PART 01

How to Report Suspected Theft or Fraud During a Chargeback

Separate training companion for business owners who provided services or products and have facts suggesting deliberate deception or unlawful taking.

Where this step belongs

After preserving the records and identifying the exact chargeback claim, assess whether the evidence also supports a good-faith report of suspected crime. If it does, report promptly through the appropriate police channel while continuing the chargeback response. Reuse the same accurate chronology, payment ledger and source records. Do not wait for a police report before meeting the processor's deadline.

The purpose of this companion

Participants will prepare a private identity sheet, a police narrative, a labeled evidence packet, a bank notification and a follow-up log. Include known names, addresses, phone numbers, emails and relevant social-media identifiers, with a source and confidence level for each. Provide records that support investigation; do not describe suspicion or an allegation as an established conviction.

A chargeback does not establish a crime

A customer may have a genuine dispute about authorization, delivery, quality or a refund. A bank's decision to reverse a charge does not itself prove theft, fraud or criminal intent. A police report records allegations; its existence does not prove those allegations or require a bank to reverse the chargeback.

Texas provides an example of the legal distinction. Penal Code section 31.03 addresses unlawful appropriation with intent to deprive; section 31.04 requires intent to avoid payment and qualifying conduct for theft of service. The deception definition also states that an unfulfilled promise alone is insufficient to establish the specified intent or knowledge. Laws elsewhere differ. [1]

The reporting sequence

Preserve originals → assess the suspected conduct → verify identifiers → create chronology and loss ledger → contact the correct police agency → retain the report reference → notify the processor and, through an authorized channel, the issuing bank → track updates.

Reporting is an investigative step

Report truthful facts for independent review. Do not use a threat of arrest or a report as leverage to force payment or withdrawal of a legitimate dispute. If the evidence supports only a contractual disagreement, pursue the appropriate payment-dispute or civil process.

PART 02

Identify the Facts Supporting a Report

Keep three categories separate: what the record shows, what you infer, and what remains unknown. Ask police to assess the conduct and applicable offense.

Possible evidence	What to provide	What it does not establish alone
A statement that conflicts with a record	Exact allegation, original source if available, dated contradictory record and explanation.	A contradiction may reflect a mistake, account misuse or misunderstanding; intent still needs evaluation.
Receipt followed by an alleged false nonreceipt claim	Delivery record, recipient link, acknowledgment and the actual dispute claim.	A delivery scan alone may not identify who received the item.
Messages suggesting a plan to obtain work without paying	Complete relevant conversation, dates, participant identifiers and the work or product linked to it.	Your summary or a cropped screenshot is not a substitute for the actual message.
Possible false identity or altered authorization	Original submitted record, known discrepancy, relevant order and transaction data.	The named cardholder may be an identity-theft victim rather than the purchaser.
Retained product or continued use after reversal	Product serial/order link, return history, dated use or resale evidence and terms.	Retention or use may also occur in a genuine defect or refund dispute; explain that context.
Nonpayment after a payment agreement	Contract, performance, payment history, actual notices and proof of receipt.	Nonpayment alone does not establish every element of an offense.

Notice requirements depend on the legal theory

Some theft-of-service provisions involve a payment demand, receipt of notice or specified circumstances. Preserve any real demand and delivery proof. Have the agency or qualified counsel assess applicable requirements before relying on a notice-based theory. Do not teach that every chargeback becomes theft after a universal waiting period. [1]

Report unfavorable facts too

Include material complaints, defects, late delivery, incomplete work, cancellation, promised refunds, third-party payment arrangements and any genuine authorization concern. If you lack the bank's actual customer statement, attribute the information to the processor notice rather than inventing a direct quotation.

PART 03

Prepare the Private Identity and Contact Sheet

Use existing transaction records, communications and relevant lawfully accessible sources. Supply what is known; write unknown where appropriate. Missing identifying details should not delay a timely good-faith report.

Information to include	Source and verification notes
Full name and aliases	Name on contract, order, invoice or communications. Separate customer, cardholder, recipient and any other person; do not merge identities.
Address	List billing, shipping, service, business and last-known residential addresses separately. State source and date; a shipping address is not proof of residence.
Phone numbers and email addresses	Include relevant transaction and message identifiers with country code where known. Identify the record linking each contact to the purchase.
Social-media accounts	Platform, display name, exact handle, full profile URL and public account ID if available. Include relevant post URLs, capture date/time and evidence connecting the profile to the transaction.
Business or website information	Relevant business name, website, storefront, invoice contact or account used for the transaction. Note whether ownership is verified or merely claimed.
Known bank and payment identifiers	Issuer if verified, processor, case and transaction IDs, payment dates, amount, currency and permitted masked card identifier. Do not guess the bank from an unverified source.
Identification already lawfully held	Describe relevant existing identification or signed records; provide sensitive copies only through an authorized secure channel if appropriate and requested.
Witnesses	Name, role, contact and what each person personally observed, with permission or other lawful basis for sharing as appropriate.

