did not match the description on the transaction receipt or other documentation presented at the time of purchase. • Merchandise or services are not the same as your verbal description (for a telephone transaction). • The merchandise was received damaged or defective. • The cardholder disputes the quality of the merchandise or services 		applicable, documentation to prove that the cardholder did not attempt to return the merchandise.
Counterfeit Merchandise	13.4	The merchandise was identified as counterfeit by the owner of the intellectual property or authorized representative, a custom's agency, law enforcement agency, other governmental agency, or a neutral third party expert.	The cardholder claims that the purchased merchandise was counterfeit.	Provide proof that the purchased merchandise is authentic, and that the cardholder knew of its quality during the transaction.
Misrepresentation of the purchased good and/or service	13.5	The cardholder's bank received a notice from the cardholder claiming that the terms of the sale were misrepresented.	The cardholder claims the purchased good/service was misrepresented during the transaction.	Provide proof that all representation of purchased good/service was, and is, accurate during the transaction.
Credit Not Processed	13.6	The cardholder's bank received a notice from the cardholder claiming that they received a credit or voided transaction receipt that has not been processed.	The cardholder received a credit or voided transaction receipt that was not processed (Europe and Interregional including Europe). OR The cardholder cancelled or returned merchandise, cancelled services, cancelled a timeshare transaction.	You need to provide either the transaction receipt or other records to prove that the merchant properly disclosed a limited return or cancellation policy at the time of the transaction, or evidence to demonstrate that the cardholder received the merchant's cancellation or return policy and did not cancel according to the disclosed policy.





Cancelled Merchandise/Services	13.7	The cardholder's bank received a notice from the cardholder stating that they returned merchandise or cancelled services, but the credit has not appeared on the cardholder's Visa statement.	The cardholder claims that the merchant had charged him or her for a merchandise/service that was cancelled.	Provide proof that the disputed transaction was not cancelled, and that the cardholder did not give any demand to cancel said transaction.
Original Credit Transaction Not Accepted	13.8	The original credit was not accepted.	The cardholder received a credit or voided transaction receipt that was not processed (Europe and Interregional including Europe). OR The cardholder cancelled or returned merchandise, cancelled services, cancelled a timeshare transaction.	You need to provide either the transaction receipt or other records to prove that the merchant properly disclosed a limited return or cancellation policy at the time of the transaction, or evidence to demonstrate that the cardholder received the merchant's cancellation or return policy and did not cancel according to the disclosed policy.
Non-Receipt of Cash or Load Transaction Value at ATM	13.9	The cardholder's bank received a notice from the cardholder that they participated in the transaction, but did not receive cash or load transaction value, or received a partial amount.	The cardholder participated in the transaction and did not receive cash or load transaction value, or received a partial amount.	Provide a copy of the ATM cash disbursement transaction or load transaction record containing at least an account number, transaction time or sequential number identifying the individual transactions, and an indicator that confirms that the ATM cash disbursements or load transaction values were successful.





MASTERCARD

Information required by Chargeback type	Reason Codes Visa	Explanations	Causes	Documentation Required
Refund not processed	4860	The merchant failed to credit the cardholder's account after a return was made.	1) The merchant didn't issue the cardholder's credit or didn't issue it in time for the credit to appear on the statement. 2) The merchant didn't share the return policy with the cardholder at the time of purchase.	Evidence that a refund has been processed. Or proof to substantiate the refund was not valid.
Transaction not recognised	4863	The cardholder doesn't recognise or remember the transaction.	The merchant's name (billing descriptor) was incorrect or unrecognisable.	Provide any documentation or information that would assist the cardholder in recognizing the transaction. For example: 1) Transaction receipt 2) Shipping invoice or delivery receipts 3) Description of merchandise or service purchased
Fraudulent multiple transactions/Fraudulent processing of transactions	4840	The cardholder has made a purchase with the merchant in the past, but this particular transaction wasn't authorized (the cardholder was in possession of the card at the time).	The merchant didn't void multiple transactions. The merchant tried to fraudulently process transactions.	If the cardholder did participate in more than one valid transaction, provide your acquirer with appropriate documentation, such as transaction receipts, invoices, etc.
Fraud (card-not-present)/No cardholder authorization	4837	The cardholder did not authorize the transaction.	1) The transaction was placed by someone who had fraudulently obtained the account information. 2) The cardholder didn't recognize the transaction (billing descriptor) on the card statement. 3) A family member used the account without the primary cardholder's knowledge.	Provide your acquirer with a copy of the transaction receipt bearing the card imprint and signature of the customer or invoice with ship to/bill to addresses, AVS results, CVV2 results if applicable, and signed proof of delivery.





	4837	The merchant processed a transaction without the cardholder's consent or it was charged to a fictitious account.	The merchant processed a transaction instigated by someone other than the cardholder.	Send a copy of the authorization record to the card issuer as proof that the card's magnetic-stripe or chip, was read. As a best practice you should also provide a copy of the transaction receipt proving that the cardholder's signature was obtained. If the account number was manually imprinted on the transaction receipt, send a copy of the transaction receipt to your acquirer as documentation. The copy of the transaction receipt should also contain the cardholder's signature.
Services not provided or merchandise not received	4855	Merchandise or services were not received or not received by the agreed upon delivery date.	1)The merchant didn't provide the services or failed to send the products.2)The merchant billed the cardholder before sending the products.3)The merchant didn't send the items by the agreed up delivery date.4)The merchant didn't make products available for pickup	Provide signed Proof of Delivery or proof that the service has been provided
Cancelled recurring transaction/Installment billing dispute	4841/4850	A recurring transaction was processed after the cardholder requested termination, the account had been closed, the charge exceeded the predetermined amount, or the merchant failed to notify the cardholder of the upcoming charge.	1)The cardholder requested the transactions be terminated, but was charged anyway.2)The merchant processed a transaction for a card that had been closed.3)The transaction exceeded the predetermined dollar amount and the merchant failed to notify the customer (in writing) 10 days before the charge.4)The merchant prematurely billed an installment payment.	If you do not have a record showing that the cardholder did not cancel the transaction, accept the chargeback. If a credit has not yet been processed to correct the error, accept the chargeback. If the cardholder claimed to have cancelled the recurring transaction, inform your acquirer of the date that the credit was issued. If the customer claimed they were billed for the service after they cancelled, you may need to supply proof to your acquirer that the bill in question covered services used by the customer between the date of the customer's prior billing





