

felloh

Everything
travel businesses
need to
know about

CHARGEBACKS

and 5 ways to avoid them





Click any section to jump straight to it:

3

Chargebacks in Travel

6

What they are

7

Common causes

11

The timeline

13

The impact

15

5 ways to avoid them

INTRO

Whether you're managing finances or handling travel operations, chargebacks impact your whole team.

Every payment dispute hits your bottom line twice: lost revenue and the time your team spends fighting it.

For travel pros, that means less time finding clients the best deals and perfecting every detail of their dream trips.

For finance teams, it means hours spent gathering evidence and fighting disputes instead of focusing on business growth.



Whether you're crafting perfect trips or managing the books, chargebacks pull you away from what matters most and wastes your time while watching your hard-earned revenue slip away while you fight a dispute.

YOU ARE NOT ALONE

71%

of travel
companies
have seen
growth in
chargebacks
over recent
years

ABTA, 2023



Only 1 in 4
travel
companies
win more
than 60% of
their disputes

Outpayce Research, 2023

The challenge with chargebacks is they can feel overwhelming.

When that dispute notification arrives, you might find yourself asking:

How did this happen?

What evidence do I need?

How can I prevent this next time?

Will I lose my merchant account if this keeps happening?

The good news is that you don't have to accept chargebacks as just another cost of doing business. With the right understanding and tools, you can protect your business while still providing the outstanding service your clients expect.

This guide will take you through everything you need to know about chargebacks in travel and most importantly, **5 ways to prevent them.**

What exactly is a chargeback?

A chargeback happens when a cardholder (your customer) asks their bank to reverse a payment made to your business. Instead of coming to you for a refund, they go directly to their bank, which will then debit the funds from your account while they investigate the claim.

Let's break down who's involved:



Cardholder

Your customer who made the payment



Issuing bank

Your customer's bank that issued their card



Merchant

You, the travel business that processed the payment



Merchant acquirer

Your payment provider (like Worldpay, Trust Payments, or Stripe) who processes card payments for you

In the travel industry, chargebacks typically happen for 4 main reasons



1

Merchant Error

When something goes wrong on your side. This could be:

Incorrect charging:

- Double charging a booking
- Wrong amount processed
- Currency conversion errors
- Unauthorised additional charges

Service issues:

- Accommodation not matching description
- Flight cancellations without proper notification
- Missing elements of a package
- Quality falling short

Communication problems:

- Booking confirmation not sent
- Cancellation policy not clearly communicated
- Changes to service not properly notified
- Refund delays or processing errors

In the travel industry, chargebacks typically happen for 4 main reasons



2

Merchant Fraud

When customers believe they've been deliberately misled. This could be:

False advertising:

- Services significantly different from advertised
- Hidden charges not disclosed at booking

- Facilities or amenities not available as promised
- Quality substantially below advertised

Unauthorised charges:

- Additional fees without consent
- Unexpected service charges

- Undisclosed recurring payments
- Processing payment without proper authorisation

In the travel industry, chargebacks typically happen for 4 main reasons



3

Friendly Fraud

When customers dispute legitimate charges.

This could be:

Buyer's remorse:

- Customer changes their mind after booking
- Finds a better deal elsewhere
- Personal circumstances change

Forgetfulness:

- Customer doesn't recognise the charge
- Forgot about or didn't notice recurring payments
- Family member made authorised booking

In the travel industry, chargebacks typically happen for 4 main reasons



4

Criminal Fraud

This involves actual fraudulent activity with stolen card details. This could be:

Card theft:

- Physical card stolen and used
- Data breach leading to unauthorised use
- Card details compromised online

Identity theft:

