



Holiday Post-Season Dispute Guide

Streamline the dispute process, prevent chargebacks,
and protect against unnecessary fraud

You'll learn:

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Get ready for the holiday shopping season

On average, businesses earn 19% of their annual revenue from the holiday shopping season.¹

During the upcoming holiday shopping season, you likely anticipate higher-than-usual sales volume, but as the season comes to an end, you should also anticipate higher-than-usual dispute volumes. Plan ahead to avoid disputes and retain the revenue from a busy holiday season.

Consumers begin holiday shopping months in advance. The National Retail Federation expects holiday sales in 2024 to reach a new record.¹ By the time January hits, consumers are faced with high credit card bills, transactions they don't quite remember, and gifts that are no longer returnable. All these factors create a ripe season for first-party misuse, which occurs when a consumer disputes a legitimate transaction.

Disputed transactions negatively impact merchant risk profiles as well as fraud and dispute ratios, leading to lost revenue, brand damage, and potentially a loss of card network processing privileges if low fraud and dispute ratios are not protected.

40% of online consumers have admitted to committing first-party misuse, otherwise known as friendly fraud. 36% would consider doing it again in the future.²

¹National Retail Federation
²Ravelin

6 tips to prepare for the holiday shopping season



1. Understand the holiday chargeback cycle

Chargebacks, or charges returned to payment cards after customers dispute items on their account statements, could be reported up to 120 days after purchase. So the impact of chargebacks doesn't come as a surprise, make sure your team understands the holiday chargeback cycle, including:

- Chargebacks reported from last shopping season.
- Last year's peak transaction volume.
- Last year's peak volume expectations.

If you're concerned that you might have a lot of chargebacks this year, update your fraud strategy by optimizing existing rules or implementing a new tool.



2. Implement a longer return and refund window

Consumers often buy gifts well in advance of their holiday exchange. By the time they realize they need to make a return or exchange, the purchase might already be outside of the standard return or refund window, leading consumers to look for other methods, namely friendly fraud, to recoup funds.

- Consider extending the return and refund policy for purchases made during the peak holiday shopping months.
- Promote your holiday return and refund policy just as actively as you promote your holiday sales so consumers are aware that purchases can be returned after the holiday.
- Follow up with customers who made purchase during the holiday buying season to remind them of the extended return and refund policy and provide them with customer service contact information.



3. Send shipping updates and confirmation

Shoppers make so many purchases over the holiday season that it is easy to lose track of which items did and didn't arrive, especially if they are shipping a gift to a new location. Help consumers keep track of purchases by maintaining clear communication for:

- When the packages ship.
- The anticipated date of delivery.
- Shipping delays, if applicable.
- Confirmation of delivery.



5. Create recognizable descriptors

Many holiday purchases are from new consumers who have not previously shopped with you and are not familiar with established descriptors. Ensure your customers recognize purchases on their credit card statements with clear descriptors and receipt detail. Descriptors should include:

- A merchant name that will be recognized by the cardholder, not a legal registration name that is not recognizable.
- Website the merchandise or service was purchased from.
- Merchant phone number.
- Order number, dynamically if applicable.
- Abbreviated words and characters (i.e. "&" instead of "and").



4. Provide enhanced customer service

Often the best barrier to friendly fraud is outstanding customer service. Providing accessible and responsive customer service helps merchants maintain a positive relationship with consumers to resolve all purchase issues directly with the merchant rather than through the initiation of a costly chargeback process. Preparing your customer service centers with:

- The power to use their best judgement with return and refund policies to provide greater customer satisfaction and brand loyalty.
- Extended service hours to provide greater customer service accessibility.
- Additional staff to eliminate wait times that may otherwise discourage consumers from taking the time to engage directly with the merchant.



6. Protect your brand

Proactively prepare for consumers who file chargebacks by collecting the necessary data to prove the purchase was legitimate, including the customer's:

- IP address.
- Device ID or fingerprint.
- AVS.
- Delivery address.
- Billing address.
- Item information.
- Customer account or login ID.

