



**DEMO**  
First chapter only

---

# The Chargeback Defense Kit

Win More Disputes with Evidence Packs, Policy Pages, and Prevention Logs



## **The Chargeback Defense Kit**

© 2026 Pragma Vision LLC. All rights reserved.

### **Trademark Notice**

Google, Google Pay, Google Cloud, and Android are trademarks of Google LLC. Stripe is a trademark of Stripe, Inc. Cloudflare and Cloudflare Workers are trademarks of Cloudflare, Inc. Supabase is a trademark of Supabase, Inc. OpenAI and ChatGPT are trademarks of OpenAI, Inc. Claude is a trademark of Anthropic, PBC. W3C is a trademark of the World Wide Web Consortium. Visa is a trademark of Visa International Service Association. OWASP is a trademark of the OWASP Foundation. Midjourney is a trademark of Midjourney, Inc. Canva is a trademark of Canva Pty Ltd. Etsy is a trademark of Etsy, Inc. Amazon is a trademark of Amazon.com, Inc. All other trademarks are the property of their respective owners.

### **No Affiliation**

This book is an independent publication. It is not authorized, sponsored, or endorsed by any of the companies or organizations whose products or services are mentioned herein.

### **No Professional Advice**

The information in this book is provided for educational purposes only. It does not constitute legal, financial, investment, tax, or other professional advice. Readers should consult qualified professionals for guidance specific to their situation.

### **Code Examples**

Code examples in this book are provided for illustration only. They may not be suitable for production use without additional validation, error handling, and security review.

**Published by** Pragma Vision LLC

First edition, 2026.

# Contents

<b>1</b>	<b>Why Sellers Lose Winnable Disputes</b>	<b>6</b>
1.1	The Quiet Tax on Every Online Store	7
1.2	The Hidden Cost of a Single Chargeback	7
1.3	Why Processors Are Not on Your Side	8
1.4	The Seller Behaviors That Increase Loss Rate	9
1.5	What This Book Builds	10
<b>2</b>	<b>The Reason Code Decoder Ring</b>	<b>12</b>
2.1	Why the Reason Code Is Everything	13
2.2	Visa Reason Codes (Most Common)	13
2.3	Mastercard Reason Codes	14
2.4	American Express Reason Codes	15
2.5	Discover Reason Codes	16
2.6	The Cross-Network Pattern	17
<b>3</b>	<b>Evidence by Product Type</b>	<b>19</b>
3.1	The Product-Type Lens	20
3.2	Physical Goods	20
3.3	Digital Goods	21
3.4	Subscriptions	22
3.5	Services	22
3.6	Hybrid Products (Physical + Digital)	23
3.7	The Evidence Inventory Checklist	24
<b>4</b>	<b>Proof-of-Delivery for Physical Goods</b>	<b>26</b>

---

4.1	Tracking Is the Floor, Not the Ceiling . . . . .	27
4.2	The Three Major Carriers . . . . .	28
4.3	The AVS Layer . . . . .	30
4.4	Photo on Delivery as Backup Evidence . . . . .	31
4.5	Handling the “Empty Box” Claim . . . . .	31
4.6	The Carrier Service Ticket . . . . .	32
<b>5</b>	<b>Digital Access Proof . . . . .</b>	<b>34</b>
5.1	The Challenge with Digital Disputes . . . . .	35
5.2	The Five Pillars of Digital Evidence . . . . .	35
5.3	The Pre-Sale Acknowledgment Pattern . . . . .	38
5.4	Friendly Fraud and the Digital Refund Trap . . . . .	39
<b>6</b>	<b>Policy Pages That Reduce Ambiguity . . . . .</b>	<b>41</b>
6.1	Why Policies Win Disputes Before They Start . . . . .	42
6.2	The Seven Clauses Processors Look For . . . . .	43
6.3	The Refund Policy Page . . . . .	43
6.4	The Shipping Policy Page . . . . .	44
6.5	The Subscription Cancellation Policy . . . . .	45
6.6	Policy Placement and Acknowledgment . . . . .	46
6.7	Updating Policies Without Losing Evidence . . . . .	47
<b>7</b>	<b>Customer Message Logs and Timelines . . . . .</b>	<b>49</b>
7.1	Why Communication Records Win Cases . . . . .	50
7.2	What Counts as Admissible Communication . . . . .	50
7.3	Capturing Conversations Across Channels . . . . .	51
7.4	Building the Dispute Timeline . . . . .	52
7.5	The Power of the Cooperative Response . . . . .	53
7.6	Red Flags in Customer Messages . . . . .	54
7.7	Annotating Evidence for the Processor . . . . .	55
<b>8</b>	<b>Fraud Signals Before Fulfillment . . . . .</b>	<b>56</b>

