



**Consumer
Attitudes Towards
Chargebacks
in 2023:
Comparing the U.K.
with the U.S.**



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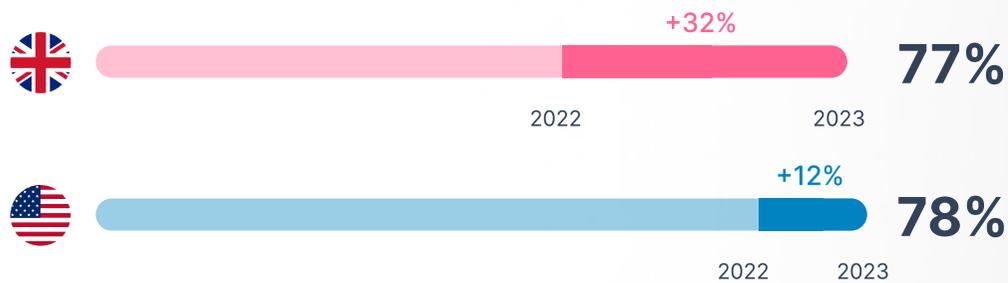
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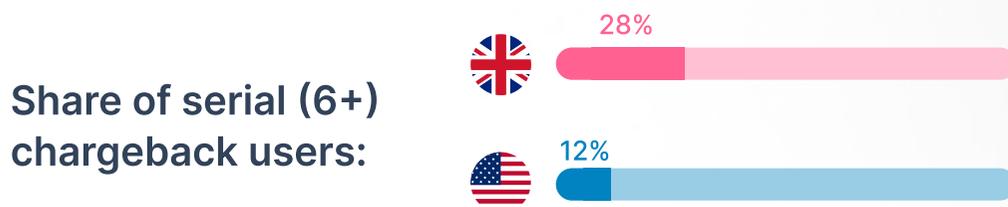
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Executive Summary

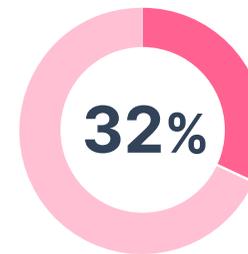
This report examines the attitudes of U.K. and U.S. consumers toward chargebacks in 2022 and 2023, with a number of important findings as follows:



"Collected responses depict a change in U.K. attitudes, with British consumers now as trigger-happy toward chargebacks as their American counterparts."



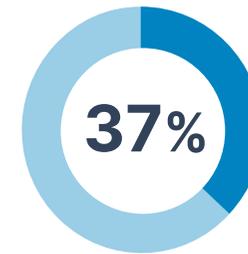
40% of U.S. users have either requested a refund and/or or a chargeback on a BNPL purchase in the past 12 months.



32% U.S. users have either filed a chargeback or considered doing so because they disagreed with a company's values.



36% of U.K. consumers have filed a travel chargeback in the past 12 months.



37% of U.S. consumers have filed a chargeback on online or mobile games in the past 12 months.

About This Report

Purpose

Merchants today continue to struggle with the problem of chargebacks. As eCommerce drives greater demand for card-not-present credit payments, merchants have seen the overall volume of chargeback fraud increase in kind. Such growth weakens the industry, as it introduces exorbitant costs and undue friction into the payment process. To safeguard consumer trust, all industry players must invest in novel strategies that can address chargebacks.

To help support the merchants in this endeavor, Justt collects yearly survey data regarding consumer attitudes toward chargebacks.

Justt Chargeback Mitigation Solutions

Justt offers a fully automated solution designed to address the problem of chargebacks. AI-powered intelligence – combined with industry-leading expertise – provides custom chargeback solutions for organizations operating in the online retail, travel, gaming, and crypto sectors, and more. Use Justt to discover and fix business workflows that contribute to chargebacks, reduce costs related to evidence compilation, and earn a better dispute win rate that protects and retrieves lost revenues.

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Customer Chargeback Overview

Overall chargeback volume



Key Finding

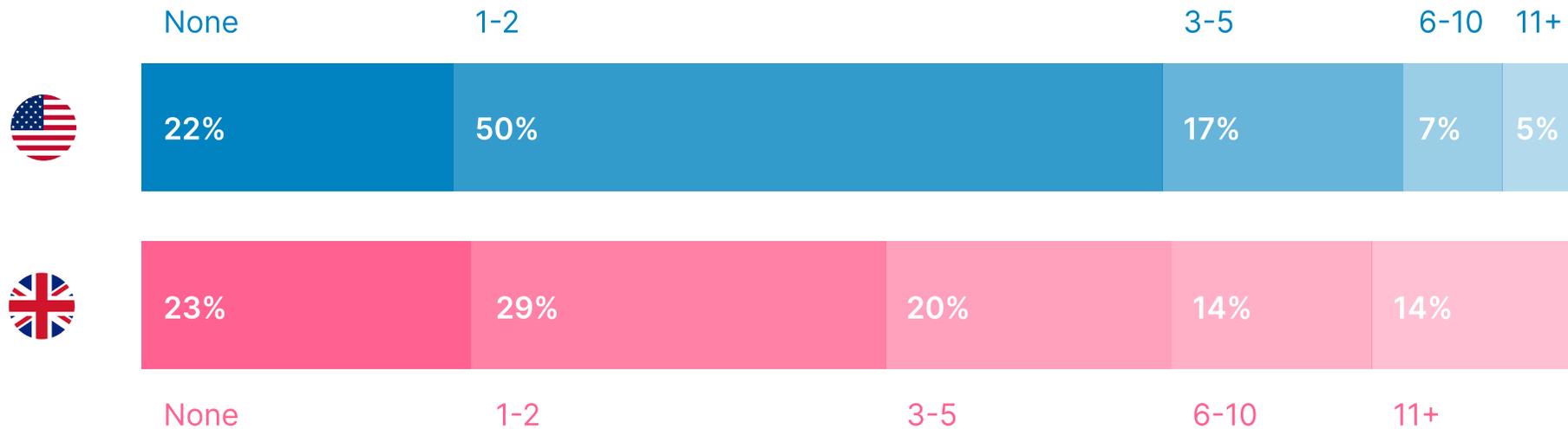
Compared to 2022, the number of American and British consumers that filed at least one chargeback in the 2023 survey drastically increased.



