



The First 48-Hours

Why Speed Matters in Fraud Claim Resolution

The first 48 hours following a fraud claim submission represent a critical period for financial institutions. This narrow window determines whether issuers can effectively combat the growing tide of friendly fraud or fall victim to costly disputes that spiral out of control. For institutions that prioritize protecting their bottom line and accountholder relationships, speed and precision during this time aren't just advantageous; they're essential.

The Growing Threat of Friendly Fraud

The truth about friendly fraud paints a sobering picture for the financial services industry. Recent data reveals that friendly fraud makes up a majority of all chargeback activity, with some estimates placing it at over [70% of all credit card fraud cases](#). The financial impact is significant and according to industry reports, friendly fraud costs the industry over [\\$132 billion annually](#).

The problem has intensified dramatically in recent years. A [comprehensive survey](#) found that 79% of merchants experienced first-party fraud in 2024, representing a massive increase from just 34% in 2023. This makes friendly fraud the most prevalent type of fraud worldwide, with the average dispute costing issuers approximately \$10 per incident. Even more concerning, nearly three-quarters of surveyed retailers reported an [18% average increase in friendly fraud over the past three years](#).

The human element adds another layer of complexity to this challenge. Research states that consumers who engaged in first-party fraud claimed it was accidental, while many claimed they were motivated by economic hardship. Additionally, many shoppers don't understand the difference between chargebacks and refunds, and most skip contacting merchants entirely about issues before filing chargebacks. This combination of intentional abuse, genuine confusion, and economic pressure creates a perfect storm that financial institutions must navigate.

Resolving Disputes Before They Begin

When a fraud claim is submitted, the clock immediately starts ticking. The first 48 hours are the optimal window for decisive action, when evidence is top-of-mind, merchant collaboration is most effective, and automated systems can deliver maximum impact. During this period, financial institutions have the best opportunity to distinguish between legitimate unauthorized activity and friendly fraud attempts before cases escalate into costly, time-consuming investigations.

This is where Quavo's advanced solutions demonstrate their value. Rather than relying on reactive measures that start only after disputes have already gained momentum, Quavo's approach centers on proactive intervention during this initial period.

The **Advanced Intake Deflection** feature enables early, intelligent intervention by aggregating detailed merchant and transaction data prior to claim submission, allowing disputes to be resolved during the first accountholder interaction.

The benefits of a proactive approach are substantial. When disputes can be resolved during the initial interaction, issuers experience reduced operational costs, zero escalations to formal dispute processes, and significantly improved accountholder satisfaction. This stands in stark contrast to traditional approaches that allow disputes to progress through lengthy investigation cycles, accumulating costs and complexity at each stage.



Intelligent Automation at Scale

For disputes that progress beyond intake deflection, a comprehensive and streamlined analysis becomes essential. Quavo's **Investigation AI** addresses this need through an multi-point fraud evaluation framework that has been refined using insights from over 20 million disputes. The company's extensive dataset enables its system, QFD, to identify patterns and indicators that might escape traditional rule-based systems or manual review processes.

Quavo's competitive advantage lies not only in the maturity of its AI, but in the depth and quality of the data that powers it. While many solution providers are still in early stages of AI development and often constrained by limited or inconsistent data, Quavo has built its artificial intelligence on a foundation of millions of disputes and several years in live production environments.

This extensive dataset enables more accurate decision-making, reduces false positives, and ensures the AI delivers insights that are both reliable and operationally valuable. Without this level of data insight, competing solutions risk producing AI outputs that are incomplete, inaccurate, or ultimately not useful in the fight against complex fraud scenarios.

Investigation AI is the latest evolution of this proven technology, bringing enhanced analytical capabilities to combat the complex challenge of friendly fraud.

Beyond Deflection and AI

Effective fraud handling requires access to complete transaction and merchant data, enabling users to quickly check for duplicate disputes, purchase order details, and verify chargeback rights according to card network requirements. Quavo's QFD platform supports comprehensive insights through API-driven enrichment processes that gather complete transaction histories and merchant details automatically. This data foundation is essential for making informed decisions within the 48-hour window.

QFD's approach to evaluating chargeback rights demonstrates the power of intelligent automation. Rather than requiring manual research into evolving card network mandates, the platform automatically determines chargeback eligibility and ensures alignment with the latest network requirements. This not only accelerates decision-making but also reduces the risk of human error that can lead to improper dispute handling.

First-party fraud requires proactive capabilities during the initial review period. QFD includes sophisticated claim abuse checks that can identify patterns indicative of friendly fraud, flagging suspicious cases before they progress. The system's early warning feature is particularly valuable given the prevalence of repeat offenders in the friendly fraud space.

QFD enables strategic decision-making within the first 48 hours of claim submission through the following capabilities:

Transaction Enrichment

Gathers detailed merchant and transaction data to detect duplicates and validate chargeback rights.

Network Rules Engine

Automatically applies the correct chargeback rights for each card network, always up to date with the latest mandates.

Claim Abuse Detection

Flags suspicious activity that may indicate first-party fraud.

Refund & Collaboration Check

Identifies refunds and initiates merchant collaboration via Verifi and Ethoca.

Dynamic Recovery Prompts

Requests the documents and details required for recovery, based on card network rules.



Innovation Over Piecemeal Solutions

The challenges facing many financial institutions today are rooted in fragmented platforms that only address isolated portions of the dispute lifecycle. These incomplete solutions introduce inefficiencies, create blind spots, and slow down resolution, especially during the critical first 48 hours when accuracy and speed are key. Partial automation tools may support limited workflows, but they struggle to scale and often require manual intervention at crucial decision points. Relying on these solutions is akin to trusting a pilot who can take off but isn't equipped to land.

Quavo takes a different approach with innovative solutions that combine AI-driven automation, expert consulting, and robust dispute data built to flex around each institution's unique needs. QFD delivers true end-to-end automation from intake to final resolution. This integrated approach eliminates handoffs, ensures consistency, and scales effortlessly as dispute volumes grow and regulatory scrutiny intensifies.

Unlike limited tools that stall when complexity increases, there's no requirement to overhaul existing infrastructure or commit to a large-scale technology transformation upfront. Instead, Quavo works with clients to identify specific pain points and deliver targeted solutions that drive immediate efficiency gains and measurable ROI. Financial institutions gain a reliable, intelligent system that evolves with their needs without the heavy lift or high risk of traditional platform overhauls.

Wrap Up

The statistics show that friendly fraud will continue to be a major challenge for financial institutions. With friendly fraud representing the majority of all chargeback activity and continuing to grow at heightening rates, institutions that fail to optimize their response capabilities will find themselves at a disadvantage in accountholder satisfaction, operational speed, and financial performance.

Enabling users to decision disputes in the first 48-hour window is both a challenge and an opportunity. Institutions that can leverage this period effectively through automation, data analysis, and merchant collaboration will be better positioned to manage costs, protect accountholder relationships, and maintain competitive advantages. Those that continue to rely on reactive approaches or fragmented solutions will likely find themselves struggling with the mounting costs and operational complexity that come from ineffective dispute management.

The choice for financial institutions is clear: invest in expert-crafted solutions that deliver decisive action during the first 48 hours, or accept the costs and operational challenges that come with disjointed approaches to fraud management. In an environment where speed and precision determine outcomes, there's no middle ground for those who are serious about protecting their operations and serving their accountholders.