Managing Refunds

As a merchant, you can refund a customer's payment using Ezypay's API capabilities.

Prerequisite

- Currently, only **full** refunds are supported. Thus the refund amount must be equal to the the invoice amount
- Currently, refunds can only be made if the invoice was paid through Ezypay (i.e. issuing refunds for external payments is not currently supported)
- Currently, the refund can only be made on the same payment method (bank or card) used for the payment
- You must have sufficient funds in your merchant wallet
- Your merchant billing must be active

How to refund an invoice

The process of refunding an invoice shown below:
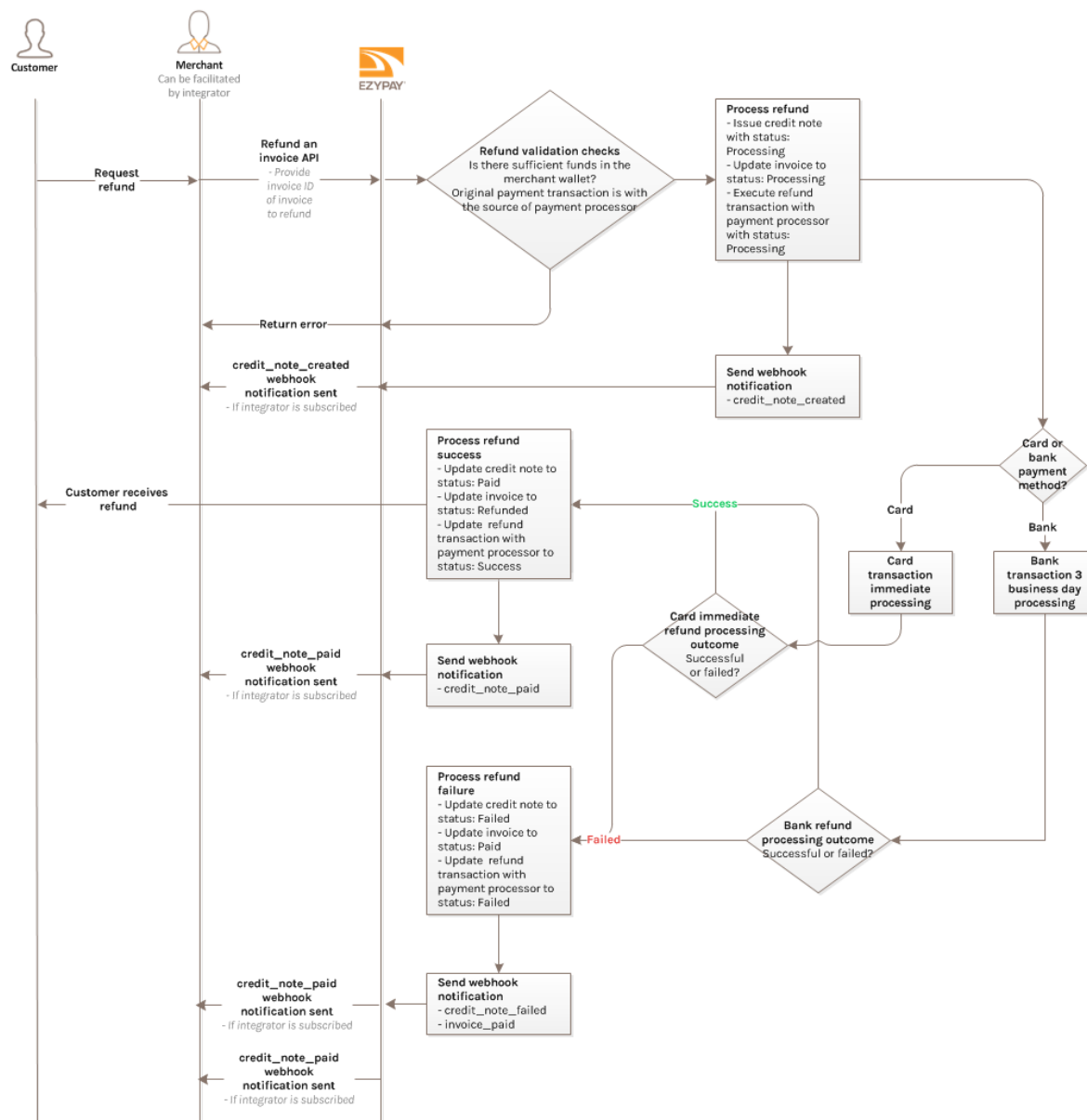
Refund API called

Call the **Refund an invoice** API (https://developer.ezypay.com/api#refund_invoice) to refund a specific invoice based on the invoice ID.

Refund an invoice API call

```
PUT https://api-global.ezypay.com/v2/billing/invoices/{invoiceId}/refund
```

Credit Note issued

Once the refund API is succesfully called, the invoice status will change to processing. The processing status ensures no further refunds are attempted on the same invoice while the refund is in progress.

A credit note will be issued with the following details:

- Status of processing
- Details of the refunded amount

Tip: Call the **Retrieve a credit note** API (https://developer.ezypay.com/api#retrieve_credit_note) to view the credit note issued for the refund. Provide the credit note ID:

Retrieve a credit note API call

```
GET https://api-global.ezypay.com/v2/billing/creditnotes/{creditNoteId}
```

Transaction processed

After the credit note is issued, a transaction will be generated to process the refund. This refund transaction will use the original payment method of the payment transaction.

If a card payment method	The transaction will be processed immediately, leading to a success or failure outcome
If a bank payment method	The transaction will be processed for 3 business days, leading to a success or failure outcome

Credit Note status updated

Once the transaction has completed, the credit note status will be updated depending on the transaction status.

Transaction successful	If the refund transaction was successful: • The credit note for this refund attempt will change its status from processing to paid • The invoice associated to the credit note will change its status from processing to refunded

Transaction failed	If the refund transaction failed: • The credit note for this refund attempt will change its status from processing to failed • The invoice associated to the credit note will set back its status from processing to paid

A refund fee (if applicable) is automatically charged to the merchant upon a refund request. The fee is charged regardless if the refund was successful or failed.

Reconciling Failed Refunds

If the refund has failed, you will need to make a new attempt to refund the invoice again by repeating the process defined in **How to refund an invoice**.

- Each attempt at refunding would issue a new credit note, capturing a full audit trail of each attempt
- Each invoice can be associated to multiple credit notes, however each credit note is associated to only one invoice

Failed refund transactions will not be scheduled for automatic retry as part of failed payment handling. Automatic payment retry is only applicable for payment transactions.

Tracking Refunds

To receive alerts about the status of a credit note, you can **setup your app to receive webhook notifications**. The webhook will send a HTTP POST callback request to your app URL when a specific event(s) is triggered. We recommend setting up your webhooks to send notifications for the entire journey of credit notes that are issued for refunds. This provides a scalable way to support future itemised and partial refunds, as each partial refund would result in a credit note being issued separately.

To track the refund journey, set up your webhook for the following events:

- `credit_note_created`
- `credit_note_paid`
- `credit_note_failed`

Other than refunds, disputes are also transacted with credit notes. When a customer lodges a dispute with their bank that then leads to a chargeback transaction, the money movement of netting funds away from the merchant is also done via a transaction associated to a credit note.