Insights

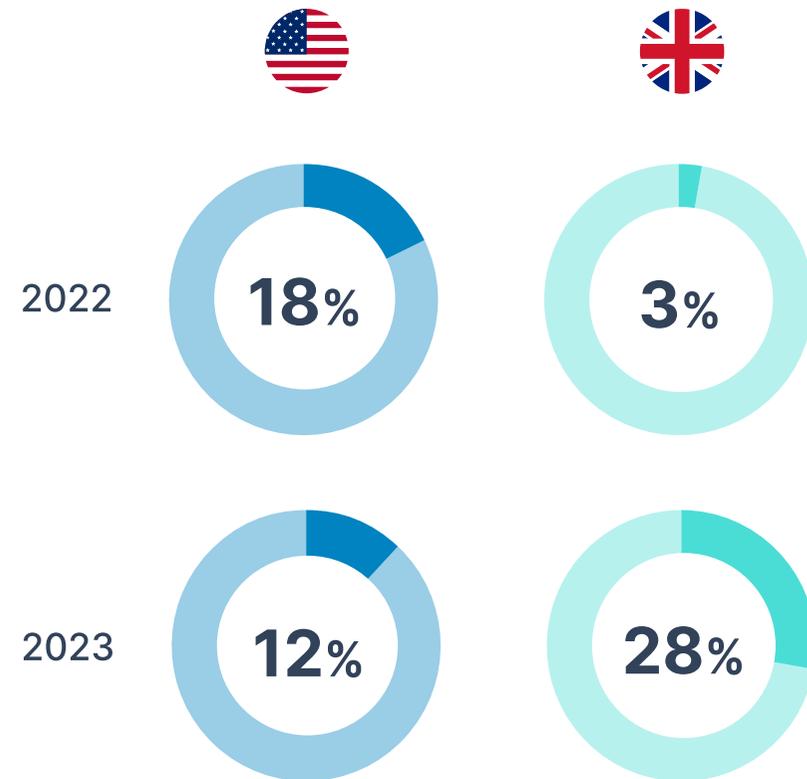
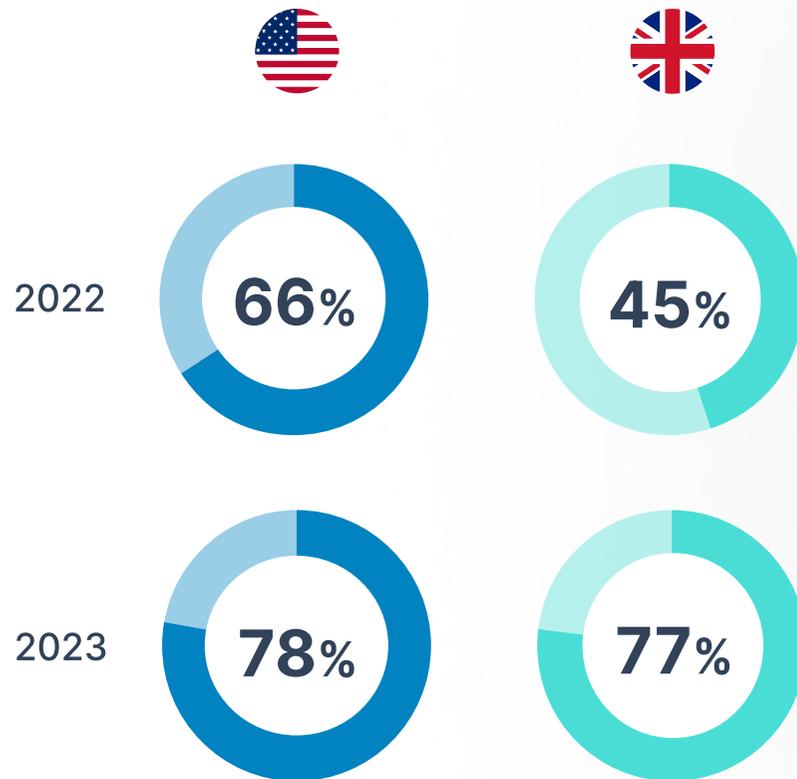
Survey results for 2023 show a broad similarity between U.K. and U.S. consumers in the propensity to file for chargebacks. The U.K. even now exceeds the U.S. in proportion of respondents who are serial chargeback offenders (6+ chargebacks per year).

In the last year, how many chargebacks did you file?



Filed a chargeback in the past year

Filed six or more chargebacks in past year



Underlying Reasons for Chargebacks

Supply chain and delivery issues in the United Kingdom



Key Finding

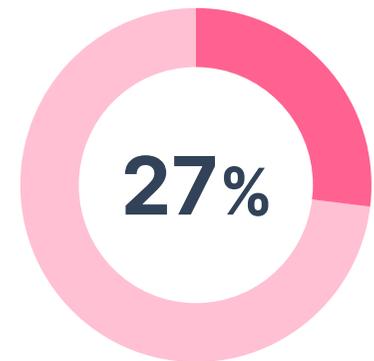
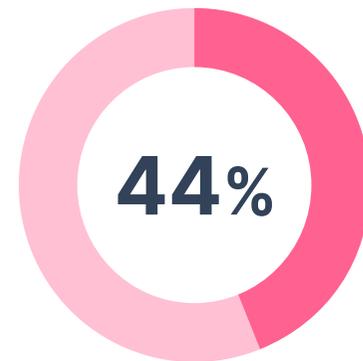
U.K. merchants are still dealing with delivery issues that are resulting in customer unhappiness and a heightened level of chargebacks.



