

100 MERCHANTS' REFUND & RETURN POLICIES

Benchmark Your Friendly Fraud Response

Refund and Return Policies are the frontlines of fraud defenses. This report reveals the state of these policies today, looking at a cross section of ecommerce merchants worldwide.



INTRODUCTION

The New Frontier of Fraud

Fraud isn't always a shadowy figure behind a keyboard. Increasingly, it's coming from the very people businesses are built to serve—everyday consumers. Nowadays, fraud often originates in the form of false refund claims, chargebacks, or refund scams shared openly on social media. This type of behavior may be referred to as friendly fraud—but there's nothing friendly about it.

An Increasing Problem

Worryingly, this is a problem that is increasing by the day. Many consumers no longer see this behavior as unethical. It is a "victimless crime," some argue—especially if the retailer is big. But that misconception is proving costly.

39% of U.S. consumers admit to return policy abuse

57% of merchants report increasing rates of refund policy abuse

And it's not just one-off offenses—some treat this as a lifestyle.

Fraud as a Consumer Lifestyle

Social media platforms have become user manuals for return abuse. Creators post “how-tos” for claiming false non-delivery, exploiting returnless refund policies, or even hiring “professional refunders” to game the system.

One infamous glitch led to \$13,000 camera lenses being sold for under \$100 before it could be shut down—thanks to bots and social media virality. This is especially true with Gen Z and younger consumers; a Fast Company article notes [42% of Gen Z consumers](#) reported engaging in friendly fraud regularly.

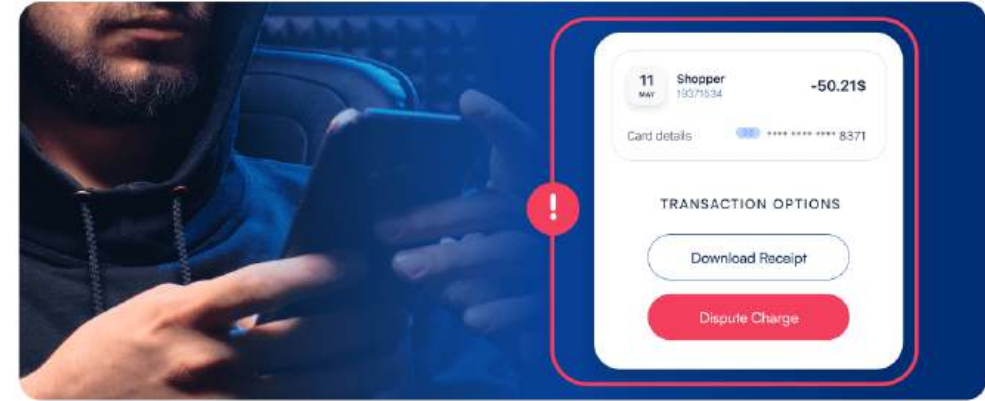
And with delivery services this problem has gotten especially bad; [DoorDash last year had to implement new measures](#) to crack down on delivery fraud.



The Role of Refund Policies in Fraud Risk

Refund policies were once seen as a purely customer experience concern. Today, they are a frontline defense—or liability—when it comes to fraud. The more lenient and ambiguous the policy, the easier it is for bad actors to exploit it.

Since the refund policy is a key aspect in the success of first party fraud, we sourced and mined individual refund and return policy language from 100 leading merchants, then analyzed, synthesized, and quantified both common patterns and outlier practices—ultimately identifying emerging standards and the pace at which policies are being updated in response to friendly fraud.



Common Loopholes Fraudsters Exploit

- ⚠ Relaxed requirements for evidence of purchase
- ⚠ No policy for limiting the number of returns or refund claims
- ⚠ Ambiguous terms like “satisfaction guaranteed” with no qualifiers
- ⚠ Inconsistent enforcement across support reps or regions



An Overview of Merchant Refund Policies

This snapshot offers insight into how businesses structure their policies—ranging from return windows and restocking fees to proof-of-purchase requirements—and reveals how they balance customer satisfaction with fraud prevention.

By identifying common practices and outliers, this analysis provides an objective benchmark for merchants evaluating their own approach to refund risk.

Here is a detailed overview of the state of merchant refund and return policies today

AVERAGE RETURN WINDOW

~36 days

With 75% of merchants offering a window of 30 days or fewer.

