

Do Merchants Accept Crypto to Avoid Fund Recovery? TDA Advises Caution

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SCHAUMBURG, ILLINOIS, UNITED STATES, July 30, 2021 /EINPresswire.com/ -- Bitcoin and other [cryptocurrencies](#) have been rising in popularity. Now, bitcoin is a payment option for food chains, eCommerce stores, and payment platforms such as Paypal.

The wide adoption of cryptocurrencies may seem mutually beneficial for merchants and consumers. Cryptocurrencies are a digital form of currency with no physical equivalent. Holders can be paid, pay for items, and trade keeping all of their money in cryptocurrencies. All transactions occur on the blockchain which is encrypted, secure, and free from government regulation.

However, there are some drawbacks to cryptocurrency, at least for consumers. Once a transaction has occurred on the blockchain, it is final. Transactions are also anonymous and are identified by a code rather than a name. This means that chargebacks, in the sense that charges are reversed on credit cards, are not possible on the blockchain. This could lie behind the wide acceptance of cryptocurrency among merchants--to prevent consumer requests to reverse charges.

Trader Defense Advisory, a team of [fund recovery](#) experts, advises consumers to choose merchants with a selection of payment options, and avoid those that accept only cryptocurrencies.

Also, TDA recommends using cryptocurrencies for transactions with care, knowing that the blockchain prevents chargebacks, at least in the way that they occur with credit cards, and pose a particular challenge for fund recovery. Although getting your money back from a crypto transaction is possible, the process is more complex than fund recovery with credit cards.

Are Merchants Skirting the Issue of Chargebacks?

Most consumers feel they need some recourse if they are unsatisfied with a purchase and want their money back. Credit card chargebacks, for example, provide them with an easy way for merchants to return funds. In addition, the chargeback process involves the participation of an issuing bank, an acquiring bank, and if the case is unsolved, to a government consumer protection agency and ombudsman.

The chargeback process may seem complex, but it provides layers of protection for the consumer. However, merchants often complain that this process is abused and often is resolved in the customer's favor. They may cite the unfortunate trend of "friendly fraud," a new form of shoplifting in which the customer keeps the item but still goes through the chargeback process claiming they were not satisfied.

There are many ways merchants can avoid friendly fraud, such as demanding proof that the customer sent the item back. However, many merchants report that they feel pressured to settle a chargeback case on behalf of a client, who may write bad reviews or post negatively about the company on social media.

According to Juniper research, merchants reported they lost [\\$17.5 billion in chargebacks in 2020](#). Many companies are encouraging bitcoin as a payment option to reduce the issue of chargebacks and to lock consumers into transactions.

Who Is Right? The Consumers or the Merchants?

Although there is no doubt that friendly fraud is a growing problem, it also causes honest consumers serious problems and makes legitimate claims seem suspect. There are a number of ways to prove a consumer is not fraudulent in their claims, and the issuing bank in the chargeback process asks for evidence from the consumer before making a decision.

Merchants' complaints about the staggering losses from chargebacks do not take into account how many of these refunds were legitimate. It could be that, in the race to compete in a crowded eCommerce space, they may be making errors and sending items that do not work more often than they would like to admit.

Many merchants are trying to avoid chargebacks, even legitimate claims, by encouraging customers to use bitcoin with the full knowledge that fund recovery is difficult for them. TDA experts point out that the fact that cryptocurrencies are not regulated hurts the customer more than the merchant and provides them with no recourse except the goodwill of the merchant if they feel they have been mistreated.

There Is Hope for Fund Recovery Even with Crypto

Fortunately, TDA emphasizes that there is hope for fund recovery even from cryptocurrencies, although they warn that it is more challenging. In cases of cryptos scams, law enforcement can obtain a court order for crypto codes of fraudulent transactions. The key, however, is that it has to be a suspected fraud before a court order is given. Getting a crypto refund from a regular merchant can be more daunting.

This is the reason it is worthwhile to work with Trader Defense Advisory experts if you need a chargeback, a refund from a crypto transaction, or have lost money in a crypto scam or a forex trading scam.

About Trader Defense Advisory

Trader Defense Advisory offers all clients a free consultation to assess their cases and design a roadmap for pursuing their claims. The TDA team works tirelessly to advocate for clients and will fight back against Crypto and broker scams.

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