Insights

When asked the reason for filing a chargeback, 27% of U.K. consumers cited "Goods Not Received." This was the number one reason for chargebacks in the U.K. However, that is a 17 point drop from 2022. Therefore, it is unlikely to explain the boom in chargeback usage by British consumers.

Goods Not Received

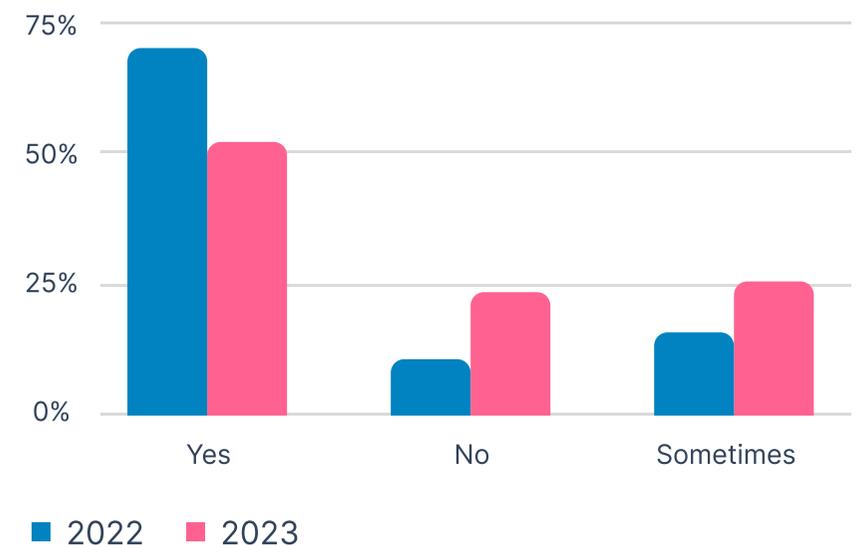


Willingness to communicate and unhappiness with retailers may play a bigger role. Last year, 70% of U.K. consumers stated they would first ask for a refund instead of filing a chargeback when unhappy with a product. That number dropped by 18 points in 2023 to 52%. And compared to the United States, U.K. customers are not as easy to please. When asked if a good refund policy would make a difference, only 47% of Brits said “yes” compared to 60% last year. In contrast, Americans became more understanding, as almost two-thirds (63%) of U.S. consumers said a good refund policy would help, compared with the 55% noted last year.

When unhappy with a payment for items, do you pursue a refund from a store before seeking to file a chargeback with your credit card?



Segment: U.K. Consumer



Political activism and weaponized chargebacks



Key Finding

U.K. consumers show a surprising growth towards using chargebacks for political reasons. Politicized chargeback users still remain a small – albeit aggressive – cohort.



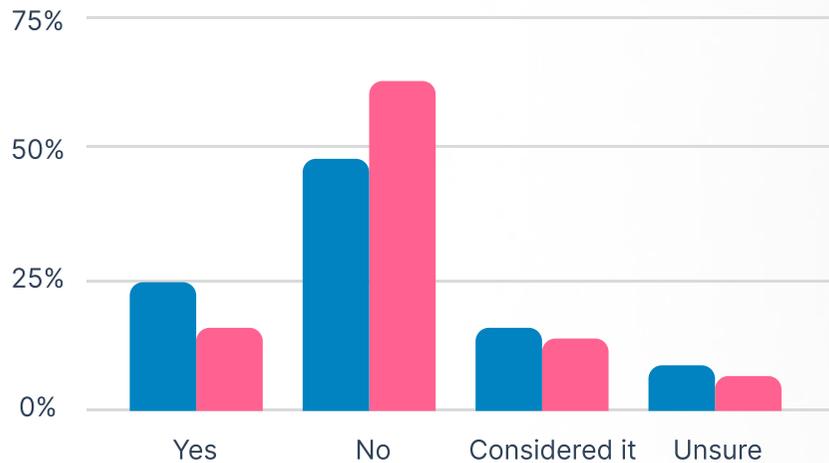
Insights

On a positive note, when asked if they filed a chargeback over a disagreement with company values or policies, Americans showed a decrease year-over-year (from 25% of users down to 15%.) Amid the recent consumer boycotts involving Budweiser and Target, this is surprising. On the other hand, U.K. citizens saw a 10% increase by those who said yes (to 18%).

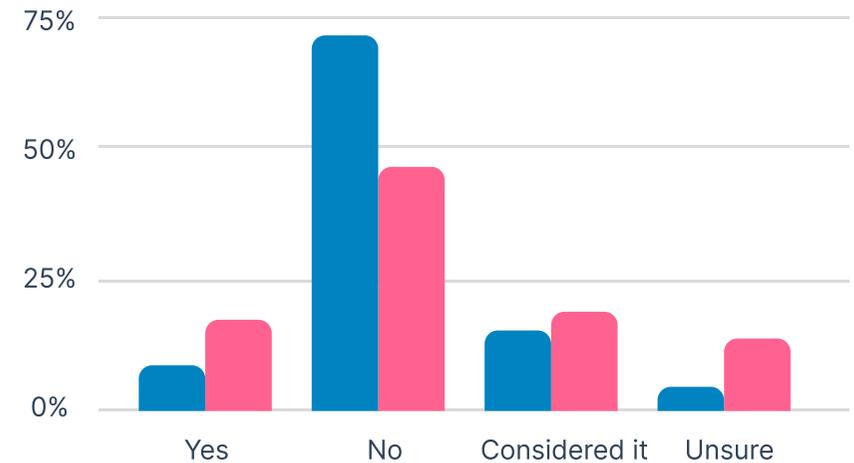
Have you ever filed a chargeback against a company because you disagreed with the company's values or politics and not because of the actual good/service you purchased?



