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Six Simple Steps to Reduce Chargebacks

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Do you spend a lot of time on the phone with banks or credit card companies disputing their penalty charges to your business? Are you sorting through paperwork because of chargebacks — credit-card transactions that eventually get “charged back” to your business — looking for information supporting the charges? If the answer is “yes,” there are some simple steps you can take to reduce the revenue — and time — you lose due to chargebacks.

**You're at risk for chargebacks
anytime you accept a credit card
to complete a transaction.**

A chargeback is simply a dispute from a cardholder or his/her issuing bank requesting a refund for reasons as varied as the charge was fraudulent to the quality of service was poor. One easy way to reduce chargebacks to your business is to make sure your employees are trained on these six card transaction tips:

1. Make sure customers sign and return the merchant receipt copy.
2. Always verify the customer's signature matches the signature on the credit card.
3. Don't complete a “declined” transaction. Instead, ask your customer for another credit card to complete the purchase.

4. If a card can't be swiped, and you need to key enter the transaction (for example, because the magnetic stripe is damaged), always take a manual imprint of the card, and make sure the customer signs the receipt.
5. If you need to redo a transaction, write “VOID” on the sales receipt, and inform your customer the transaction was voided, no charge was made, and it needs to be re-done.
6. Deposit all of your sales receipts on the same day, if possible, to avoid “late presentment” chargebacks. A “late-presentment” chargeback is a settlement processed more than 30 days after the transaction date.

Following these six simple steps can save you time, frustration and money so you can focus on running your business — instead of dealing with chargebacks.



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Heartland is the founding supporter of The Merchant Bill of Rights, a public advocacy initiative that educates merchants about fair credit and debit card processing practices. For more information, contact Heartland Payment Systems at 866.941.1HPS or visit HeartlandPaymentSystems.com and MerchantBillOfRights.com.