AVERAGE REFUND TIME

~10 days

With a general range from 2 to 30 days.



of the merchants surveyed disclose their return shipping policies

32% offer free returns

19% require customer to pay for shipping

5% vary their policy depending on where the customer is located



97% require proof of purchase in order to initiate a return



IN FOCUS

How Frequently Are Refund Policies Updated?

The majority of policies we reviewed were updated recently.

77% were updated in the last year.

The most common update months were:



The **oldest update** in the data was May 2022; the **most recent** was March 2024.

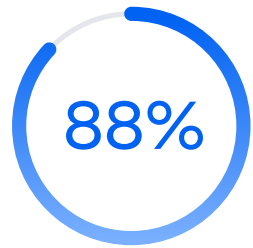
Why it matters

Updating policies at least semi-frequently is crucial for mitigating abuse and responding quicker to trends in first-party fraud. It's probably not surprising, then, that there was a surge in updates in late 2023 and early 2024, suggesting a reaction to increased public attention on return fraud and operational costs during the holiday season.

Many merchants appear to be revisiting their refund and return policies **in response to changing fraud trends and consumer expectations.**



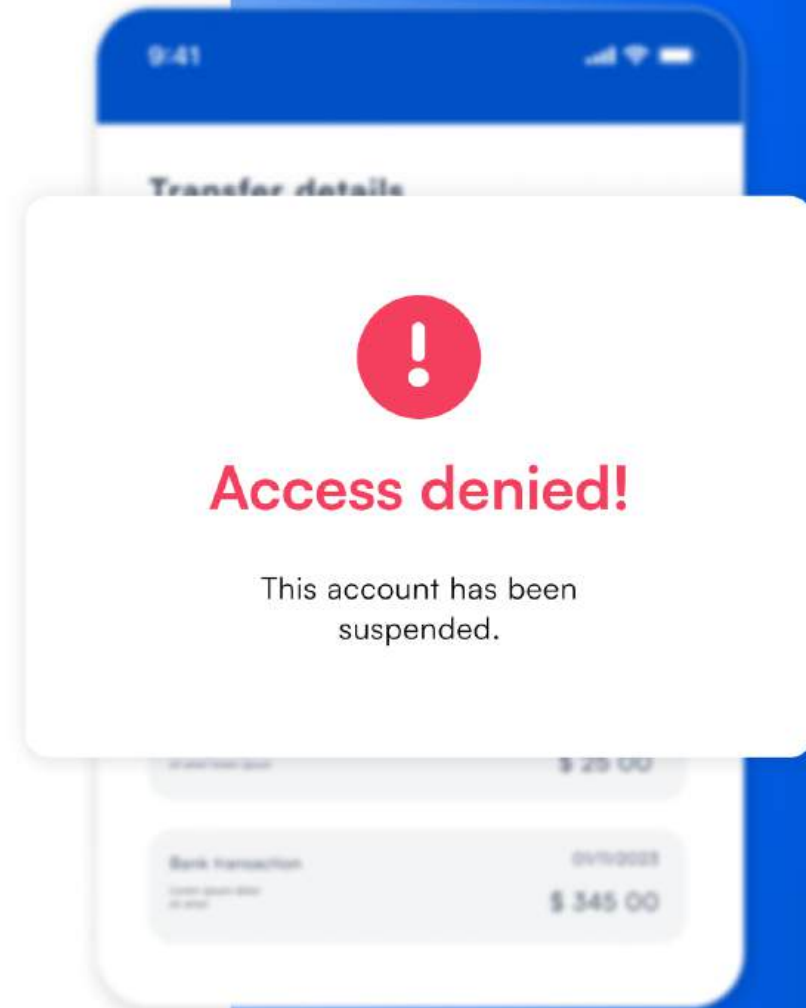
Abuse Mitigation Tactics



of the top 100 merchants mention fraud or chargebacks explicitly in their policies.

~50% use proactive language such as:

- "Accounts may be suspended for excessive returns"
- "We investigate fraudulent claims"



Key Themes in Abuse Mitigation Language

When dealing with potential abuse and fraud, there are some common themes that arise in the policies we reviewed. Some key takeaways include:

1 Excessive Returns Raise Red Flags

The word “**excessive**” appears frequently in the abuse mitigation language among the policies reviewed. This suggests that many policies don’t outright forbid returns but set behavioral thresholds. Common phrasing includes:

- “We reserve the right to limit returns for excessive use.”
- “Frequent returns may result in account review.”