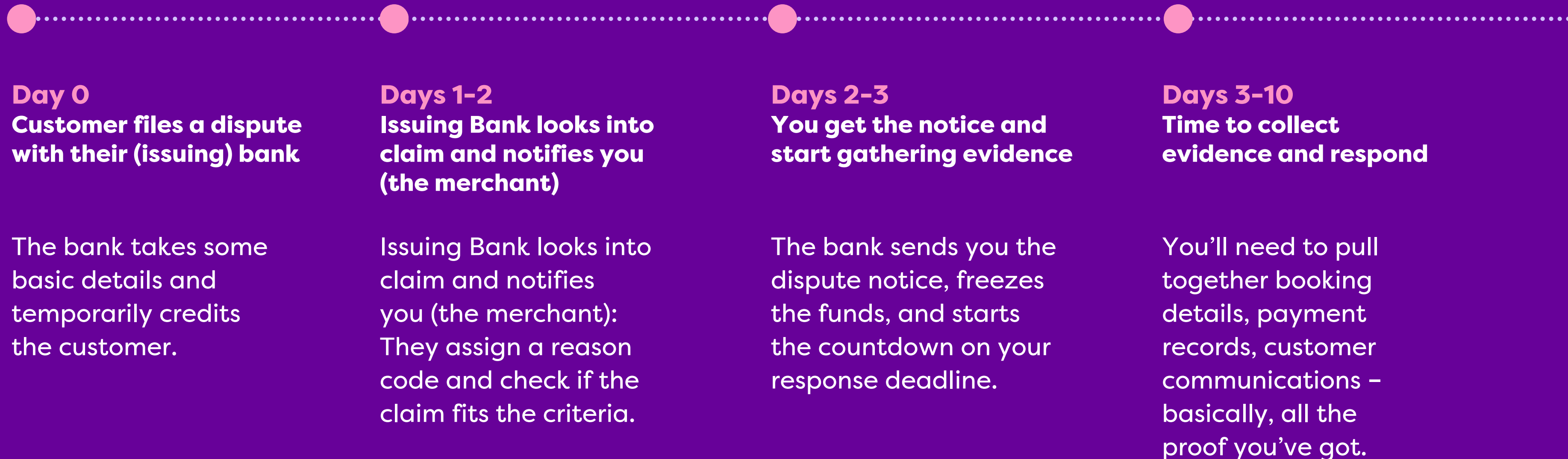
- Stolen personal information used for booking
- Synthetic identity fraud
- Account takeover fraud
- Card testing fraud

Middleman fraud:

- Fraudulent websites advertising heavily discounted holidays
- Fraudsters using stolen card details to book travel
- Original cardholder disputes charge when discovering fraud

Chargeback timeline

While specific timeframes and processes can vary between card schemes (Visa, Mastercard, American Express), here's a general overview of what happens during a chargeback dispute:



Chargeback timeline

It's important to note that the process typically starts with the issuing bank siding with their cardholder - you'll need to provide compelling evidence through your acquiring bank to challenge this. If the banks can't agree, the case goes to the card scheme for a final, binding decision.

Day 10-30

Bank reviews the case and gives a verdict

They go through all the evidence, weigh both sides, and make a preliminary decision.

Days 30-45

Final decision and appeal window

The bank makes the call – either the funds come back to you, or they go to the customer. Both parties are notified.

Days 45-60

Last chance to appeal

This is your final window to submit new evidence before the case closes. However, appeals come with a €1,000 fee - you'll get this back if you win, but lose it if unsuccessful. Given these high stakes, it's important to be confident in your evidence before proceeding with an appeal.



The real impact

on your business

Travel businesses face unique challenges with chargebacks:

High-value bookings mean bigger risks

Multiple suppliers and services increase points of potential failure

Complex booking patterns (both advance bookings and last-minute changes) create multiple dispute opportunities

Growing customer awareness of dispute rights

Multiple systems make maintaining clear audit trails challenging



The real impact

on your business

When you get hit with a chargeback, you're not just losing the transaction amount. The ripple effects include:

The original payment: You lose the full amount of the transaction

Processing fees: You pay around £25 per dispute in administrative fees

Operational costs: Your team spends valuable time gathering evidence and fighting the dispute

Merchant account risk: Too many chargebacks may result in higher processing fees or even account termination

Scheme fines: Card schemes like Visa and Mastercard charge additional penalties if your chargeback ratio exceeds their thresholds

Bank fees: Additional charges from your bank for handling the dispute

Customer relationship damage: Potential loss of future bookings and reputation impact

5 WAYS TO AVOID CHARGE BACKS

Here are **5 proven ways**
to protect your travel business
from chargebacks -
from spotting early warning signs
to automating your processes.



