Data Shows 45% of Chargebacks Are Fraudulent — avoided.io Launches Near Real-Time Alerts to Stop Them Before They Happen

avoided.io helps high-risk merchants stop 85% of fraudulent chargebacks with real-time alerts, automation, and smarter dispute prevention tools.

LONDON, UNITED KINGDOM, April 2, 2025 /EINPresswire.com/ -- As global commerce becomes increasingly digital, a hidden cost continues to drain revenue from businesses of all sizes: chargebacks. A new study, the 2025 State of Chargebacks Report, reveals a startling insight — 45% of all chargebacks filed are believed to be fraudulent or avoidable, stemming largely from friendly fraud, account misuse, and first-party abuse. For merchants navigating high-risk industries, the impact is not just financial — it's existential.

> "Chargebacks aren't just costly — they're a threat to merchant survival. avoided.io gives businesses the tools to act fast and stay compliant."
>
> *Rolands Selakovs, CEO of avoided.io*

Enter avoided.io, a next-generation platform that provides near real-time chargeback and fraud alerts, empowering businesses to prevent disputes before they're filed and maintain their standing with payment providers.

"We created avoided.io because merchants were reacting to fraud far too late," said Rolands Selakovs, CEO and Founder of avoided.io. "Chargebacks shouldn't be something you discover days later — they should be events you can stop in motion. Our system gives merchants the time and tools to make that possible."

The Growing Chargeback Crisis in E-Commerce

Chargebacks are disputes initiated by cardholders through their banks, often due to fraud, unrecognized purchases, or dissatisfaction with a product or service. While originally intended as consumer protection, they have become a tool for abuse.

The report, which compiled data from over 15,000 merchants worldwide, found that:
82% of merchants believe "friendly fraud" — legitimate customers falsely claiming unauthorized

transactions — is their top dispute issue.

59% experienced a 10%+ increase in chargebacks year-over-year.

In industries like travel, gaming, and digital subscriptions, disputes are often filed within hours of purchase.

This trend is particularly problematic for merchants operating in verticals with high-risk Merchant Category Codes (MCCs) — such as airlines, online gambling, software subscriptions, and crypto-related services. These businesses are subject to stricter processing limits, higher per-transaction fees, and enhanced scrutiny from acquiring banks.

"Chargebacks are more than lost revenue," said Selakovs. "They're a metric banks use to determine your legitimacy. Too many, and your account is frozen, or worse — terminated."

avoided.io: A Smarter Way to Handle Chargebacks

avoided.io's platform is engineered for e-commerce businesses, subscription services, digital product sellers, and high-risk merchants seeking a compliance-first approach to dispute mitigation.

Key features include:

- Real-time chargeback alerts from card issuers, payment networks, and third-party fraud sources.
- Automated rules that allow merchants to pause shipments, issue refunds, or flag risky transactions.
- Dashboards and analytics to track dispute trends, win rates, and processor thresholds.
- No-code integration, allowing rapid deployment without technical overhead.

Use cases range from stopping a fraudulent order before fulfillment, to refunding a high-risk digital purchase before it escalates, to alerting customer service teams about a transaction flagged by the issuer.

"We implemented avoided.io in our subscription SaaS product and saw a 37% drop in chargebacks within 60 days," said James K., a Director of Payments at a mid-size tech company. "The alerts gave our team enough time to proactively refund or reach out to customers before disputes hit."

Real-Time Intelligence Is the Future of Fraud Prevention

Traditional chargeback management is reactive — responding to disputes weeks after they occur. But today's fraud operates at internet speed. That's where avoided.io steps in.

With integrations across the payment ecosystem, the platform provides live fraud signals and chargeback indicators within minutes of a flagged transaction.

This enables merchants to:
- Intervene during the pre-settlement phase.
- Avoid incurring chargeback fees.
- Maintain a dispute ratio below Visa and Mastercard thresholds (0.9% and 1.0% respectively).

The tool is especially beneficial for businesses in Visa's High-Risk Monitoring Program or Mastercard's Excessive Chargeback Merchant Program, helping them avoid being blacklisted or facing severe penalties.

Empowering Merchants with Better Data

avoided.io not only prevents losses — it also provides insights into root causes. By aggregating data from thousands of alerts, merchants can see which products, marketing campaigns, or customer segments are generating the most disputes. This enables smarter decision-making around fulfillment, returns, and customer support.

"We see avoided.io as a long-term risk partner, not just a tool," said Selakovs. "We're helping businesses build sustainable, dispute-resilient payment operations."

Tailored for High-Risk Merchants

avoided.io is built with flexibility for businesses in regulated or high-risk industries, including:

- E-commerce and dropshipping
- Subscription billing and SaaS
- Gaming and entertainment
- Financial services and crypto
- Travel, events, and ticketing

By combining prevention, automation, and intelligence, avoided.io gives merchants the upper

hand — not just in fighting fraud, but in staying in business.

About avoided.io

avoided.io is a chargeback prevention and fraud alert platform that empowers merchants to stop disputes before they happen. Through real-time alerts, automation, and data-driven tools, avoided.io helps online businesses reduce chargebacks, preserve revenue, and protect their ability to process payments. With special focus on high-risk industries, avoided.io supports smarter payment strategies and long-term operational compliance.

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