3 Account Penalties

Phrases like “**ban,**” “**suspend,**” or “**revoke**” show up in more aggressive policies—especially in marketplaces or high-value verticals like luxury or electronics.

- Examples: “Accounts may be suspended for policy violations” or “Return privileges may be revoked.”

2 Implicit Consequences Over Explicit Accusations

Terms like “**monitor,**” “**review,**” and “**limit**” are used more often than hardline legal language.

- These are softer warnings that give the retailer flexibility while still deterring abuse.

4 Fraud Flags vs. Fraud Accusations

Use of “**fraudulent claims will be investigated**” appears in multiple policies, but few accuse customers outright of fraud.

- This keeps legal risk low while still communicating that the business is watching.



What It Means

Behavioral Framing > Legal Jargon

Most merchants avoid legalistic or confrontational tone. Instead, they use language that frames abuse as a breach of community trust or platform standards.

Gray-Area Management

Rather than define hard limits, policies often imply discretionary review. This lets fraud teams adjust thresholds over time, for example, “return rates that differ significantly from typical customer behavior may result in investigation.”

Few Explicit Fraud Policies

Only a handful reference machine learning or automated detection. Most imply that abuse handling is a manual or case-by-case process.



Trends by Industry

Retail & Apparel

- Return windows average between 30 to 48 days.
- Refund timing tends to be fast, typically around 10–13 days.
- Most businesses in this industry offer free returns, though proof of purchase is almost always required.
- Fraud prevention language is common but often generic.

Beauty & Personal Care

- Return windows are typically 30 to 60 days.
- Refunds are processed within about 14 days.
- Shipping policies vary slightly, but most offer free returns.
- Policies often include clear wording around hygiene-related exceptions.

Electronics & Media

- Return windows are tighter—usually 14 to 30 days.
- Refund timing is efficient, averaging 7 to 10 days.
- Proof of purchase is strictly required.
- Fraud mitigation language is stronger, including account monitoring or denial of future returns.

Digital Services & Software

- Return windows are either zero days or clearly defined trial periods.
- Refunds are limited, often processed as credits or denied after initial access or use.
- Return shipping and physical proof are generally not applicable.
- Rely on account usage data and terms of service for abuse detection.



Trends by Industry



Grocery & Delivery Services

- No standard return window; most direct users to customer support.
- Refunds are handled within 1 to 3 days due to the nature of perishables.
- Return shipping doesn't apply; however, they are easy targets for refund scams due to quick, low-friction resolutions.
- Fraud is deterred by limiting refund frequency or monitoring accounts.



Home Goods & Improvement

- Return windows tend to be longer (typically 60 to 75 days).
- Refund processing ranges from 10 to 14 days.
- Shipping policies are more likely to require customers to pay for returns, and are generally subject to condition inspections.
- Larger-ticket items make this industry an attractive target for return fraud.



Luxury Goods

- Return windows are usually 14 to 30 days.
- Refund processing averages 12 to 14 days.
- Shipping policies tend to require customer payment or vary by item.
- Often incorporate explicit fraud warnings, such as “repeat abuse will result in loss of privileges” or use of account behavior to limit returns.



Travel, Ticketing & Vehicle Rental

- Return windows and refund eligibility vary
- Refunds are often issued as credits or partial reimbursements.
- Have policies among the least consumer-friendly, but they also some of the strongest anti-abuse language.
- Many require user ID verification or link policies to terms of service during booking.



Policy Frequency Updates By Industry

Industries with recent and consistent updates include:

- Retail
- Apparel
- Electronics
- Marketplaces

These verticals face high volume and abuse risk, so they seem to be more proactive in policy revision.



Industries with older or sparse update records:

- Luxury goods and services
- Digital-only platforms (SaaS, ticketing, media)

These sectors often rely on fixed terms or user agreements and may update less frequently or not surface the update date publicly.

Policy updates tend to correlate with abuse-prone categories.

Verticals with high return rates or friendly fraud exposure are clearly taking action. Those with lower return volume or non-returnable goods are slower to react.