Add a source and confidence field

For each identifier record: value; source filename or URL; date obtained; connection to transaction; and status such as documented in customer record, customer-provided but unverified, or possible match. A matching name or photograph alone is not conclusive identification.

Keep the sheet private

Send relevant identifiers to authorized police and bank personnel through verified channels. Do not publish the person’s address or phone number, contact their family or employer to apply pressure, or ask followers to investigate them. Do not obtain access to private accounts or buy unrelated sensitive records for this workflow.

Social-media activity may corroborate identity, receipt or use; it does not automatically establish guilt. Keep screenshots and underlying URLs together, with enough context to avoid misidentification.

PART 04

Build One Evidence File with Separate Submission Copies

Use the same underlying information that supports the chargeback response. Maintain one source record set, with an agency packet and a processor/bank packet adapted to each recipient's requirements. Keep factual statements consistent; limit sensitive disclosures to what the recipient needs.

Exhibit	Contents and purpose
A Agreement and terms	Accepted scope or listing, price, revisions, refund/cancellation terms and evidence of acceptance. Shows what was agreed.
B Authorization and payments	Actual cardholder authorization, receipts, invoice, transaction IDs and settlement/reversal records. Distinguishes payer from customer.
C Performance or fulfillment	Work logs, drafts, final work, attendance, order contents, serial numbers or shipment records. Shows what was supplied.
D Delivery and acknowledgment	Email with attachment, portal delivery, access logs, carrier confirmation, pickup record or customer reply. Shows delivery and any supported recipient connection.
E Dispute and contradictory evidence	Notice, exact allegation available to you, related messages and the specific records you believe contradict it. Shows the basis for suspicion.
F Complaint and resolution	Defect, cancellation, return, replacement, refund and other relevant communications. Shows the full material context.
G Identity and witnesses	Private identity sheet, sources connecting relevant accounts, and witness information. Clearly marks unverified items.
H Loss and reporting history	Reconciled ledger, previous reports, report numbers and agency or bank correspondence. Shows the current status.

Order the events chronologically

Use columns for date/time and time zone; event; person/account involved; amount if relevant; exhibit/page; and whether the entry is documented or inferred. Include purchase, authorization, every payment, scope change, work or shipping, receipt, complaint, return/refund, chargeback notice and later updates.

Calculate the loss without counting it twice

Separate contract price, payments received, disputed amount, funds actually reversed, fees, refunds and money recovered. Distinguish provisional account movements from final outcomes. Do not add the full value of a service and the reversal of the payment for that same service as two independent losses. For goods, list quantity, item description, serial number, price, cost if available and return status; let investigators apply the relevant valuation rule.

Preserve evidence in its original form

Retain native emails with headers, message exports, original files, invoices, carrier records and relevant electronic logs. Keep a simple record of who collected each item, when and from where. Redact only submission copies; retain secure originals. Do not include CVV codes or transmit full payment credentials through ordinary email.

PART 05

File the Police Report and Save the Reference

Contact the agency that can assess jurisdiction

Use the local police or sheriff's official nonemergency channel. Explain where the business, delivery, service and suspected deceptive conduct occurred, including any online component. Ask which agency has jurisdiction and whether it accepts this type of report online, by phone or in person. Record referrals and avoid parallel reports that hide an existing report.

For Houston matters, HPD's official reporting page provides current portal criteria, and its financial-crimes page lists reporting contacts. Eligibility depends on the incident and current rules; do not select a false category to force a submission. [2, 3]

Describe the conduct and provide the packet

- Identify yourself, the business and your authority to report its loss.
- Describe the services or products, agreed price and exact transaction.
- Provide the customer, payer and recipient identifiers you lawfully hold, with source and verification status.
- Explain delivery or performance, the actual dispute allegation and the specific evidence creating your suspicion.
- Include the customer's relevant complaints, returns, refunds and any uncertainty.
- Provide the chronology, exhibit index and reconciled loss ledger through the agency's approved method.
- Ask how to provide supplemental records and whether originals or witness statements are needed.

