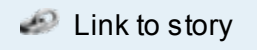


**Search by Type of Card**[Best Canadian Credit Cards](#)[Balance Transfer](#)[Low Interest](#)[Rewards](#)[Airline/Travel](#)[Auto/Gas](#)[Cash Back](#)[Instant Approval](#)[Business](#)[Student](#)[U.S. Dollar](#)**Search by Credit Quality**[Excellent Credit](#)[Good Credit](#)[Fair Credit](#)[Bad Credit](#)[No Credit History](#)**Search by Bank or Issuer**[American Express Canada](#)[Canadian Credit Cards](#) > [Credit Card News](#) > [How to win a chargeback dispute](#)

## How to win a chargeback dispute

By Daniel Workman

When you purchase something, you expect it to arrive on time and in the exact condition the retailer promised you. When that doesn't happen, chargebacks are designed to reverse contentious transactions and get you your money back. Yet according to Canada's Ombudsman for Banking Services and Investments (OBSI), credit card chargebacks were consumers' number one escalated banking complaint in 2013.

The complex process can indeed be exasperating. But there are things you can do to smooth the way.

Veronique Milot, a spokesperson for the Financial Consumer Agency of Canada (FCAC), cites one possible reason chargebacks cause so many headaches: "There are no consumer protection laws specifically concerning chargebacks," she says.

The card networks (Visa, MasterCard and American Express) set chargeback rules via detailed reason codes that merchants and credit card issuers must follow in order to process any reversal.



Bank of Montreal

Capital One

Chase®

CIBC

MasterCard

MBNA

Visa

## News & Advice

Credit Card News

## Follow Us!



Most chargeback reason codes for reversing unauthorized card transactions are straightforward. Those listed in the [Visa International Operating Regulations](#) governing Canadian merchants include duplicate processing errors when a seller charges the same transaction twice, and fraudulent charges resulting from stolen card information.

More complicated are situations in which you initially agreed to the charges. There are authorized transaction codes that address problems such as non-refunded cancelled orders, undelivered goods or unfulfilled services, damaged or defective merchandise, and items that the seller misrepresented or that otherwise failed to meet your expectations.

### Who to consult for a refund

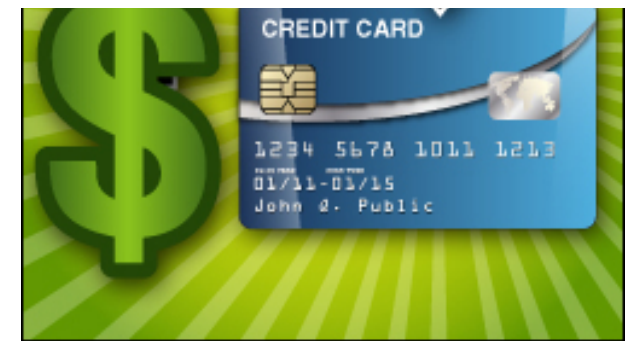
Another reason chargebacks can be frustrating: you need to track down the right party to complain to. Although the card networks make the chargeback rules, you are generally not supposed to contact them about transaction disputes. "Since consumers aren't our customers, we usually leave merchants and card-issuing financial institutions that interact directly with consumers to deal with chargeback issues," explains MasterCard communications director Lauren Mostowyk.

Mike Gomes, a certified financial planner at Ironshield in Toronto, says consumers should start a chargeback dispute with the merchant from whom they purchased the goods or services. "I would ask to speak with a manager, or even the owner when possible, and explain the issue and my concerns," says Gomes.

Patricia White, executive director at Credit Counselling Canada, says that consumers can usually achieve more satisfactory results by negotiating a store chargeback in person. She also notes that Internet merchants are increasingly sensitive about their online reputations and may even be willing to make exceptions to their terms and conditions to prevent dissatisfied customers from posting negative reviews online.