Segment: U.S. Consumer



Segment: U.K. Consumer



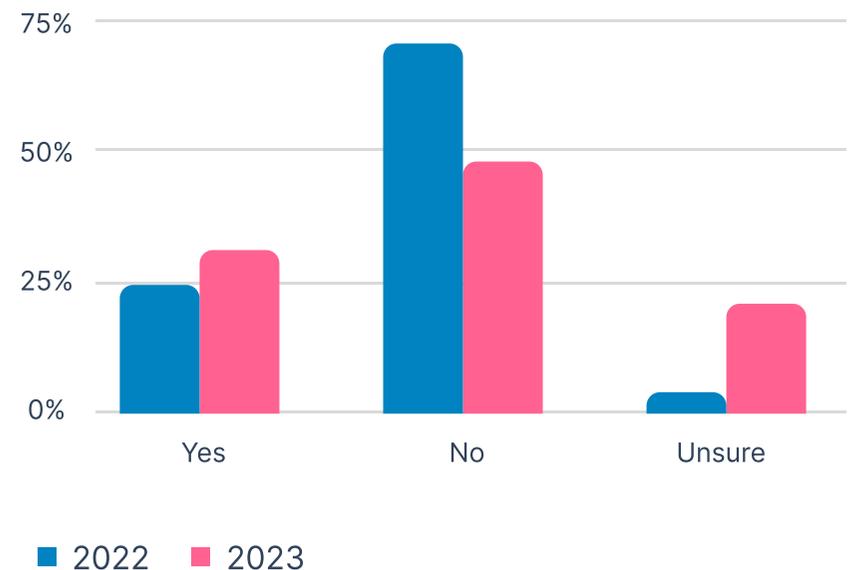
■ 2022 ■ 2023

Additional data support the growing trend towards an aggressive use of chargebacks by Brits. When asked if they have threatened a chargeback for a recurring billing subscription they no longer needed, 73% of Brits stated “no” in 2022. But this year, that number dropped to 50%. More U.K. consumers are ready to use chargebacks as a method to recoup losses, even if that means engaging in friendly fraud.

Have you ever filed a chargeback or threatened to file a credit card dispute for a recurring billing subscription that continued longer than needed?



Segment: U.K. Consumer



Chargebacks With Alternate Payment Methods

Buy Now, Pay Later chargebacks



Key Finding

Previous systemic user experience issues in the Buy Now, Pay Later (BNPL) industry in the U.S. have improved.



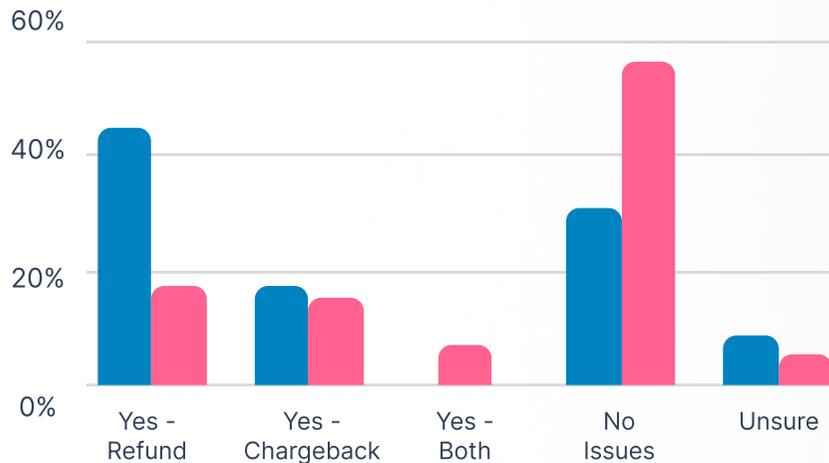
Insights

A majority (56%) of American BNPL users stated that they had no issues with their pay later purchase this past year, which is a significant improvement over 2022 (32%). In addition, the number of Americans who requested a refund for a problematic BNPL purchases dropped from 43% to 17% in 2023. BNPL providers seem to have addressed previous user experience issues in the U.S. market.

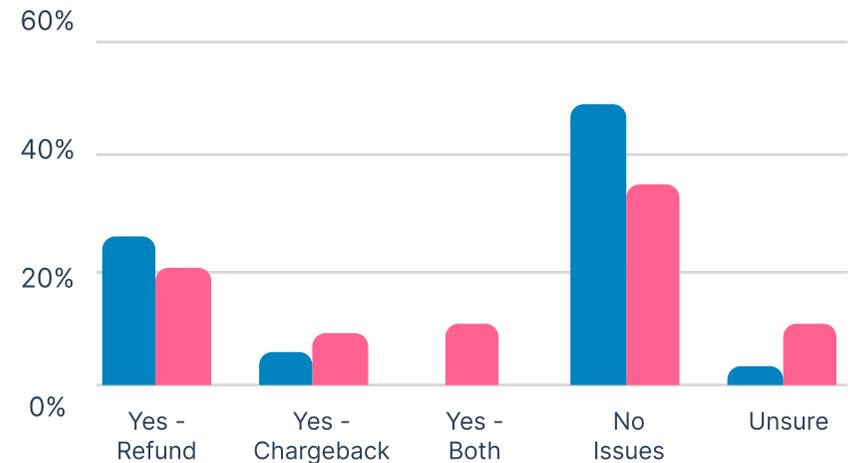
Have you sought a refund or chargeback on a 'buy now pay later' purchase in the past 12 months?



Segment: U.S. Consumer



Segment: U.K. Consumer



■ 2022 ■ 2023

In comparison, U.K. consumers experienced unexpected problems with BNPL. About 61% of Brits reported no issues with their short-term financed payments in 2022. But in 2023, that number dropped 19 points, with only 42% of U.K. consumers having a problem-free BNPL sales journey.

One factor that may have hurt British user experience with BNPL is the 10 point increase year over year in Brits who missed their short-term loans (to 24% from 14%).

Once economic conditions improve, relevant players can hopefully restabilize the BNPL industry in the U.K., like their American counterparts.



The adoption of novel payment methods



Key Finding

Growth metrics for novel payment options have stalled.