Examining Some Specific Merchant's Policies

These case studies provide snapshots into how businesses can effectively balance customer experience and fighting fraud.

CASE STUDY 1




Amazon — Scalable Enforcement Without Sacrificing Convenience

 **Category:** Marketplace / General Retail

 **Return Window:** 30 days

 **Refund Timing:** 3–5 days

 **Abuse Mitigation Quote:** “We suspend accounts for return abuse.”

What Stands Out:

Amazon strikes a careful balance: customers enjoy frictionless returns—including “returnless refunds” in some cases—but behind the scenes, Amazon runs a robust behavioral surveillance system. Accounts with excessive returns or unusual patterns are flagged automatically, and privileges can be revoked.

Takeaway for Risk Teams:

Generous policies can coexist with strict internal enforcement—if you invest in real-time behavior modeling and aren't afraid to act on insights.

CASE STUDY 2



Airbnb — Abuse Mitigation Embedded in Community Guidelines

 **Category:** Travel / Platform Marketplace

 **Return Window:** Varies by host

 **Refund Timing:** 14 days

 **Abuse Mitigation Quote:** “Guests may lose booking privileges for policy violations.”

What Stands Out:

Airbnb doesn't frame abuse as “fraud”—they frame it as breaking community trust. Their policies emphasize good-faith use and give hosts tools to dispute fraudulent claims. Suspensions happen quietly but decisively

Takeaway for Risk Teams:

In platforms with peer-to-peer dynamics, clear expectations and layered enforcement (host-side + platform-side) are crucial for credibility.



CASE STUDY 3



FanDuel — Policy Scarcity as a Defense Layer

 **Category:** Gaming / Digital Services

 **Return Window:** “None”

 **Refund Timing:** ~3 days

 **Abuse Mitigation Quote:** “All sales are final. Suspicious activity may be reported.”

What Stands Out:

FanDuel offers no returns for digital purchases, placing the burden on upfront user education. Yet the real signal is their quiet reference to monitoring and escalation, hinting at back-end fraud controls without disclosing thresholds.

Takeaway for Risk Teams:

Sometimes, the absence of a return option is itself a mitigation tactic—but only if supported by behind-the-scenes monitoring and careful tone-setting.

CASE STUDY 4



Best Buy — Technical Exceptions + Operational Clarity

 **Category:** Electronics

 **Return Window:** 14–30 days depending on item

 **Refund Timing:** 7–10 days

 **Abuse Mitigation Quote:** “Opened items may be subject to a restocking fee.”

What Stands Out:

Rather than a blanket policy, Best Buy uses product-based exceptions and clear rules around opened electronics. This minimizes disputes and prevents abuse from buyers who “rent” high-end tech before returning it.

Takeaway for Risk Teams:

Clear category-level return rules combined with operational enforcement (like condition checks) can prevent high-value item abuse.



Merchant Blind Spots

While many retailers recognize the growing threat of first party fraud, few have taken a hard look at how their internal systems and processes may be enabling it.

Often, fraud prevention efforts are siloed from the customer experience and support functions—creating blind spots that fraudsters exploit.



Disjointed Teams and Tools

Most businesses treat fraud prevention, customer support, and refunds as separate domains. Fraud teams focus on transaction risk scoring, while support teams prioritize resolving customer issues quickly—sometimes approving refunds without fully checking legitimacy. Without integrated tools or a shared view of user behavior, abuse can fall through the cracks.



No Feedback Loop on Policy Abuse

Support teams often receive complaints and refund requests but have no process for escalating patterns of abuse to the fraud team. Similarly, policy loopholes are rarely reviewed with fraud in mind. Fraudsters rely on this disconnect: they know support reps are incentivized to resolve tickets fast, not challenge false claims.



Overemphasis on CX Measures Like Returnless Refunds

In the race to reduce friction and drive conversion, many retailers have leaned into “customer-first” refund policies—instant refunds, no-questions-asked returns, no requirement to send back merchandise. While these policies can boost satisfaction, they also open the door to systematic abuse if not monitored carefully.



Lack of Documentation for Disputes

A surprising number of merchants still lack proper documentation to successfully fight this type of fraud. Without a consistent process to log return confirmations, refund timestamps, delivery tracking, and customer support transcripts, refund disputes become nearly impossible to win.