---

8.1	The Cheapest Dispute Is the One You Prevent . . . . .	57
8.2	The Risk Signals to Watch . . . . .	57
8.3	Stripe Radar (Built In) . . . . .	58
8.4	Signifyd, Sift, Kount, Riskified . . . . .	59
8.5	Manual Review Workflows . . . . .	60
8.6	When to Delay Shipment . . . . .	61
8.7	The Velocity Trap . . . . .	62
<b>9</b>	<b>The 48-Hour Response Workflow . . . . .</b>	<b>64</b>
9.1	Why 48 Hours, Not 7 Days . . . . .	65
9.2	Hour 0–12: Triage . . . . .	65
9.3	Hour 12–24: Evidence Collection . . . . .	66
9.4	Hour 24–36: Assembly and Annotation . . . . .	67
9.5	Hour 36–48: Review and Submit . . . . .	68
9.6	The Dispute Tracker . . . . .	69
9.7	What to Do When You Lose . . . . .	70
9.8	The Quarterly Defense Review . . . . .	71
	<b>What’s Next . . . . .</b>	<b>73</b>
	<b>About Pragma.Vision . . . . .</b>	<b>75</b>

# 1

## Why Sellers Lose Winnable Disputes



**Figure 1.** Reactive Defense moves from a 7-day overdue desk and 20% win-rate baseline to Systematic Defense with six artifact slots, a 48-hour timeline, 60% with workflow, 90 min/dispute saved, and \$218 true cost per chargeback recovered

## 1.1 The Quiet Tax on Every Online Store

A chargeback is the only sales transaction where the seller is presumed guilty until proven innocent. The buyer files a dispute with their card issuer. The card network freezes the funds. The processor (Stripe, PayPal, Square, Shopify Payments) opens a case and assigns the seller a deadline—typically 7 days—to submit evidence. If the seller does nothing, the dispute is lost automatically. If the seller submits weak or wrong evidence, the dispute is lost almost as fast.

Most sellers do not lose disputes because the customer was right. They lose because they did not know what evidence to send, did not know how to format it, or did not respond in time.

# 20%

average chargeback win rate for sellers who respond without a structured evidence workflow—versus 60%+ for sellers who use one<sup>1</sup>

That gap—20% versus 60%—is not about luck or generous processors. It is about evidence quality. A well-built evidence pack contains the same six artifacts every time: proof of delivery, customer consent records, policy excerpts, communication logs, fraud-screening output, and timeline of events. Sellers who submit all six win roughly three times more often than sellers who submit a screenshot of the order page and a sentence saying “the customer received the product.”

## 1.2 The Hidden Cost of a Single Chargeback

The headline number on a chargeback is the disputed amount. That is the smallest part of the cost.

---

<sup>1</sup>Chargebacks911, “2024 Cardholder Dispute Index,” aggregated win rates across 50,000+ disputes.

<b>Cost Component</b>	<b>Typical Amount</b>
Disputed transaction amount	\$80.00
Processor chargeback fee	\$15–\$25 <sup>2</sup>
Original product COGS (lost inventory)	\$30.00
Refunded shipping cost (often non-recoverable)	\$8.00
Staff time to assemble evidence (90 min @ \$40/hr)	\$60.00
Marketing acquisition cost (CAC) burned	\$25.00
<b>True cost of one \$80 chargeback</b>	<b>\$218.00</b>

A single \$80 chargeback is not an \$80 loss—it is a \$218 loss. A seller absorbing 40 chargebacks per year at this profile is bleeding \$8,720 in real costs, not the \$3,200 their accountant sees on the disputes line.

