



# Sertifi

## Friendly Fraud Prevention *for Hotels*

Friendly Fraud and Chargeback Fraud are two types of payment fraud that are often used interchangeably, but they aren't the same. While both can impact a hotel's bottom line and reputation, the two factors that separate them are the **guest's intention and behavior patterns**. There are ways hotel teams can better protect their property from these types of payment fraud - it comes down to creating a positive guest experience.

The cost for each dollar of fraud loss is  
**\$2.94.\***

**Friendly Fraud** is when a person **unknowingly** commits fraud by asking for a chargeback from their credit card company or bank after a transaction has taken place. It's generally associated with people who don't realize they purchased something or that they didn't understand what they were agreeing to pay for.

**Chargeback Fraud** is when a person **knowingly** purchases a product or service and intentionally files a chargeback through the credit card company with the goal of keeping the product or service and receiving a refund.

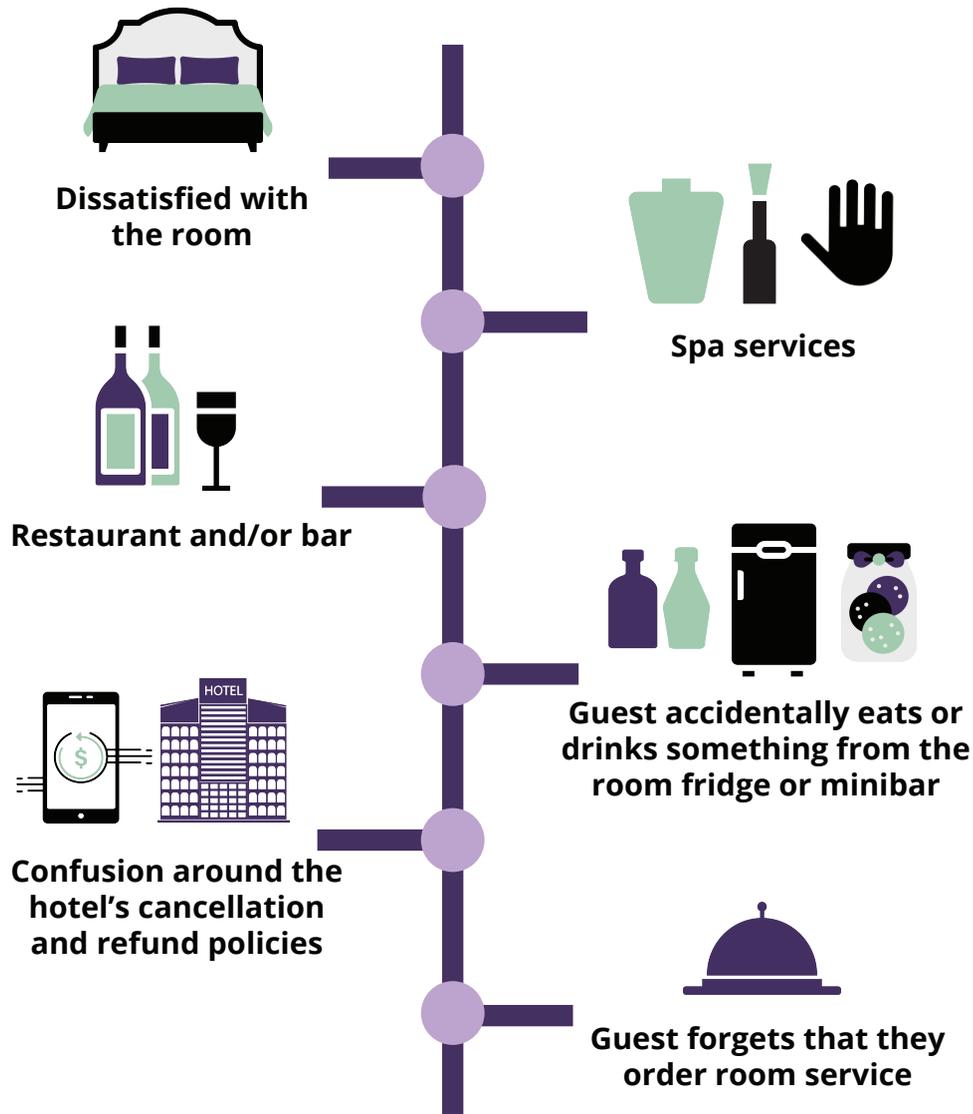
### The Consequences of Friendly Fraud

**Revenue Loss** - When a guest requests a chargeback, the hotel is hit with a chargeback fee. These can accumulate over time if the hotel can't win the chargeback case.

**Damaged Reputation** - Hotels can experience a tarnished reputation if they continually get hit with chargebacks. This could result in fines from their payment processors or credit card merchants.

**Loss in Productivity** - Building a case to dispute a chargeback is time consuming. When more time is spent drafting a chargeback response, that means less time doing what matters more to the team.

# Areas Where Friendly Fraud Occurs in Hotels



## 5 Ways to Prevent Friendly Fraud

- ✓ Have a clear refund and cancellation policy in place.
- ✓ Empower the Guest Services team to handle guest complaints.
- ✓ Use clear and recognizable billing descriptors on your credit card authorization forms and invoices.
- ✓ Regularly touch base with the guest.
- ✓ Maintain your internal notes in the guest reservation.

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