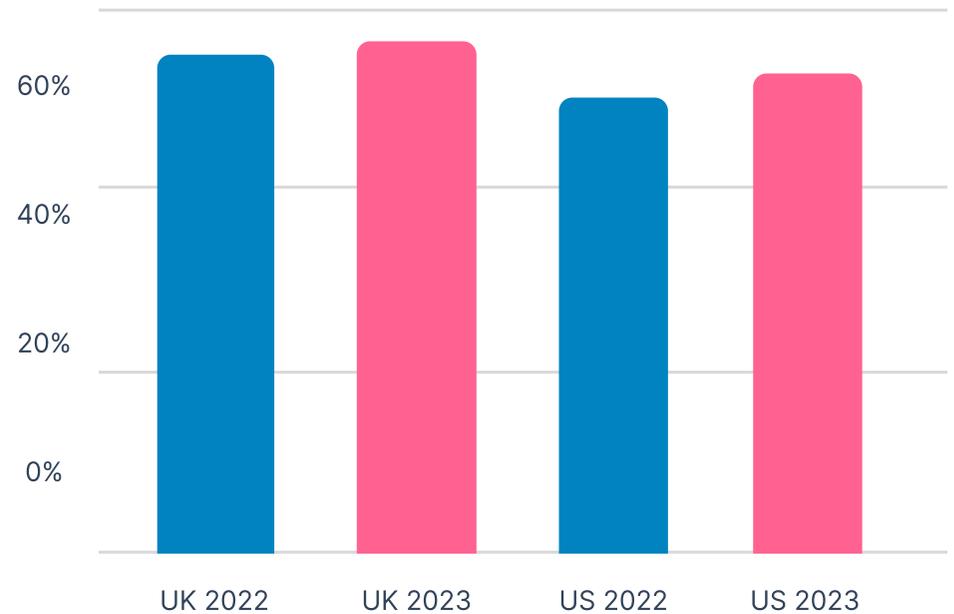


Insights

BNPL saw similar usage statistics year-over-year in American and British demographics. 58% of Brits and 53% of Americans reported using BNPL in 2023, indicating slight growth from the previous year (55% and 51%, respectively). However, the growth in 2023 was within the margin of error of the polling sample.

BNPL usage rates speak strongly for the future of the industry, which is going through a reorganization during the economic downturn. While the rapid growth of previous years has disappeared, the payment option is showing remarkable stickiness with its existing cohort of users.

Have you used a 'buy now pay later' service in the past 12 months? For example, Klarna, or Paypal 'pay in 3'.

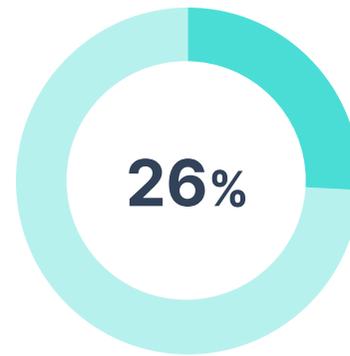




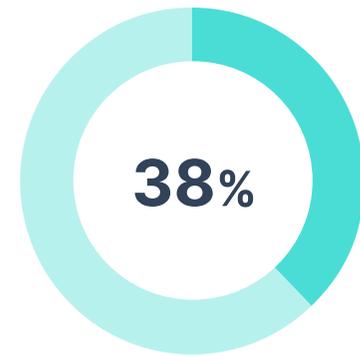
With cryptocurrency there was a divergence between American and British respondents. The number of Americans who said they owned cryptocurrency fell 13 points to 37%. The number of British respondents who said they owned crypto rose 12 points to 38%.



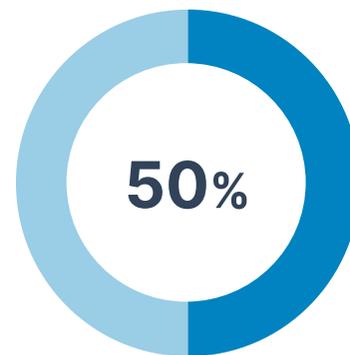
Do you own, or have you made a purchase with, cryptocurrency in the past 12 months?



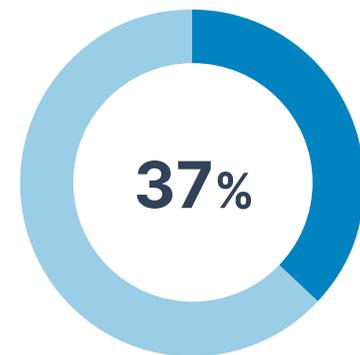
 2022



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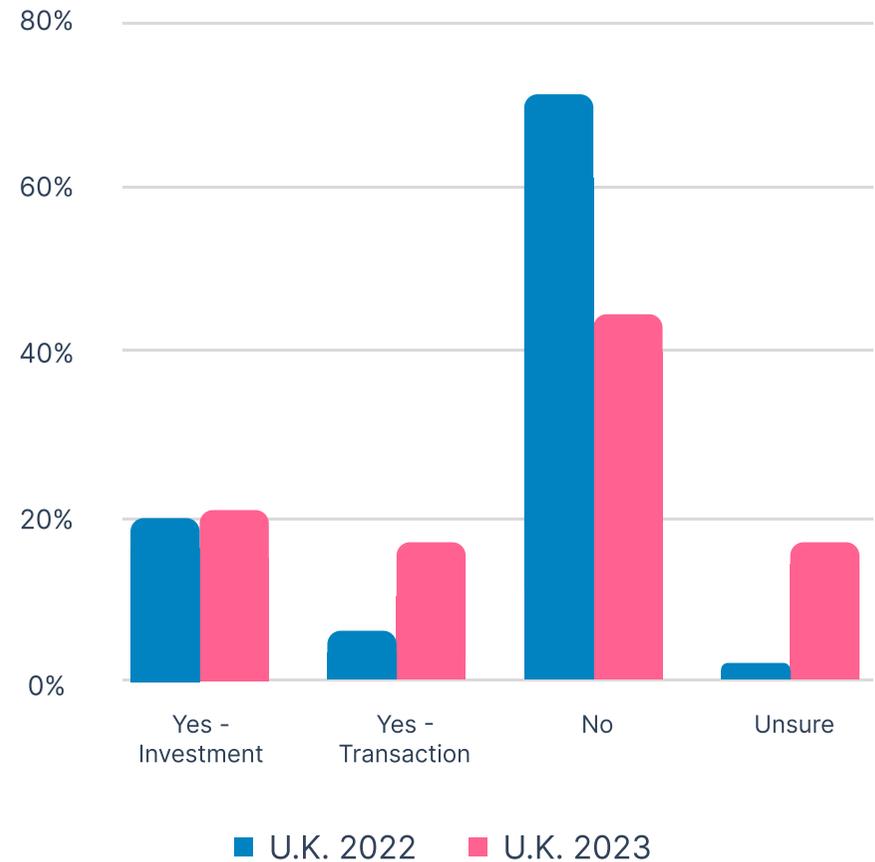
 2022



