

## Disputes and Chargebacks

### WHAT IS A DISPUTE?

A dispute occurs when a shopper has an issue with a transaction. In the card-not-present environment, the shopper can file a dispute, or complaint. Reach works with you to resolve this dispute as quickly and efficiently as possible.

### TYPES OF DISPUTES

There are 3 main types of complaints: Processing Problem Complaint, Fraud Complaint, and Customer Complaint.

- A Processing Problem Complaint occurs when there has been an error during the processing of the transaction.
  - Example: A transaction is processed and the amount appears on the Shopper's statement twice. All Processing Problem Complaints are reviewed for legitimacy. Reach may contact the Seller to confirm the purchase.
- A Fraud Complaint occurs when the credit card or eWallet account holder complains that they did not authorize or participate in a transaction.
  - Example: The account holder may be a victim of fraud ('True Fraud'), may not recognize or remember making the purchase, or may be filing an erroneous complaint in an attempt to 'cheat the system' on a legitimate transaction. If Reach determines a fraud complaint may not be True Fraud, we will contact the Seller for copies of backup information.
- A Customer Complaint occurs when a Buyer is not happy with the goods or services they have purchased.
  - Example: The shopper didn't receive the goods or services, the goods were not as described, or were defective. Reach will dispute these transactions on behalf of the Seller but will require Backup Information from the Seller in order to file the dispute.

### CONTACT

During the onboarding process, we ask sellers to provide a contact for Fraud-Dispute tickets. This contact will be registered as a user at our helpdesk. Any time your assistance is needed with a Fraud-Dispute issue, a ticket will be opened in the name of the appropriate contact and an email will be sent alerting you that a ticket has been opened. This email will contain a link directly to the ticket.

## CHARGEBACKS

If a payment is disputed, the card issuer sends you a request for further information, or “RFI,” related to the sale. You must send any documents or information that supports your side of the dispute.

Remember that even if you have already been paid, if the card issuer does not receive your response within an agreed time-scale, or decides against you in favor of the shopper, you are subject to “chargeback.” A chargeback is an automatic process that removes funds from your merchant bank account and places them in the Card Issuer’s account.

Chargebacks can lead to restrictions on your card processing. As such, it is important to reduce chargebacks to the extent possible. Reach always recommends that you answer RFIs as quickly as possible in order to secure the best chance at winning a potential dispute.

## CHARGEBACK PROCEDURES

When a buyer has made a credit card purchase they do not recognize the transaction, or they are unhappy with some aspect of their purchase, they may initiate a chargeback via the card issuer.

When the chargeback is related to a Processing Problem Complaint or Fraud Complaint, Reach may require further information from the Seller in order to respond to the dispute.

When the chargeback is related to a Customer Complaint, Reach will require backup information from the Seller in order to file a dispute. This information can include (but is not limited to):

- Electronic signature
- Device ID or Member History
- Proof of delivery of items

If the Seller does not wish to challenge a dispute for any reason, the Seller must inform Reach that they do not wish to file a dispute. By notifying Reach not to continue with the dispute, the Seller is accepting liability for the Chargeback and any related additional fees.

## A NOTE ON REFUNDS:

- A refund may no longer be issued for a transaction once a chargeback has been initiated for that transaction.
- If a refund was previously issued for the transaction in dispute, Reach will automatically respond to the chargeback.

## TIMELINES

- Timelines related to the chargeback process are as follows\*:
- Reach has 1 business day from the date of chargeback to request backup information from the Seller.
- The seller has 5 business days to gather and provide the backup information.
- Reach has 2 business days to file a dispute with the issuing bank or processor.

\*Timelines for non-standard payment products and PayPal differ.

It is crucial that a seller respond to any request for backup information in a timely manner. If a seller does not submit the proper backup information within 5 business days, Reach will be unable to file a dispute on the seller's behalf.

## LIABILITY

If any chargeback, regardless of type or reason, cannot be disputed because a Seller did not respond to a request for backup information within 5 business days, then the Seller will be liable for the chargeback and any additional fees.

The outcome of any dispute is at the sole discretion of the credit card company. As such, Reach does not provide any guarantee on the outcome of the dispute process.