Keep these details in the case log

Date and method of contact; agency; officer or intake contact if provided; incident/report number; whether the submission is pending or accepted; copy-request procedure; items supplied; secure upload confirmation; and instructions for follow-up. A temporary online receipt may not be an accepted incident report.

If the matter is considered civil

Record the explanation and any referral. Ask how additional evidence can be submitted if it changes the assessment. Continue the chargeback response and consider contractual or civil remedies with appropriate advice. Do not represent an intake refusal as a criminal finding, or conceal it when describing the reporting status.

For suspected internet-enabled crime

IC3 can be an additional reporting channel where the facts fit. Its FAQ says to retain originals and that it does not accept evidence attachments; provide the requested narrative and transaction details, save the submission copy before leaving, and retain the full packet for any agency request. An IC3 complaint does not replace local reporting or chargeback deadlines. [4]

PART 06

Use a Factual Police Narrative

Template only. Complete brackets from actual records. Do not use the allegation label unless facts support a good-faith suspicion.

Opening and transaction

I am [name and business role], authorized to report for [business]. I request review of suspected [theft of service / theft of property / fraud / conduct for agency assessment] related to [brief transaction]. My contact information is [details]. Relevant locations are [business, service/delivery and known online locations].

On [date], [customer] agreed to buy [specific service or product] for [amount/currency]. The payer was [actual cardholder if known], whose relationship to the customer is [documented relationship or unknown]. Authorization and payment records are in Exhibits A–B. [State the actual charge dates and amounts.]

Performance and disputed allegation

We provided [work/items] on [date] and delivered through [method] to [recipient/address/account]. Exhibits C–D show [specific proof]. On [date], [processor/bank] notified us of a dispute for [amount], case [ID], stated reason [exact reason]. [Identify whether you have the customer's statement or only a notice summary.]

Why you suspect criminal conduct

The specific facts creating my suspicion are [documented facts]. For example, [identify the actual statement or act, its date, the record contradicting it and why the discrepancy matters]. I personally observed [facts]; [other facts] come from [identified source]. I do not know [material uncertainty]. The relevant records are Exhibit E, pages [__].

The customer's relevant complaint or explanation was [accurate account]. Our response, any return, cancellation or refund, and their status were [facts], documented in Exhibit F. [Include material facts that may support the customer's account.]

Identity and loss

The private identity sheet lists known names, contact details, addresses and relevant social-media identifiers, with source and verification status. [Explain if cardholder or profile identity is uncertain.] The current documented loss is [amount and calculation], with [pending reversal/credit/recovery] separately identified. No amount has been counted twice.

Request and truthfulness

Please assess whether these facts warrant investigation and advise how to provide additional evidence. I can supply the preserved original records through an approved channel. Existing related reports are [agency/reference or none known]. This statement is accurate to the best of my knowledge; I have identified uncertainty and will correct material errors or provide updates promptly.
[Name, role, date and signature if requested]

Describe an alleged offense for investigation. Do not state that a customer has been charged, arrested or convicted unless verified records establish that status.

PART 07

Report Suspected Fraud to the Bank

Begin with the processor handling the dispute

Provide the case ID, transaction ID, reason code and a concise explanation of the suspected deception. Ask how to submit the relevant supporting records and any police report reference to the issuing bank's dispute or fraud team. Continue the formal chargeback response even if a fraud referral is made. Stripe's instructions require evidence to be submitted through the dispute process within its deadline. [5]

Distinguish the institutions

Recipient	Appropriate request
Processor or acquiring bank	Route the merchant evidence through the chargeback process and advise whether additional fraud material or a later police reference can be accepted.
Cardholder's issuing bank	If identified and a verified merchant/third-party reporting channel is available, ask how to report suspected abuse related to the specific transaction. The bank may require routing through the processor and may decline to disclose account or investigation details.
Your own business bank	Report any separate unauthorized activity affecting your own account. A customer's chargeback is not automatically an unauthorized withdrawal claim against your bank.

Bank notification template

Subject: Suspected transaction fraud referral | Dispute [ID] | Transaction [ID]
To [verified team],
I represent [business]. We request review of suspected deceptive conduct concerning [date, amount/currency, transaction ID and permitted masked reference]. The dispute reason communicated to us is [exact reason]. The evidence raising concern is [concise specific facts], supported by [exhibits/pages].