 2023

In the U.K., the number of people who bought crypto as an investment in the past 12 months remained flat (21% in 2023 compared with 20% in 2022). But there was a strong increase in the number of people who use crypto as a form of payment, rising from 6% in 2022 to 17% in 2023.

Do you own, or have you made a purchase with, cryptocurrency in the past 12 months?



Chargeback Trends in 2023

Consumer interest in using chargebacks



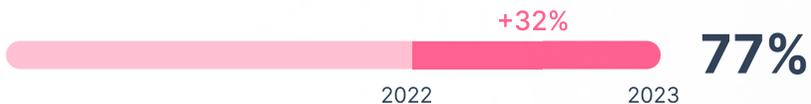
Key Finding

U.K. consumers appear as trigger-happy with chargebacks as Americans



Insights

Last year's Justt Consumer Attitudes report showed a general theme of avoidance towards chargebacks by U.K. consumers. Most Brits showed more patience, a preference for refunds, and fewer chargebacks than their American neighbors. That appears to have changed, with Brits engaging in chargebacks at roughly the same rates as Americans in 2023.



Refunds and chargebacks



Key Finding

A good refund policy remains a strategic imperative.



Insights

Since consumers do not know the appropriate use of chargebacks, refunds take on even greater importance. The familiarity and simplicity of a refund offers a straightforward chargeback alternative that most consumers will opt for. It is no surprise that nearly half (47%) of U.K. consumers still stated that a generous returns policy would make them less likely to file a chargeback. American demographics show even better response numbers, with 63% saying that a beneficial return policy would limit their chargeback behavior.

Consumer Education on Chargebacks

Consumer chargeback knowledge



Key Finding

Extra efforts toward consumer education are still needed.



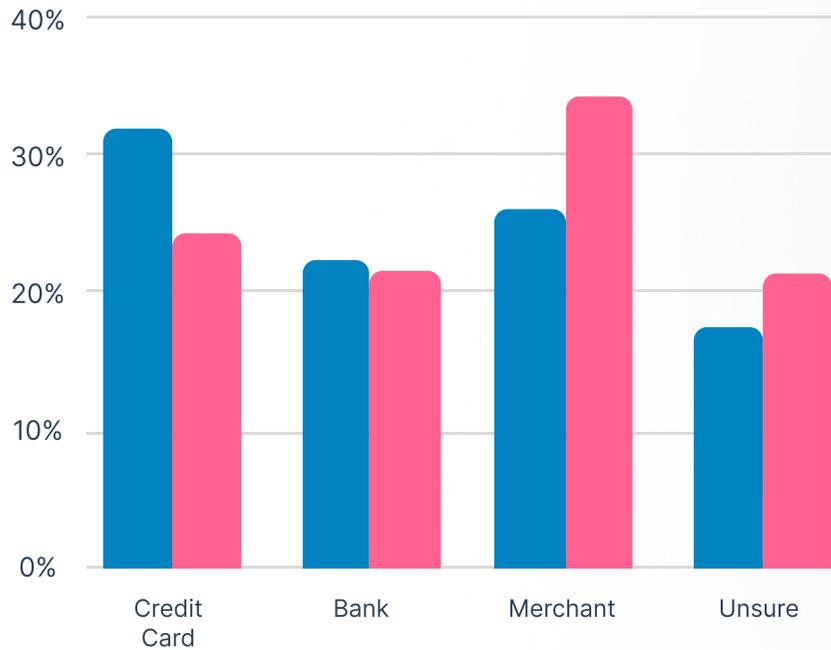
Insights

When asked who foots the bill for a chargeback, consumer responses remained mixed, with little improvement from last year. Such varied responses indicate that consumers still have limited knowledge of the chargeback process and the financial harm involved. In addition, the number of consumers who reported “unsure” increased (27% of those surveyed in the U.K. and 21% in the U.S.). Honest consumer confusion over the chargeback process continues to persist.

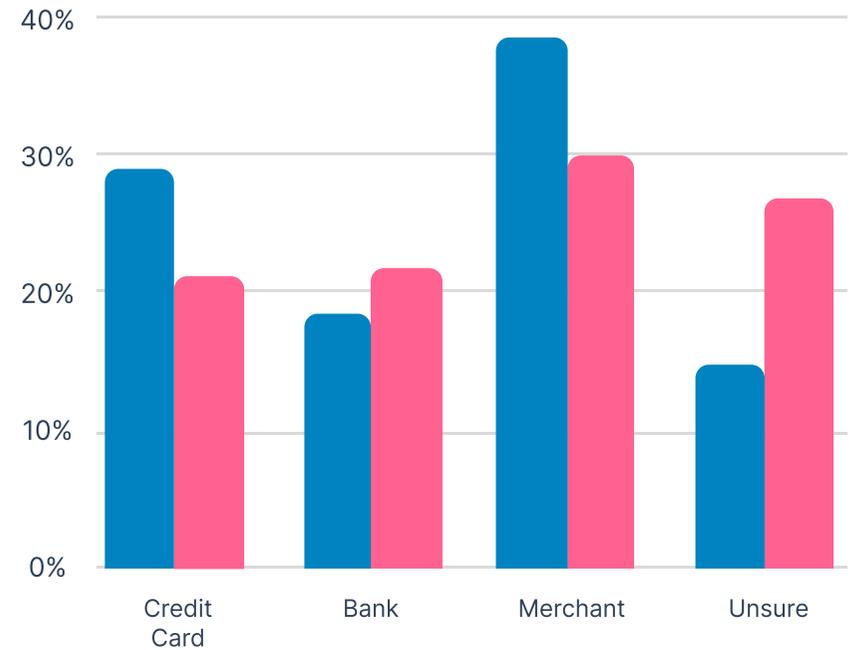
When you call up the number on your credit card to get your money back on a purchase, who do you think ends up footing the bill?