Our solutions for a smooth shopping season



Create opportunities to stop disputes before they become chargebacks

Verifi's post-purchase solutions help streamline your dispute prevention, resolution, and recovery process to protect against friendly fraud.

PREVENT

Order Insight®

Merchants respond to inquiries by issuers and their customers with transaction and order details to proactively prevent disputes

RESOLVE

Cardholder Dispute Resolution Network™ (CDRN®) and Rapid Dispute Resolution (RDR)

Merchants can process credits or cancellations for non-fraud and confirmed fraud, avoiding a dispute

RECOVER

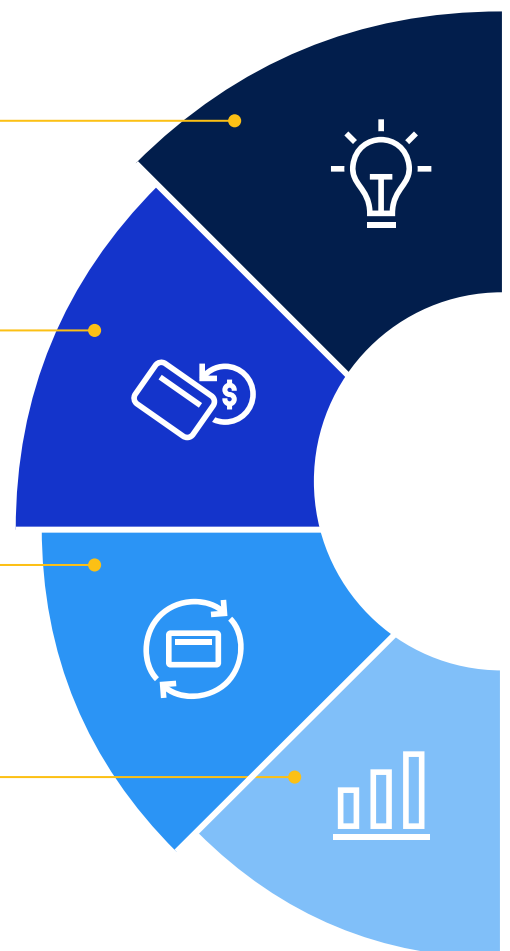
Dispute Representation

Verifi's expert team handles all dispute management to maximize wins and recover revenue lost to disputes

INFORM

Fraud Notices and Dispute Notices

Merchants leverage direct delivery of fraud and dispute notifications post-authorization to reduce payment risk





PREVENT

Order Insight® connects merchants to a global network of issuers to ensure cardholders have access to full purchase details within their mobile banking app and the issuer call center to clarify transaction confusion in real time and at the point of inquiry. The Systematic Dispute Deflection feature deflects confirmed first-party misuse disputes by automatically supplying qualified transaction data before a dispute initiates, protecting Visa fraud and dispute ratios by preventing disputes and reported fraud.

RECOVER

A dedicated team of chargeback specialists build compelling evidence packages and represent disputes on the merchant's behalf, maximizing win rates and recovering lost revenue.

RESOLVE

Rapid Dispute Resolution and Cardholder Dispute Resolution Network™ give merchants the opportunity to reclaim control over the dispute process across all card networks by resolving fraud and non-fraud disputes at the pre-dispute stage through providing the customer with a credit before a chargeback is filed. Resolution at the pre-dispute stage alleviates the operational burden and protects merchant Visa dispute ratios.

INFORM

Merchants can leverage direct delivery of fraud and dispute notifications post-authorization to reduce payment risk and stop potential future losses.

Prepare for your holiday post-season today



While the best time to prepare for peak season might have been yesterday, the next best time is today. Our experts are here to help you retain revenue and prepare for a smooth and secure holiday post-season for both you and your customers.

Reach out to us at info@verifi.com if you have any questions or would like to learn more about our products and services.

Visit our website

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