

# Chargeback Process

Autobooks manages all chargeback instances that may occur using our payment technology. We work with the business owner, their financial institution, as well as the chargeback bank (if applicable) to reach a timely resolution, and make sure all parties are informed when these situations occur.

## **Chargebacks**

Autobooks is informed of chargeback disputes by the processing partner. A chargeback is a circumstance when a consumer disputes a transaction processed by their credit card provider. This may or may not be a legitimate transaction, but all chargeback claims are investigated by the card issuer and Autobooks.

The following steps may occur in a chargeback situation:

- 1) Our processing partner will debit the disputed amount from the business checking account used to receive payments from Autobooks. The funds are sometimes held by the chargeback financial institution during investigation, the funds may be returned to the cardholder, OR they are temporarily returned to the merchant (when disputed) during the review process.
- 2) The business owner is sent an email from Autobooks with details of the dispute. Within the email, the business is offered the option to accept OR dispute the chargeback.
  - a. If the business chooses to dispute the chargeback, they must provide any required documentation before the “reply by” date indicated. This “reply by” date is established by the chargeback financial institution.
  - b. If the business chooses to accept the dispute, the investigation process is concluded.

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3) Once the “reply by” date has passed:

- a. If the business owner wins the chargeback dispute, funds are returned to the business checking account.
- b. If the cardholder wins the chargeback dispute, funds are returned to the cardholder.

NOTE: In certain circumstances when the business wins the chargeback dispute, the cardholder may be permitted to appeal the decision and re-file a chargeback claim.

## **Transaction Liability within the chargeback process**

Autobooks assumes liability and credits the disputed amount back to the cardholder when disputed chargeback funds cannot be debited from the business checking account (ex: non-sufficient funds in the account). If the business does not successfully win the chargeback dispute, Autobooks will:

- 1) Disable the business’ merchant processing account until the loss is recouped by Autobooks.
- 2) Attempt to debit the account after the initial attempt.
- 3) If funds are still not available, Autobooks will contact the business owner to attempt to recoup the loss.
- 4) Contact the financial institution to determine if funds may be recouped in a different way.

If funds are returned to Autobooks in full, Autobooks will re-enable payment processing for the business.