Segment: U.S. Consumer



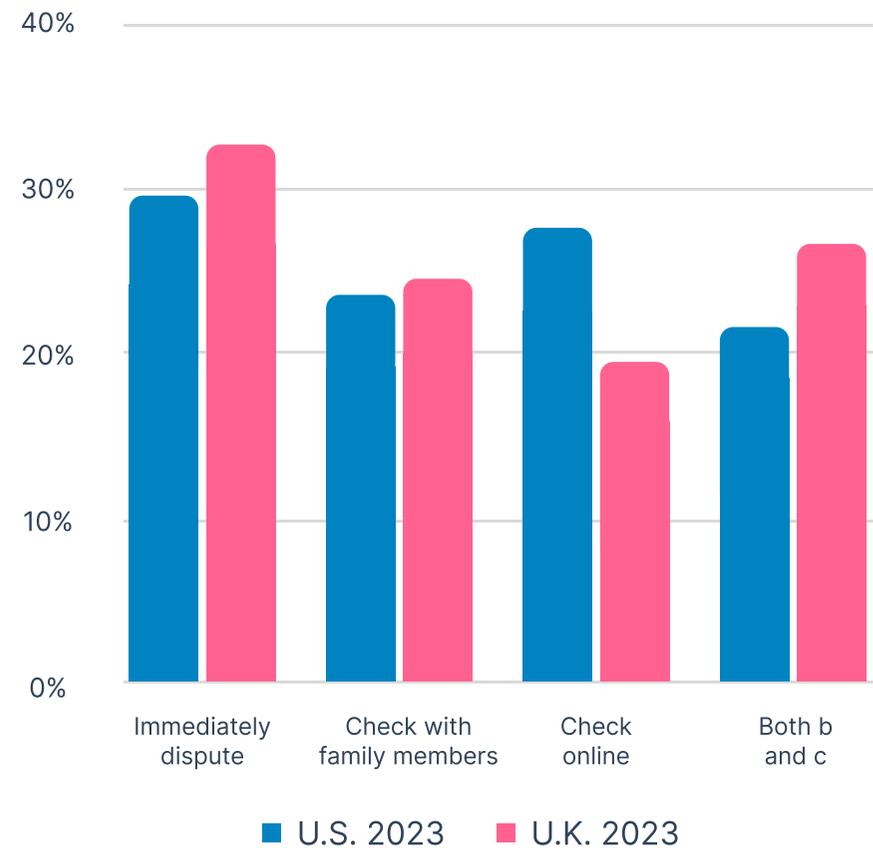
Segment: U.K. Consumer



■ 2022 ■ 2023

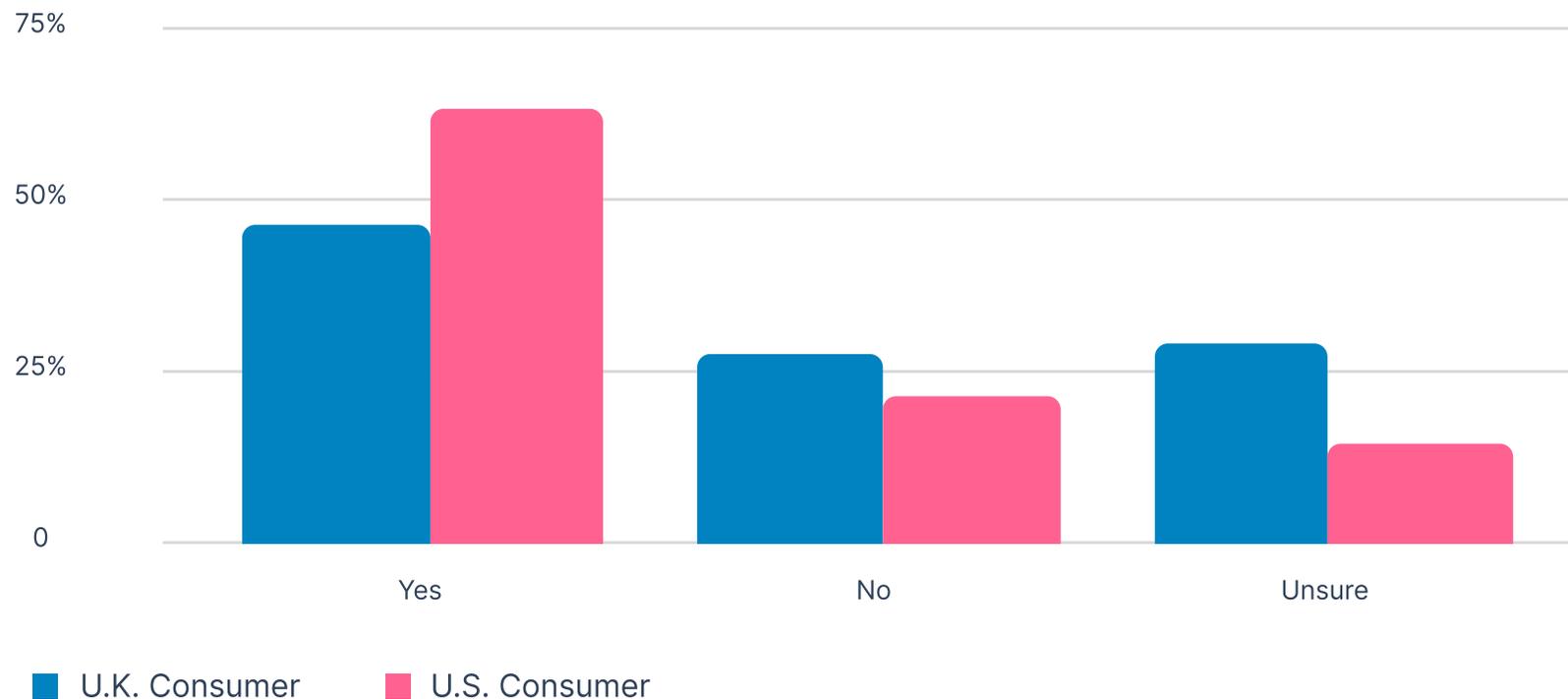
Consumer answers are once again evenly split when asked about which actions they take when they discover an unrecognized credit card charge. Both American and British consumers do not know if they should contact the merchant, their bank, or both. Even more telling, those choosing to immediately dispute a mystery charge maintained the highest share (29% of Brits and 32% of Americans).

