

# Chargeback Guide

Guide to Merchants for hassle free transactions

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## What is a Chargeback?

In simple words, chargeback is a dispute against a particular transaction raised by the cardholder (end-user), and reported to their card issuing bank.

A chargeback is a provision by banks and card networks such as Visa & MasterCard to protect buyers from unauthorized or fraudulent payments.

Once the cardholder files a complaint, the bank reports the same to Razorpay and initiates an investigative procedure.

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## Why Chargeback?

There could be several reasons of chargeback against a particular transaction. A list of the most common reasons of chargeback is listed [here](#).

Generally, chargebacks can be associated with unsatisfactory customer service/product or poor service delivery experience. Chargebacks can also be filed if the customer suspects fraudulent activity on their card.

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## Why avoid Chargebacks?

It is best to avoid any kind of chargeback, as banks and card networks can label your business as a fraudulent/high risk business, hampering your image. A customer has a timeframe of 120 days to file a chargeback, which means your sales are reversible for that time period.

A high number of chargebacks can lead to the banks holding remittances for the business as well. The worst case scenario could be a ban of online payment services imposed upon the business.

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## What's the process to resolve a chargeback?

Chargebacks should be considered high priority issues due to the involvement of risk teams of both the customer's bank as well as our partner banks. At Razorpay we have a process to resolve disputes/chargebacks.



### Notification about the dispute

We will notify you by email/telephone about the dispute, mentioning the payment ID and the reason of chargeback, if provided by the bank.

### Review the chargeback

In order to represent the chargeback, review the chargeback and explain to us the chain of events that took place.

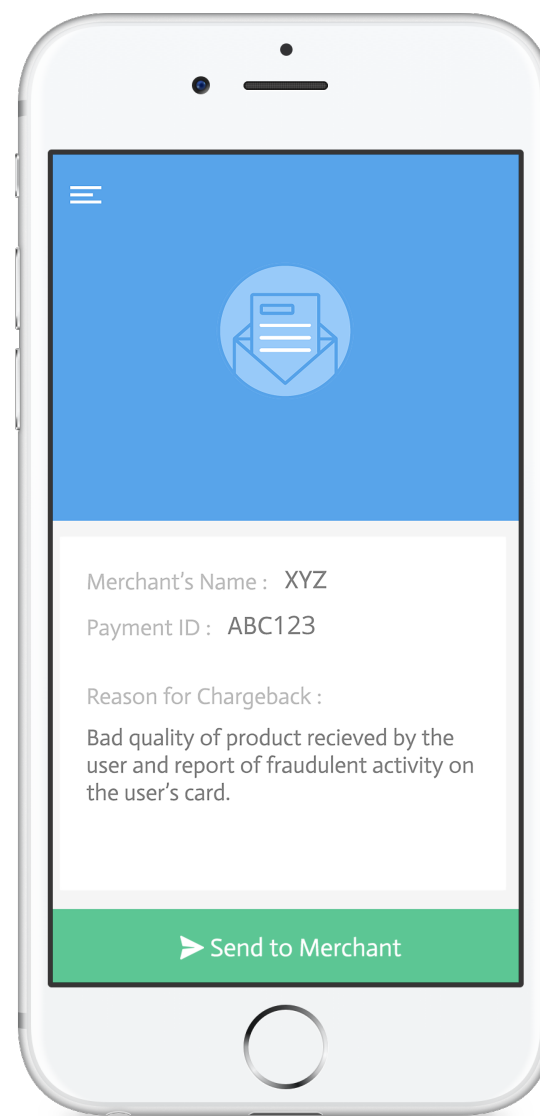
In case the goods/services have not been provided, review the issue and let us know if the customer is willing to accept the goods/services.

In case the goods/services have been provided, share the proof of deliveries, invoices, any other authorised proof of product/service delivery.

In case of a duplicate payment made, let us know so we can ask the bank to refund the amount back to the cardholder.

### Share documents

Share all documents as per the requirement of the bank with us. We will represent the dispute on your behalf.



Banks generally provide a window of 7 working days to represent the chargeback. Failure to do so within the specified window will increase the number of chargebacks lost by you.

## How to avoid Chargebacks?

As mentioned above, most of the chargeback cases come up due to miscommunication between the buyer and the seller. Here are a few tips that you can keep in mind to avoid chargebacks.

#### Transparent Return Policy

Making sure the return policies are clearly mentioned on the website

#### Constant & Clear Communication

Keep customers updated regarding the status of their order

#### Proofs of Delivery

Share tracking numbers, invoices and all other order related docs and references with your customers

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