

Fraud and dispute management is a cost-driven business. Financial institutions are suffering losses within claims departments while also attempting to meet account holder needs during the chargeback process. Balancing customer satisfaction while mitigating losses to claims can be a double-edged sword for financial organizations. Regulatory deadlines and association requirements complicate the chargeback management process, and rising customer expectations and competition within financial services are changing the conventional idea of customer service. With the growth in digital banking, embedded finance, and other emerging technologies, account holders can more easily change financial institutions at any given moment. As new market entrants regularly see to appease new customers, it is essential to remember that consumers expect a streamlined digital banking experience, specifically when it comes to chargebacks. In this article, Quavo experts detail the importance of the account holder experience throughout the fraud and dispute management process and how [Quavo's Disputes as a Service™](#) offering executes the user experience during the chargeback process.

Account Holder Experience & Chargeback Management

A December 2020 [Ascent](#) study indicated that the most critical features consumers want in a banking relationship are quality customer service, low fees, security and fraud protection, and mobile and online access. The quality of customer service and security and fraud protection ranked "very important" to respondents when surveying what account holders valued from a banking relationship.

A [Statista](#) study reported that as of September 2021, more than 43% of respondents had switched their primary financial institutions due to mobile banking reasons, online banking, and customer service concerns, followed by 35% and 33% of respondents correspondingly. With little hesitancy to revise one's banking solution to cater to individual needs and emerging technologies, existing financial institutions must keep up with consumer wants and needs as the embedded finance and BaaS (banking as a service) arena are evolving.

Recently a [McKinsey](#) report indicated the most significant trend is that customers increasingly seek simple, holistic, embedded, and direct experiences. Quavo's Client Experience Manager, Rex Richardson, holding over 20 years of experience in the industry, agreed, weighing in on what the account holder experience means within financial institutions. "Ultimately, consumers want the security of knowing that if something happens with their funds, there is a resource to turn to. Account holders want to feel secure that their FI is available to fight on their behalf, whatever the reason. Having available resources at the account holder's disposal such as mobile and online banking is also a great benefit."

Moreover, account holders want something done quickly, especially regarding fraudulent transactions and the loss of their funds. For example, suppose a cardholder intends to file a dispute with Financial Institution A. In that case, they don't want to wait on hold or retell their story a handful of times in hopes that someone catches the story correctly the first time. Account holders want to explain to a representative from Financial Institution A the situation at hand and have the FI gather what is required to fight on behalf of the cardholder, providing communication, answers, and support. In turn, financial institutions want to give the best customer satisfaction because happy customers are often long-term customers. If institutions overlook this process, consumers will report to the CFPB (Consumer Financial Protection Bureau), resulting in audits or regulatory fines, in addition to impacting the reputation of the institution. Financial organizations are expected to be reputable as consumers rely on the trustworthiness that their funds and themselves will be taken care of. The Federal Reserve [describes](#) the impact of a damaged reputation, "Reputational risk is the potential that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions."

Financial Institutions Chargeback User Experience

For issuers, the most important question regarding chargeback management is, "How do we reduce the number of losses we are taking while upholding customer satisfaction and regulatory requirements?" The answer is: Implementing a streamlined process that asks the appropriate questions upfront, files cases correctly, and ensures that the chargeback process is as efficient and straightforward as possible. Quavo's Rex Richardson stated, "As with consumer frustration, financial institutions don't always have a resource to turn to for support. There is not someone to supply extra training or provide direction on what an application does." There is a cross-over in terms of expectations from consumers and financial institutions. Account holders want a resource they can turn to that grasps and understands the situation at large. Financial institutions also need a resource they can depend on for validation, upholding compliance, and ensuring all guidelines and regulations are accounted for. The importance of an account holder's experience throughout the chargeback stems from the experience and training provided to the employees within the financial institution. The trickle-down of information and support is imperative to mitigating losses within fraud and dispute management.



Quavo's Disputes as a Service™ Offering

A sample study from a leading global issuing bank showed close to \$11 million spent in annual dispute write-offs, not including the cost of managing the dispute. Financial institutions need to manage their operating expenses such as labor, technology, overheads, etc., and bundled costs of manually managing a dispute, which could be \$50/dispute or even higher. Incorporating an automated dispute management software such as Quavo's QFD™ reduces the cost of disputes while increasing the opportunity for recovery. Removing the chance of human error and guesswork with automation allows chargebacks to be more successful and consistent. Quavo's Disputes as a Service™ offering features a pay-per-action pricing model, so issuers pay only for what they use. QFD™ works across multiple channels, ensuring easy access to information and transparent processes are communicated to account holders. Our experts provide continued support after onboarding, providing training, answers, and a resource to guide FIs during their chargeback management journey. Our cloud-based SaaS solutions satisfy the needs of financial institutions by filtering down the communication transfer and support to their account holders and institutions while automatically keeping up to date with the latest network mandates and regulatory requirements.

To learn more about our Disputes as a Service™ offering, visit us [online](#).
Start automating for tomorrow, today.