When you see a transaction on your credit card statement that you do not recognize, what do you do?



Would a generous returns policy make you less likely to file a chargeback against a merchant?

Year: 2023

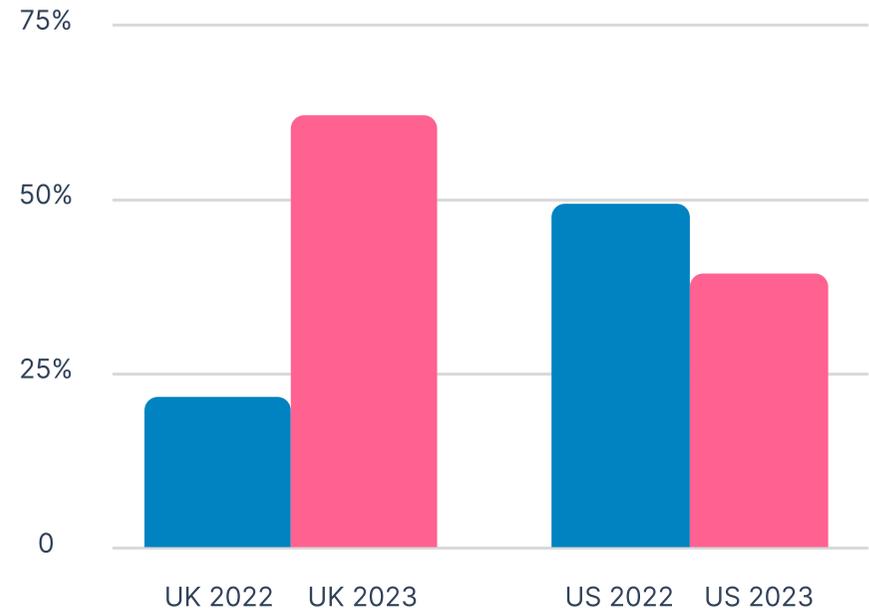


Vertical Specific Chargebacks

Online gaming chargebacks

When asked if they had filed a chargeback related to online gaming, only 21% of Brits reported a gaming chargeback in 2022. That number jumped to 49% in 2023. Such an increase surpasses Americans' propensities to file gaming chargebacks which fell to 36% from 49% the previous year.

Have you or a family member filed a chargeback on an online or mobile game purchase in the past 12 months?

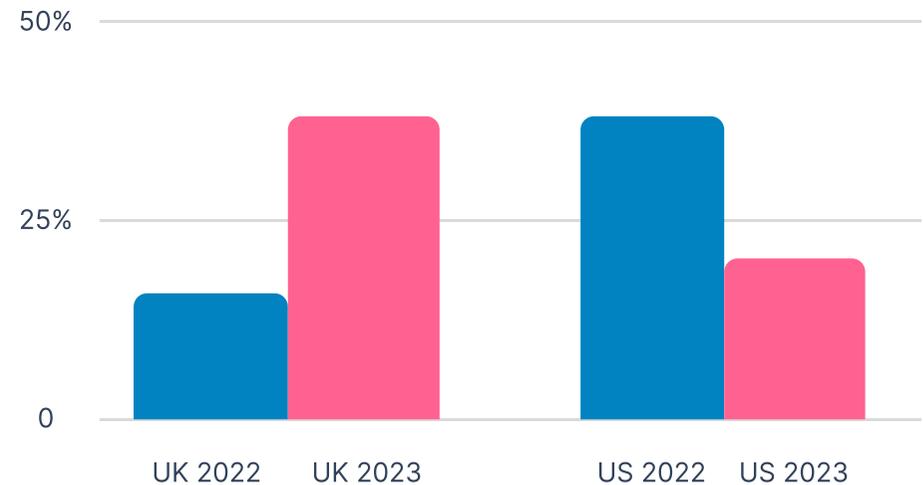


Travel chargebacks

A similar story is visible with travel-related disputes. Americans saw a decrease in reported travel-related chargebacks, with only 20% stating they have filed a dispute in 2023, down from the 36% of consumers last year. But for Brits, reported travel chargebacks increased in 2023 to 36%, up from 16%.

Across different business verticals, British consumers appear to have adopted a similar attitude as Americans towards chargebacks.

Have you filed a chargeback for any travel plans within the past 12 months?



Methodology

Justt sponsored identical consumer response surveys in the United Kingdom and the United States. Over 1000 respondents in each country answered questions regarding their attitudes toward chargebacks. Respondent selection encouraged a near-even split between male and female demographics across a wide distribution of residential postal codes. A similar distribution between age groups is also apparent.