In the event you can't settle a chargeback request with the seller, Gomes says to contact your credit card company as soon as possible. If the first person you chat with at the card company doesn't provide an acceptable resolution, escalate your concern to a manager before proceeding to the next available option.

Other than launching an expensive legal action, the next step is an appeal to the independent banking services ombudsman. Tyler Fleming, OBSI director of stakeholder relations and communications, says the ombudsman's office will assess whether a bank acted fairly after receiving your chargeback request, followed its internal policies



and procedures, and properly informed you regarding your chargeback options.

(Fleming emphasizes that the OBSI's role is not to determine whether there is a problem with the goods or services purchased with the card.)

### **Tips for navigating the chargeback process**

A few simple practices can improve your chances of getting a troublesome transaction reversed.

**1. Act promptly.** According to Fleming, many complainants don't qualify for a chargeback because they didn't raise their concerns or provide required information to the card company within a reasonable timeframe.

"Begin the chargeback process as soon as the issue arises," agrees Gomes. "Most credit card companies provide a limited time for consumers to request a reversal of charges, so it's important to ask your credit card company about its deadlines [upfront]."

Andrew Clarke, corporate communications manager for Capital One Canada, says card networks such as MasterCard specify the timelines within which cardholders and card issuers have to submit a chargeback, and that those deadlines can vary by the chargeback's reason code.

**2. Maintain a case file.** Carefully store all original receipts and other documentation pertinent to your dispute, especially interactions with the merchant and card issuer. Clear and verifiable evidence can dramatically improve your chances of winning a chargeback dispute

"Keeping records of [names] and when you spoke with individuals -- including what was discussed -- can be key to resolving discrepancies down the road," says Gomes.

Consumers must be able to furnish relevant information showing precisely what the problem is. Examples of such supporting materials are screenshots from web stores that illustrate that the goods or services purchased do not match their advertised descriptions.

**3. Pay off your balance.** To avoid late payment penalties or interest charges, Gomes recommends that consumers pay off their full credit card balance by the due date. You will receive a refund if and when you are awarded a chargeback.

Missing minimum payments because of contested charges might indirectly impact your credit rating.

**4. Deal with reputable merchants.** Fleming says buying from reliable sellers can mitigate chargeback

frustrations.

This is imperative given that government consumer protection agencies do not require merchants to honour chargebacks arising from shoddy products or services. For example, the [Ontario Ministry of Consumer Service website](#) clearly states:

"In Ontario, stores and other suppliers are not legally required to offer refunds or exchanges. So it's important that you check each store's policy before buying there."

You can screen for problematic sellers by entering a merchant's name plus the word "complaints" into an online search engine, then peruse the results for potential warning signs.

**See related:** [Card issuers face clear writing review](#); [Why we pay fees – and how to avoid them](#)

Published: June 11, 2014

[Comments or Questions](#), [Library of Stories](#)

 1	 Like  1	 Tweet  0	 Email	 Link to story
---	---	---	---	---

#### Three most recent All credit card news stories:

- ▶ [6 ways cardholders can save on vacations](#) – When you're on vacation, it can be easy to swipe your credit card for an extra cocktail or expensive dinner. Here are six savvy savings strategies to help ensure you can keep a rein on credit card spending during your holiday ...
- ▶ [Is Debtors Anonymous the right choice for you?](#) – Debt addiction can have major consequences to your mental health and your relationships. Debtors Anonymous provides a place for you to discuss your experiences and start the road to recovery ...
- ▶ [6 insights about authorization holds](#) – Certain retailers impose authorization holds on your credit cards that can restrict your card's buying power more severely than you might expect. Knowing the facts about these holds can help you avoid stress ...



Secure SSL  
Technology

[Home](#) | [About Us](#) | [Privacy Policy](#) | [Site Map](#) | [Contact Us](#) | [Site Security](#) | [Terms of Use](#)

© Copyright 2014 Credit Cards.com. All Rights Reserved.