Abstract

Cindy Williams, Senior Vice President at a large American bank and responsible for its disputes and claims processes, was faced with a large and complicated dispute. A customer who had purchased $365,000 worth of defective goods from a supplier, wanted a refund but did not have sufficient documentary evidence to back his claims. This case study details how Infosys BPM’s arbitration process knowledge and skills helped turn the dispute — that initially appeared to be a lost cause — into a momentous win for the bank and its customer.
Disputing over masks

Cindy Williams is a Senior Vice President for a large American bank, responsible for managing its risk, disputes, and claims processes for several lines of businesses. Since 2016, Cindy had outsourced several processes under her care to be managed by Infosys BPM from three delivery centers in India. With Infosys BPM’s excellent service delivery, the partnership had grown from strength to strength, with the initial team size of over 200 expanding to more than 300 by 2020.

In 2020, when the COVID-19 pandemic struck, Cindy began seeing a rising number of cases of online fraud as the bank’s customers increasingly adopted digital channels for their banking and purchasing needs. One such case involved a customer of the bank, an organisation that had rendered an advance credit card payment of $365,000 to purchase KN97 masks from an online merchant. The supplier had sent product samples beforehand to assure the customer of their quality, and the purchaser had placed the order under the assumption that the masks were CDC approved. It was much later, only after the delivery had been received, that the organisation realised the masks specifications did not comply with the mandated guidelines. However, though the merchant had a 72-hour return policy, it did not agree to take back the shipment nor to refund the payment.

The dispute was complicated, lacked sufficient documentary evidences, and the claim amount was among the largest ever in the history of the bank’s claims management process. Further, the parties involved had escalated the case to MasterCard’s arbitration committee to resolve the dispute. Cindy was worried with this situation, and was looking for help.

Finding the answer in the fine print

Cindy quickly called up Adam Taylor, Infosys BPM’s lead for the offshore team in Bangalore handling the banks credit chargebacks processes.

Briefing Adam on the details of the dispute, Cindy explained that the merchant had refuted the customer’s refund request, highlighting that it had never claimed that product was CDC approved. The merchant also pointed out that it had first shared samples with the customer who had then placed the order only after approving their quality and specifications. The customer’s purchase order too had made no specific references for the product to be CDC / FDA emergency use authorisation (EUA) compliant. Lastly, the seller’s return policy clearly stated the merchant’s discretion to either repair, replace, or reimburse rejected goods.

Approach summary

- Scrutiny of documentary evidence
- Drafting of legal letter
- Using appropriate arbitration clauses

Adam began studying the case and soon realised that winning the dispute would require overcoming several challenges. The first concern was that the bank’s customer could not provide any evidence of having specifically asked the merchant for CDC approved products. Also, the supplier’s return policy was bent in the seller’s favor. Second, the supplier claimed that the purchaser had not given sufficient time to conduct investigations and exercise discretion as per their return policy before filing the dispute. Lastly, another glaring drawback was that the dispute filing did not provide a letter from an equitable third
A historic win

The Infosys BPM team’s thorough scrutiny of the dispute documents paid rich dividends in helping identify the points which were missed by the supplier but were in the customer’s favor. This and Adam’s recommendation to the purchaser to get a lawyer's letter to strengthen the case, eventually resulted in a momentous win for the customer and the bank. Mastercard’s arbitration committee having examined and evaluated both the customer’s case and the supplier’s responses, eventually decided in the customer’s favor and debited the supplier’s bank to pass on a refund of $365,000 into the customer’s card account.

Key benefits

- Refund of $365,000
- Enhanced recovery rate
- Historic win for the bank
- Recommendations to strengthen the case
While Cindy, and even the purchaser, had initially thought the case appeared unwinnable — the case lacked enough evidence, and external parties were involved — the expert knowledge and determination of Adam’s chargeback agents saved the day. And while the team regularly resolves numerous customer disputes, this was a historic win for the bank as never before had it disputed and won such a high value transaction. That’s why Cindy touts the team’s remarkable handling of the case at the highest levels of the bank as one of the brightest display of their skills.

*Names have been altered to preserve the identities of the people involved.*