5 ways to avoid chargebacks

1 Look out for red flags

Watch out for these warning signs:

For payment issues:

- Cards being declined repeatedly
- Multiple cards tried on one booking
- Unusual spending patterns

For service problems:

- Lots of changes to the booking
- Unclear communication
- Last-minute requests

For Fraud:

- Rush bookings for high-value trips
- Different names on card and booking
- Multiple bookings with different cards

5 ways to avoid chargebacks

2 Use payment links

When you take phone payments, you're responsible for any fraud chargebacks that come through. If a customer disputes the charge claiming fraud, you'll need to prove they were actually the cardholder who made the booking. That's almost impossible with phone payments, which is why most of these disputes end up going in the customer's favour.

Instead, use payment links.

They're secure URLs that let customers enter their card details safely in their own time. These are more secure because:

- Customers enter details directly into a secure system
- No card details are handled by your staff
- All transactions are tracked and recorded automatically

Payment links use 3DS2, which means you're not on your own when it comes to payment security. Instead, the responsibility is shared between three groups:

- 1.** The customer's bank
- 2.** Your payment provider
- 3.** The card schemes (Visa, Mastercard etc.)

5 ways to avoid chargebacks

2 Use payment links

In the UK and EU, 3DS2 (3 Domain Secure 2) is required for online payments. This security protocol keeps you protected by:

- Using multiple data points to verify identity
- Processing authentication in the background
- Requiring two forms of verification:

- ✓ Something the customer knows (password, PIN)
- ✓ Something they have (phone, card reader)
- ✓ Something they are (fingerprint, face recognition)

Keep this in mind when accepting international bookings:

While 3DS2 is mandatory in the UK and EU, many cards from outside Europe, especially the US, don't offer this protection. This means bookings from these regions carry a higher risk, as these customers are also statistically more likely to raise chargebacks.

5 ways to avoid chargebacks

5 Keep detailed records

When a chargeback hits, evidence is everything.

Having the right documentation ready can mean the difference between winning and losing a dispute. Here's what you need to keep track of:

Booking confirmations:

- Complete itinerary details
- Price breakdown
- Terms and conditions
- Cancellation policy

Payment records:

- Authorisation codes
- Transaction IDs
- 3DS2 authentication results
- Card verification responses

Customer communications:

- All email exchanges
- Chat logs
- Phone call recordings
- Support ticket history

Proof of service delivery:

- Check-in records
- Service usage logs
- Delivery confirmations
- Customer feedback

5 ways to avoid chargebacks

4 Keep clear communication

By keeping your customers informed at every stage of their journey, you can prevent many disputes before they happen.

Booking stage:

- Send immediate confirmation emails
- Document customer acceptance of T&Cs
- Provide detailed itineraries
- Explain payment processing clearly
- Outline cancellation policies

Pre-travel:

- Send reminder notifications
- Confirm final arrangements
- Provide emergency contacts
- Update any changes promptly

Post-travel:

- Request feedback
- Address issues quickly
- Document all interactions
- Keep communication records

5 ways to avoid chargebacks

Automate your finance operation

Manual processes create room for errors, and in travel, those errors can be costly. Automation not only saves you time - it helps prevent the mistakes that often lead to chargebacks.

Payment processing:

- Automatic payment tracking
- Real-time transaction reconciliation
- Instant notification systems
- Send clear instalment schedules showing exact payment dates and amounts

Record keeping:

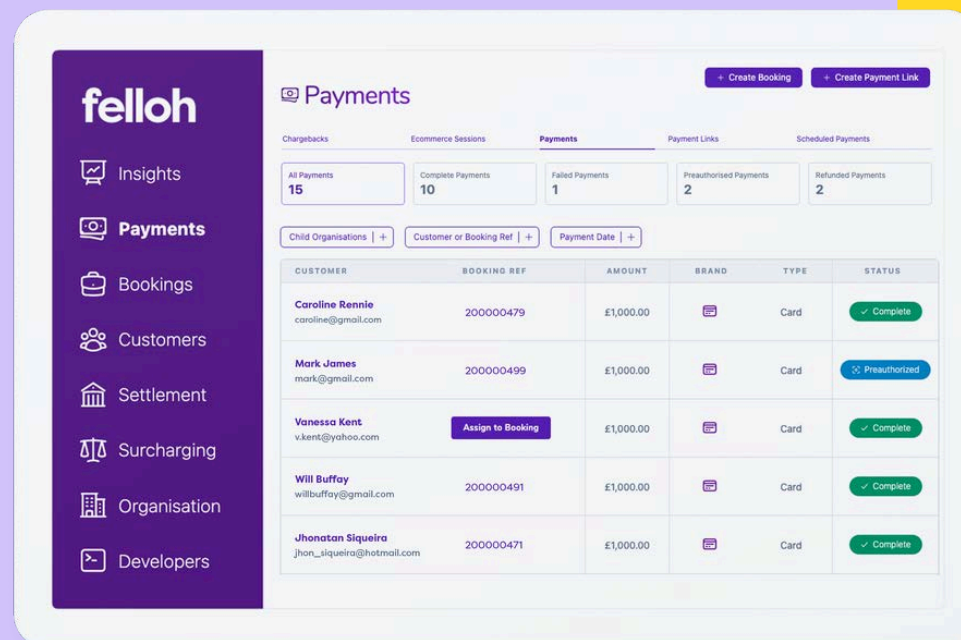
- Digital documentation storage
- Automated audit trails
- Systematic data organisation
- Secure backup systems

felloh

helps you avoid chargebacks!

Chargebacks aren't just frustrating - they're eating into your profits and taking up valuable time.

That's why Felloh automatically screens transactions for fraud indicators.



felloh					
Insights	Payments				
Payments					
Bookings					
Customers					
Settlement					
Surcharging					
Organisation					
Developers					
Payments					
Chargebacks	Commerce Sessions	Payments	Payment Links	Scheduled Payments	
All Payments 15	Complete Payments 10	Failed Payments 1	Preauthorized Payments 2	Refunded Payments 2	
Child Organisations Customer or Booking Ref Payment Date					
CUSTOMER	BOOKING REF	AMOUNT	BRAND	TYPE	STATUS
Caroline Rennie caroline@gmail.com	200000479	£1,000.00	MA	Card	Complete
Mark James mark@gmail.com	200000499	£1,000.00	MA	Card	Preauthorized
Vanessa Kent v.kent@yahoo.com	Assign to Booking	£1,000.00	MA	Card	Complete
Will Buffay willbuffay@gmail.com	200000491	£1,000.00	MA	Card	Complete
Jhonatan Siqueira jhon_siqueira@hotmail.com	200000471	£1,000.00	MA	Card	Complete

Felloh's chargeback rate is

75% lower

than the travel industry average



Get tools specifically designed for travel pros to prevent chargebacks in travel, automating the manual tasks that often lead to mistakes and disputes:

Payment links

Secure payments protected by 3DS2, shifting liability away from you and preventing fraud-related chargebacks.

A screenshot of the 'Create a Payment Link' interface within the felloh dashboard. The interface has a dark purple sidebar on the left with the 'felloh' logo and a menu of icons for Insights, Payments, Bookings, Customers, Settlement, Surcharging, Organisation, and Developers. The main content area is white and titled 'Create a Payment Link'. It contains several input fields: 'Payment Amount' (with a currency selector set to '£' and a value of 'e.g. 200.00'), 'Payment Link Type' (set to 'Full Payment'), and 'Payment Link Description' (with a placeholder 'e.g. Trip to Hawaii'). Below these is a large purple button labeled 'Create Payment Link'. To the right of the main form is an 'Advanced Options' panel. This panel includes 'Allowed Card Types' with toggle switches for AMEX, Mastercard, and Visa; 'Allowed Card Regions' with toggle switches for UK, Europe / EEA, and Rest of World; and a 'Custom Expiration Date' section with a 'Click to select' button.

Automatic surcharging

Show customers any card fees upfront before they pay, avoiding surprise charges that often lead to disputes. They'll see exactly what they're paying for corporate or international cards at checkout.

Risk control

Make confident decisions with booking-level exposure tracking and avoid duplication of cover.



