

## Handling Charge-Backs in the Private Hire Taxi Industry

*Having the ability to offer your customers card transactions within the vehicle, over the phone or via your website can be great for your private hire business. There is a clear customer benefit if you can provide convenient card payments facilities. But it is important to find the right balance between security and convenience for your customers while adopting the necessary processes to help safeguard your business against fraud-related charge-backs.*

A charge-back arises when a payment by credit or debit card is rejected by the charge-card payment provider. In most circumstances this happens because the card holder contacts their credit card company or bank to say they do not wish to pay the transaction – either they have a dispute over the amount they are being charged or they simply deny authorising the transaction in the first place.

In any case, once the charge-back has been issued, a pause is placed on the transaction or it is reversed and the money removed from the merchant's account - in this case that of the private hire operator. The credit card processor then steps in to help mediate between the operator and the disputing customer's bank and credit card holder.

From a business's perspective charge-backs can be costly and time-consuming, and if too many occur not only can this damage the operator's margins but it can adversely affect their merchant account and ability to defend against charge-backs in the future.

Naturally, the best way to handle charge-backs is to take steps to prevent disputes before they occur. The following best practices can help to minimise disputes and the time and effort required to resolve them.

### **Useful tips for spotting fraud**

Your drivers can be trained to keep an eye out for the warning signs of fraud. Although not definitive evidence of fraud or that fraud has potentially been attempted, the following points should be considered before a card transaction is entered into:

- Does the passenger seem uninterested by the fact that the fare will be large?
- Is it an unusually long journey and therefore high fare?
- Is the passenger using someone else's card?
- Are they claiming to be using a company card?
- Does the pick-up or destination address seem suspicious? Has the address been used before with different customer details?
- Is the customer attempting to use more than one card in order to split the cost of the journey?

- Do cards fail to authorise and does the customer keep providing details of alternative cards?
- Has the car been booked over the telephone but the cardholder is not the person being picked up?

## **The Solution**

Confirm all the necessary information when taking telephone bookings; these are the details you would need to provide in order to defend a charge-back:

- Cardholder name, as it appears on the card
- Card number, expiry date and 3-digit Card Security Code
- Card billing address, including postcode for the card
- Landline contact number
- Mobile contact number
- Journey date
- Passenger full name, if not the cardholder
- Pick up / drop off addresses

When taking payments within the vehicle make sure, wherever possible, the driver sees the card beforehand and a corresponding proof of ID. Mobile card payment devices that are particularly suited to the private hire environment, such as the PayPal Here mobile chip and PIN card reader, allow drivers to process Chip and PIN, contactless and swipe card payments through an integration with their Smartphone driver's booking and dispatch app, thus greatly reducing the risk of charge-backs.

## **Conclusion**

Autocab is helping to protect our customers from fraud in the private hire taxi industry, no matter which region or country they operate in. Contact us to learn more about our mobile electronic payment solutions.

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