				statement and the date the customer requested cancellation.
Declined authorization/ Authorization- related chargeback	4808	A transaction was processed after the authorization was declined.**card-present transactions only	The merchant circumvented a declined authorization by forcing the posting, re-swiping until authorization was provided in error, or using an alternative authorization method.	If you obtained an authorization approval code, inform your acquirer of the transaction date
Declined authorization/ Authorization- related chargeback	4808	Authorization was not obtained or obtained using invalid/incorrect information.**card-present transactions only	The merchant didn't obtain authorization, obtained authorization after the transaction date, or included the tip in the authorization amount.	If you obtained an authorization approval, inform your acquirer of the transaction date and amount. If transaction was not authorized, accept the chargeback.
Expired card	4835	A transaction was processed without authorization on an expired card.	The merchant didn't receive authorization for a transaction on an expired card.	If the expiration date on the transaction receipt shows the card had not expired at the time of the sale, send a copy of the receipt to your acquirer.If the card has expired and you did not obtain an authorization, accept the chargeback.
Non-matching account number/Authorisation related chargeback	4808	The merchant manually keyed the account number incorrectly or incorrectly documented the account number during a telephone or mail order.	1)Incorrectly key- entered the account number.2)Incorrectly recorded the account number for a mail order or telephone order.	1)If the account number on the transaction receipt matches the account number cited on the chargeback, and the transaction received an authorization approval, return the chargeback to your acquirer and request that your acquirer include the authorization log for this transaction when returning it to the card issuer.2)If the account number on the transaction receipt does not match the correct account number cited on the chargeback, accept the chargeback, then process a new transaction with the correct account number and be sure to request an approval code.





Duplicate processing	4834	A single transaction was processed more than one time.**card-present transactions only	1)The merchant submitted a single batch of transactions multiple times.2)The merchant deposited both copies of the sales receipt (merchant and sales copy).3)The merchant created two sales receipts for a single transaction.4)The merchant deposited a receipt with more than one acquirer.5)The merchant processed a single transaction multiple times.	If the transactions are not duplicate, provide your acquirer with information documenting that the two transactions are separate, or send legible photocopies of the alleged duplicate transaction receipts and any other related documents such as cash register receipts, to your acquirer.The receipts should clearly indicate that the two transactions are not charges for the same items or services.If you have not already deposited a credit to correct the duplicate, accept the chargeback.
Not as described or defective merchandise	4853	The merchandise was: damaged or defective upon its arrival, not the same as shown (online) or described (telephone), unsuitable for the intended purpose.	1)The merchant sent the wrong item.2)The merchant inaccurately described the products or services.3)The merchant didn't perform the services as described.4)The merchant did not accept a product return (or accepted it and failed to credit the account).5)The merchant sold counterfeit products.6)The quality of goods or services wasn't adequate.	Provide as much specific information and documentation as possible refuting the cardholder's claims. It is recommended that you specifically address each and every point the cardholder makes.
Late Presentment	4842	The merchant didn't process the transaction in a timely fashion.	The transaction wasn't processed in a timely fashion and the account has since been closed or it was posted after 180 days of the original transaction date.	Proof of the transaction date and processing dates.
Incorrect currency or transaction code	4846	The merchant failed to provide adequate currency information or properly process credit.	1)The merchant issued a credit but it was posted as a sale.2)The merchant didn't allow the cardholder to make the purchase in the merchant's local currency.3)The merchant didn't deposit the receipt in the country where the purchase was made.4)The customer wasn't notified of a currency conversion.	Proof the cardholder was aware of the dynamic currency conversion. Receipt to show cardholder's authority to process transaction





<p>Counterfeit transaction/chip liability shift/Chip/ PIN liability shift</p>	<p>4870/4871</p>	<p>The cardholder did not participate in the transaction (a fraudster made a duplicate or counterfeit copy of the card). **card- present transactions only</p>	<p>1)The merchant did not compare the first four embossed digits to the printed digits.2)The merchant received authorization without providing required data.3)The use of an EMV chip card resulted in a fraudulent transaction at a non-hybrid terminal.4)The use of an EMV chip card resulted in a fraudulent transaction at a hybrid terminal (with or without a PIN pad).</p>	<p>Provide a copy of the printed transaction receipt.</p>
<p>Incorrect transaction amount or account number/ Transaction amount differs</p>	<p>4831</p>	<p>The card was not charged for the correct amount.</p>	<p>1)The merchant made an error when calculating the transaction amount.2)The merchant altered the amount after the transaction was completed without the cardholder's permission.3)The merchant increased the transaction amount without the cardholder's permission.</p>	<p>Documentation proving that the transaction was correctly processed.</p>