Get tools specifically designed for travel pros to prevent chargebacks in travel, automating the manual tasks that often lead to mistakes and disputes:

Multi-Currency support

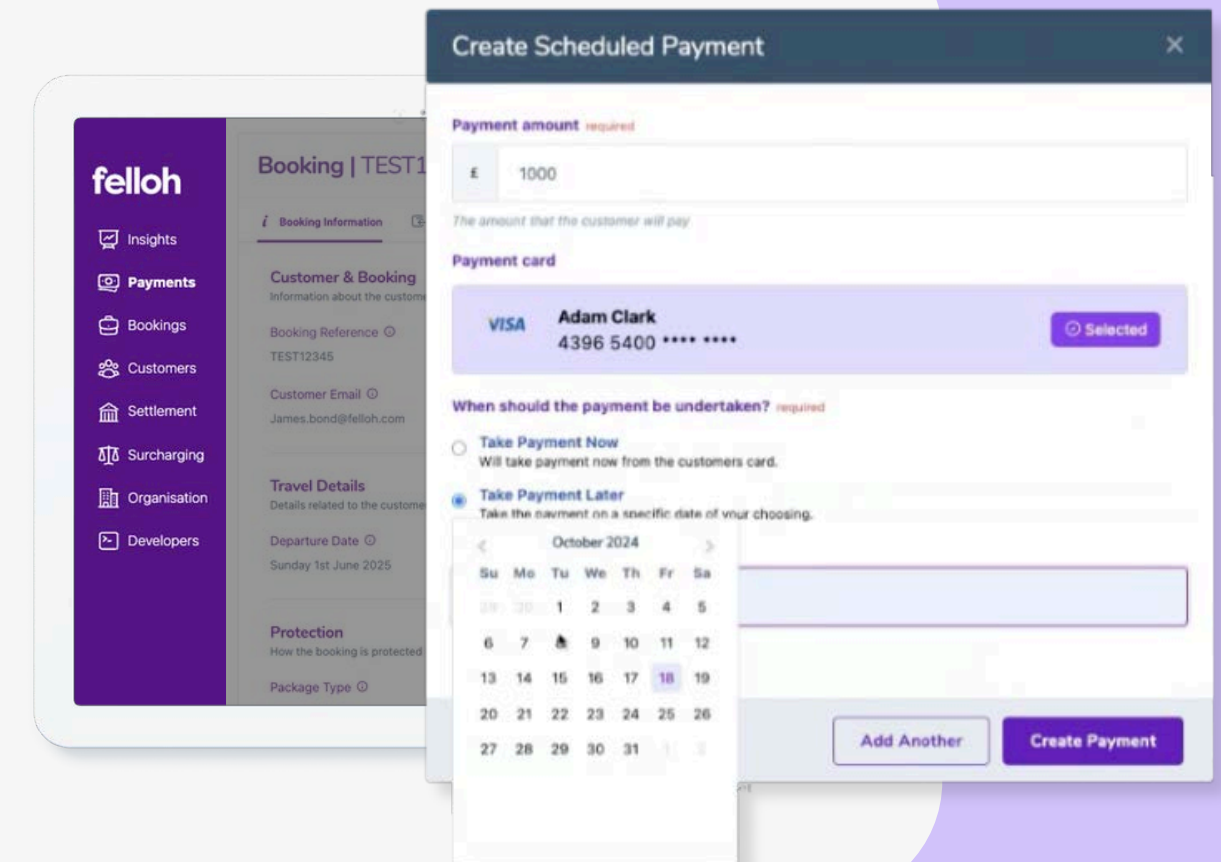
Process transactions in multiple currencies while maintaining clear tracking and reconciliation, avoiding disputes from currency conversion confusion.

Smart reporting

All your booking details, payment records, and communications logs are automatically organised and ready if you need them.

Card instalment plans

Let customers securely store their card details for future payments or instalments. Our secure card tokenisation means you're fully PCI compliant, so you can safely handle card storage and recurring payments without worry.





Stop relying on manual work that causes mistakes and chargebacks.

Connect **Felloh** to your website or back-office system and let automation protect your business from chargebacks.

No setup fees,
just powerful tools designed for travel.

**Book a 20-minute chat with
our travel expert team**



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