

Payment Processing Exception Report

Exception Summary

Total Disputed Amount	\$347.99
Resolution Time	18.4 days (Delayed)
Resolution Outcome	Cardholder Favor (Final)
Settlement Amount	\$352.51 (Complete)

Case DSP-2024-003847 involves a \$347.99 chargeback dispute between cardholder Sarah Mitchell and CleanAir Electronics. The customer returned a defective air purifier on February 18, 2024, with confirmed UPS delivery to merchant on February 21, 2024. Despite multiple notification attempts, merchant failed to respond to chargeback inquiries for 16+ days, exceeding the standard 10-day response window.

Investigation verified complete documentation: original purchase receipt, return shipping confirmation, and email correspondence. Temporary credit of \$347.99 was issued March 16, 2024. Due to persistent merchant non-response and validated evidence, case was auto-resolved in cardholder's favor on April 12, 2024.

Final settlement: \$352.51 permanent credit issued (\$347.99 purchase amount plus \$4.52 finance charges). Case meets all criteria for automatic resolution under new merchant non-response procedures: complete cardholder documentation, verified return delivery, and merchant non-response exceeding 15 business days.

Current status: CLOSED - Resolved in favor of cardholder. No further action required.

Timeline of Events

February 10, 2024 Original purchase transaction of CleanAir Pro 3000 for \$347.99 processed via Visa card ending in 8891

February 15, 2024 Customer reports damaged product receipt and requests return authorization

February 16, 2024 Merchant issues return authorization and prepaid shipping label

February 18, 2024 Customer ships returned product via UPS (Tracking: 1Z999AA10123456999)

February 21, 2024 UPS confirms delivery to merchant warehouse

March 5, 2024 Customer follows up regarding unprocessed refund; no merchant response

March 15, 2024 - 14:32 PST Dispute case opened (DSP-2024-003847); documentation review initiated

March 15, 2024 - 15:10 PST Initial documentation review completed; all evidence verified

March 16, 2024 - 09:15 PST Temporary credit of \$347.99 issued to cardholder

March 18, 2024 - 11:30 PST Formal chargeback notification sent to merchant via payment processor

March 20, 2024 - 10:00 PST Cardholder contacted; confirms receipt of temporary credit

April 12, 2024 Case resolved in cardholder's favor; permanent credit of \$352.51 issued (including \$4.52 finance charge reversal)

Investigation and Evidence

A comprehensive review of documentation and evidence was conducted for dispute case DSP-2024-003847. Key evidence collected includes:

- Original purchase receipt (\$347.99) dated February 10, 2024 - Email correspondence between cardholder and CleanAir Electronics (February 15-18, 2024) - UPS tracking confirmation showing delivery to merchant warehouse on February 21, 2024 - Merchant's return policy documentation - Return shipping label and authorization (RMA: CAE-894521) - Transaction authorization records from Global Payment Systems

The investigation verified that: - Customer properly returned defective merchandise within the 30-day return window - UPS tracking confirms merchant received the return on February 21, 2024 - Merchant acknowledged receipt but failed to process refund within promised 5-7 business days - Three merchant contact attempts were made with no response (email, phone, processor notification) - Merchant's return policy confirms eligibility for full refund - No evidence was provided by merchant to dispute the chargeback

Critical findings supporting cardholder's claim: 1. Complete documentation trail validates return process compliance 2. Merchant's non-response pattern aligns with identified systemic issues in Exception Report EXC-2024-Q1-047 3. UPS tracking definitively proves merchant received returned merchandise 4. Merchant failed to honor stated refund policy timeframes 5. Case meets auto-resolution criteria per new operational procedures

Based on these findings, permanent credit of \$347.99 plus \$4.52 in related finance charges was approved for the cardholder, totaling \$352.51.

Root Cause and Resolution

Investigation confirmed the merchant failed to process a refund after receiving the returned merchandise on February 21, 2024. Despite multiple notification attempts through the payment processor, direct email, and phone contact, CleanAir Electronics remained unresponsive to chargeback inquiries, violating their stated 5-7 business day refund processing policy.

The case was resolved in favor of the cardholder on April 12, 2024, well within the 45-day regulatory requirement. Total financial resolution included: - Permanent credit of \$347.99 for the original purchase - Additional credit of \$4.52 for associated finance charges - Total settlement amount: \$352.51

The resolution aligned with newly implemented automatic resolution procedures for merchant non-response cases, as outlined in Operational Memo OPS-MEMO-2024-032. This case was part of a broader pattern, with 15 similar merchant non-response exceptions identified in March 2024, representing a 23% increase from the previous month.

Key factors supporting the resolution: - Verified return delivery to merchant via UPS tracking - Complete documentation from cardholder - Multiple unsuccessful merchant contact attempts - Merchant's failure to respond within mandatory timeframes - Compliance with Fair Credit Billing Act requirements

The temporary credit issued on March 16, 2024, was converted to permanent status, and the cardholder's account was updated to reflect the final settlement. Case DSP-2024-003847 was closed with all documentation properly archived for compliance review.

This report contains synthetic data for demonstration purposes only. All account numbers, merchant names, transaction details, and case information are fictional. The sample data presented includes fabricated dispute cases, investigation records, financial transactions, and correspondence to illustrate typical credit card dispute resolution processes.