We reported the matter to [agency] on [date], reference [number], status [submitted / accepted / under investigation only if confirmed]. This reference documents our report; it is not a finding of guilt. The current loss and any refunds or recoveries are [amount/status]. Please confirm the approved secure method for providing relevant records, whether this should be routed through our processor, and any required next action. We understand the chargeback deadline remains in effect.
[Name, current business role and business contact]

Send the records needed for that review

Use the same source chronology and evidence, with a concise bank cover statement. Limit the identity sheet to relevant information required by the receiving team. If a police report contains unrelated personal information, ask whether a report number, acknowledgment or appropriately redacted copy is sufficient. Keep an exact copy of what was sent and its receipt.

A bank referral is not a credit-bureau report, an order to close an account, or a promise of reimbursement. Do not impersonate the cardholder or ask for private account access.

PART 08

Track Reports and Teach the Reporting Step

Use one follow-up log

Date	Agency or institution	Reference and action	Next step
[date/time]	[police/sheriff]	[report/reference; submitted or accepted; evidence sent]	[instructions/date]
[date/time]	[processor]	[dispute ID; packet sent; submission confirmation]	[deadline/status]
[date/time]	[issuer if permitted]	[fraud referral; routed via processor or secure channel]	[instructions]
[date/time]	[IC3 if applicable]	[saved complaint copy and reference if issued]	[retain originals]

Update the record when facts change

If funds are restored, a product is returned, an identity match proves wrong, or an allegation is corrected, send a factual supplement through the appropriate channel. Reference the existing matter. Do not leave an inflated loss or mistaken identity uncorrected. Preserve copies of both the original report and update.

Training exercise

Scenario A: A customer acknowledged receiving a finished design and later the processor reported a nonreceipt claim. Participants compare the actual bank allegation, acknowledgment, delivery record and complaint history. They identify what raises suspicion and what still requires investigation.

Scenario B: A customer received a defective product and had an unfulfilled refund promise. Participants explain why delivery alone does not establish theft and why the defect and refund records must be included.

Scenario C: The person who placed the order used another person’s card. Participants separate customer, recipient and cardholder and avoid automatically naming the cardholder as the suspected offender.

Completion checklist

- A documented basis for suspicion is identified separately from the chargeback itself.
- Names, address types, phone numbers, emails and relevant social profiles have sources and verification labels.
- The same underlying evidence supports the police and bank accounts; material contrary facts are included.
- Loss is reconciled without duplicate counting; pending and final movements are separated.
- The correct agency and verified bank/processor channel have been identified.
- Report status is accurately described; receipt and follow-up records are saved.
- The formal chargeback response will still be filed on time.

PART 09

Official References and Use Notes

Prepared November 12, 2026 as a separate companion to Chargeback Response Training Breakdown. The existing breakdown has not been changed. This document supplies a reporting workflow and templates; it does not determine that any historical customer committed a crime.

[1] Texas Penal Code Chapter 31

Sections 31.01, 31.03 and 31.04 distinguish deception, property theft and theft of service. Texas is an example; use the law governing the incident.

https://tcss.legis.texas.gov/resources/PE/htm/PE.31.htm

[2] Houston Police Department Online Police Report

Current eligibility criteria and official nonemergency reporting directions. Check the live page for the incident type.

https://www.houstontx.gov/police/online_report.htm

[3] Houston Police Department Financial Crimes Unit

Reporting, supplemental information and records contacts. Use the current official directions.

https://www.houstontx.gov/police/divisions/property_%26_financial_crimes/fcu.htm

[4] FBI IC3 Frequently Asked Questions

Requested complainant, subject and transaction information; preservation of originals; attachment limitations; and complaint-copy instructions.

https://www.ic3.gov/Home/FAQ

[5] Stripe How to Handle Disputes

Formal response timing, claim-specific evidence and the bank's review through the processor workflow.

https://support.stripe.com/questions/how-to-handle-disputes?locale=en-US

How to describe the reporting step in the main training

"When the records support a good-faith suspicion of theft or fraud, prepare a factual report for the appropriate law-enforcement agency. Include known identifiers, a chronological account, a reconciled loss and the same supporting records used for the chargeback. Obtain the report reference and submit relevant information to the processor or bank through its approved channel. Continue to meet every chargeback deadline."

What participants should understand

They can report suspected misconduct without proving a criminal case themselves. They must accurately describe what happened and what they do not know. Law enforcement and prosecutors assess investigation and charges; the bank assesses the payment dispute through its process. Neither report guarantees prosecution, collection or chargeback reversal.