#### Key Insight

The 90 minutes of evidence-gathering time is the cost most sellers ignore. If you bill your own time at \$40/hour, every undisputed chargeback costs you a full hour at your own rate—and your win rate when you rush is closer to 10% than 20%. The case for a templated, repeatable evidence workflow is not just about win rate. It is about reclaiming the hour.

### 1.3 Why Processors Are Not on Your Side

It is tempting to believe Stripe, PayPal, and Shopify Payments are advocating for the merchant. They are not. Card networks (Visa, Mastercard, Amex, Discover) set the rules. Processors administer those rules. The processor's incentive is to keep both buyers and sellers as customers—and to minimize their own liability. When in doubt, processors side with the cardholder, because the cardholder has more leverage with the issuing bank.

<sup>2</sup>Stripe charges \$15 per dispute; PayPal \$20; Shopify Payments \$15.

Processor	Evidence Window	Dispute Fee
Stripe	7 days from notification	\$15
PayPal	10 days (varies by case)	\$20
Square	5 business days	\$0 (absorbed)
Shopify Payments	7 days from notification	\$15
Adyen	7–10 days (network-dependent)	\$11
Braintree	5 business days	\$15

The 7-day window is unforgiving. Notification arrives by email. If the email lands in spam or you are on vacation, the case is closed against you before you ever see it. The first defensive move every seller should make: route dispute notifications to a Slack channel, an SMS gateway, and at least two human inboxes. Missing the notification is the most common loss reason of all—and the only one that requires zero skill to prevent.

## 1.4 The Seller Behaviors That Increase Loss Rate

After processing thousands of disputes across our consulting clients, four behaviors correlate with sub-20% win rates:

1. **Submitting prose instead of artifacts.** A paragraph saying “the customer received the product” is rhetoric. A tracking record showing signature at the customer’s address is evidence. Processors are not reading your essay.
2. **Ignoring the reason code.** A Visa 13.1 (Merchandise/Services Not Received) requires proof of delivery. A Visa 13.7 (Cancelled Recurring Transaction) requires the customer’s cancellation policy acknowledgment. Submitting tracking against a 13.7 is a near-certain loss.

3. **Sending raw screenshots without context.** A Stripe customer-info page in isolation tells the arbitrator nothing. The same screenshot with a labeled annotation pointing at the AVS match and the matching billing address tells a story.
4. **Waiting until day 6.** Evidence quality degrades when assembled under deadline pressure. The 48-hour workflow in Chapter 9 exists precisely to push evidence work to days 1–2 of the window.

#### Pro Tip

Run this audit on your last 10 lost disputes: did you respond at all? Did the response include all six evidence artifacts (delivery, consent, policy, communication, fraud-screening, timeline)? Did the response address the specific reason code? If any answer is “no” on more than three of the ten, your win rate problem is not the customer—it is the workflow.

## 1.5 What This Book Builds

The remaining chapters give you a complete, repeatable defense system:

- A decoder ring for the most common reason codes (Chapter 2)
- Evidence requirements by product type—physical, digital, subscription, service (Chapter 3)
- Proof-of-delivery best practices for physical goods (Chapter 4)
- Digital access proof for downloads, licenses, and streaming (Chapter 5)
- Policy page templates that reduce ambiguity at the source (Chapter 6)
- How to capture and present customer message threads (Chapter 7)
- Pre-fulfillment fraud screening with Stripe Radar, Signifyd, and Kount (Chapter 8)

- The 48-hour response workflow, end to end (Chapter 9)

By the end of the book, you will have evidence templates, policy text, and a step-by-step playbook that can move your win rate from 20% to 60%+ inside one quarter.

---

**Get the complete book — <https://shop.pragma.vision>**

# DEMO

---

This is a free preview of the full edition.

Get the complete book at:

<https://shop.pragma.vision>