

Credit card chargebacks

As a credit card user, you have certain rights under state and federal law which allow you to obtain a refund in the form of a chargeback on your credit card in certain situations.

When you agree to purchase a product or service, the merchant who takes your credit card number prints a receipt and deposits it with his or her merchant bank. The merchant bank then pays the merchant and sends the receipt to the bank that issued your credit card (issuing bank). The issuing bank pays the merchant bank and sends you a billing statement.

Under the standard agreement, the merchant maintains a reserve account in its merchant bank to cover dissatisfied cardholder chargebacks. There are two reasons recognized by federal law by which you can dispute making a payment on your credit card billing statement – problems with billing errors or a reason called “claims and defenses.”

Billing errors

Billing errors include such things as:

- Charges you did not authorize.

- Charges for undelivered goods or services.
- Charges for goods or services different from what was represented, including the wrong quantity.

For instance, if you gave your credit card number to someone over the telephone for credit verification purposes only, but then found an unauthorized billing on your statement, this would be considered a billing error. Likewise, if you prepaid for a trip which will not be delivered because the company is now bankrupt or out of business, this could be disputed as a billing error.

To request a chargeback because of a billing error, you must file a **written** request with your credit card company within 60 days after the disputed charge first appears on your billing statement (**not** the date you made the charge). Some banks extend this time period to 90 days, so you need to read the back of your credit card statement for specific information related to your card. It is a good idea to send your letter by certified mail; ask for a return receipt so you have proof of what the credit card issuer received. Write to the

credit card issuer at the address given for “billing inquiries,” not the address for sending your payments, and include your name, address, account number, and a description of the billing error.

The card issuer must send you a letter stating that it has received your billing dispute within 30 days of receiving it. The card issuer must complete its investigation within two complete billing cycles of receiving the dispute, which generally means two months, and cannot take more than 90 days.

If the card issuer determines that no billing error occurred, it must mail or deliver an explanation of the reasons why it believes that no error occurred.

If the card issuer determines that a billing error occurred as claimed then it must correct the billing error, credit your account with any disputed amount and any related finance or other charges, and send a correction notice to you. You do not need to make any attempt to resolve the dispute with the merchant in order to dispute a charge because of a billing error. You can request a chargeback even if you already paid off the disputed amount. Your bank may ask you to send

the merchandise back to the merchant before it will give you a credit or refund.

Claims and defenses

Under claims and defenses, you can dispute the type of problems described related to billing errors, or any other billing you might have a problem with, for up to **one year** from the date of the statement. However, you must meet four specific conditions to dispute using this reason:

- The disputed amount must be over \$50.
- You must still owe all or a portion of the money for this charge. You cannot dispute under this category if you already paid off the disputed amount.
- The transaction must take place in Wisconsin or be within 100 miles of your home. Transactions that take place by telephone or mail from your home are considered to take place at your home and not the merchant's location, regardless of who initiated the contact.
- You **must** make a good faith effort to obtain a refund or credit from the merchant.

Regardless of your reason for disputing a credit card billing, it is important that you **do it in writing**.

The attached **Credit Card Chargeback Request** form has been prepared to provide an easy way to send the pertinent information to your credit card company.

It will also be helpful for you to send copies of any supporting materials, such as correspondence you had with the merchant, invoices, receipts, advertisements, and your credit card billing statement.

Do not forget to keep a copy of anything you send for your records.

Remember to check the back of your billing statement for specific directions and the mailing address of your credit card company.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

Bureau of Consumer Protection
2811 Agriculture Drive
PO Box 8911
Madison WI 53708-8911

E-MAIL:
DATCPHotline@wi.gov

WEBSITE:
datcp.wi.gov

Toll-free in WI:
(800) 422-7128

(608) 224-4976

FAX: (608) 224-4677

TTY: (608) 224-5058

Credit Card Chargeback Request

TYPE OF CREDIT CARD	ACCOUNT NUMBER
NAME ON CREDIT CARD	TELEPHONE NUMBER
ADDRESS	
CITY	STATE ZIP

Information about the transaction:

DATE OF SALE	AMOUNT OF SALE	POSTING DATE (Date shown on Billing Statement)
MERCHANT NAME		
ADDRESS		
CITY	STATE	ZIP

Reason for chargeback request (check all that apply):

- Unauthorized Charge**
I did not make the charge, or give anyone else permission to make the charge.
- Item/Service Not Received**
The item/service described on the credit slip or billing statement was not received.
- Item/Service Misrepresented**
The item/service was received, but not as ordered or represented, or does not match the description on the credit slip or billing statement. I have offered to return the item to the seller.
- Defective Item**
The item is defective. I have offered to return it to the seller.
- Amount of Charge Incorrect**
The credit slip or billing statement shows an incorrect amount.
The correct amount is _____ instead of _____
- Other Reason (explain):** _____

**I have made a good faith effort to resolve this matter with the seller
(Explain and attach copies of correspondence):**

SIGNATURE	DATE
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**Mail this form with a copy of credit slip, sales receipt, and billing statement to your
CREDIT CARD COMPANY as soon as possible. Keep a copy for your records.**