

CHARGEBACKS

A chargeback is a type of refund. It reverses a transaction made on a debit or credit card so instead of money going out from your card, it comes back in.

A chargeback takes place between the cardholder's and retailer's banks, however it is the card 'scheme' (Visa, Mastercard, etc) who authorises the refund payment. Once a chargeback has been approved, the payment is credited back to the cardholder.

Requesting a chargeback

The relevant chargeback policy should be detailed within the terms and conditions of your credit or debit card. Banks that are members of card schemes, such as Visa and Mastercard, are legally obliged to pursue chargebacks under the law of contract.

A cardholder can generally apply for a chargeback when they have paid for products or services with a debit or credit card and:

- the products or services received are not as described
- the products or services were not received at all or within the agreed timeframe
- there are duplicate or fraudulent transactions
- the charges were made without permission
- unrecognised transactions have appeared

Remember that when applying for a chargeback you need to be honest and declare the full circumstances of the situation. Depending on the terms and conditions of your financial institution, misleading or fraudulent declarations may result in legal issues for you.

Keep all forms, receipts, transactions, emails, documents or web pages you have filled in, read or received. You may need them to support your claim.

When a chargeback cannot be requested

There are situations when a chargeback may not be available. For example, if you:

- paid with cash, money transfer, cheque, direct debit or BPAY

- are eligible to lodge an insurance claim
- have already been compensated for your loss.

Time limits

You only have a limited amount of time to lodge a chargeback claim. The time limit generally varies from 45 to 120 days from the original transaction date, depending on the financial institution's terms and conditions. However some chargebacks can be raised up to 540 days from the date of purchase.

Due to the limited time you have to request a chargeback, it's very important to keep a close eye on your credit and debit card statements. Check your statements weekly and query any suspicious transaction with your bank or financial institution. Billing errors or fraudulent payments are sometimes discovered and it's important you identify and action them as soon as possible.

Rejected chargeback requests

If you believe a bank has incorrectly rejected a chargeback request, you have the right to dispute the decision. The Australian Financial Complaints Authority (AFCA) can help resolve your dispute (or any dispute with a bank or financial institution). The AFCA can only investigate if your bank took the necessary steps, not the decision made by the card scheme. The AFCA is a FREE independent dispute resolution service for consumers and small businesses. For more information, visit [Australian Financial Complaints Authority](https://www.afca.gov.au).

If you require advice or assistance about chargebacks, please contact NT Consumer Affairs on 1800 019 319 or consumer@nt.gov.au. We can also assist you with any of your consumer or rental enquiries.