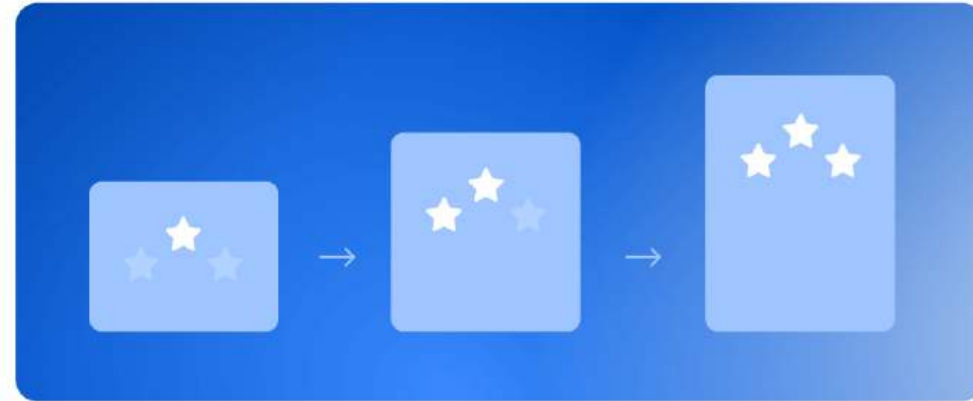
SPOTLIGHT ON

Tiered Return Privileges

One increasingly common way forward-thinking businesses are fighting fraud is by implementing tiered return privileges.

This is a customer segmentation strategy where merchants offer different return/refund experiences based on shopper behavior, loyalty status, or risk profile. This tactic lets companies maintain generous return policies for good customers—while quietly tightening controls on users who show signs of abuse.

Here's a breakdown of how tiered return systems work, why they're effective, and how some merchants implement them (explicitly or implicitly).



What Are Tiered Return Privileges?

Tiered return privileges mean that not all customers get the same return experience. Instead, benefits such as:

- Longer return windows
- Free return shipping
- Returnless refunds
- Fewer ID checks or restocking fees

...are offered selectively, based on customer data. This allows merchants to **reward trustworthy shoppers while deterring serial returners or opportunistic abusers.**



Signals Used to Determine Return Tiers

Loyalty Status or Spend



Merchants could grant higher-tier loyalty program members extended return windows.

Or VIP customers could qualify for returnless refunds on low-cost items only.

Return History



Customers with a history of excessive or high-value returns could be faced with stricter policies.

This may include:

- Shorter return windows
- Manual approval required
- Returns denied outright for repeat offenses

Fraud or Abuse Risk



Pattern analysis—such as velocity, return-to-purchase ratios, and mismatched usage—could feed directly into fraud detection models.

Customers who are flagged based on these patterns may be required to provide additional documentation or may be excluded from certain promotions as a precaution.

Product Category



Electronics and other luxury goods would be treated with more caution than lower cost items like apparel or consumables and may require more scrutiny or manual review before a return is granted.



Strategic Recommendations

Return abuse and friendly fraud are rising because they're easy to pull off, hard to detect, and socially normalized. But fixing the problem isn't about clamping down on all customers—it's about becoming more precise in who gets what kind of return experience, and why.

Here are strategic actions your teams can take to reduce refund abuse without killing customer satisfaction.

1. For Fraud and Risk Teams
2. For CX, Policy, and Operations Leaders
3. For Executive Leadership

1 For Fraud and Risk Teams

✔ Use Refund Abuse as a Fraud Signal

- Integrate refund request velocity, ticket value, and success rate into your fraud scoring model.
- Treat refund abuse like a first-party fraud vector—one that often precedes chargebacks or account takeover.
- Flag accounts with mismatched shipping/billing behavior, new devices/IPs, or high refund-to-purchase ratios.

✔ Implement Tiered Return Privileges

- Adjust return/refund flexibility based on loyalty status and behavioral history.
- Offer perks (returnless refunds, free shipping) to trusted users—and friction (manual approval, shorter windows) to repeat offenders.
- Don't show everyone the same return policy at checkout.

✔ Set Internal Thresholds, Even If Your Public Policy Is Generous

- Example: "30-day returns" on paper, but internally flag >3 returns/month or >\$500/month for manual review.
- Use soft friction first: ask for more documentation or identity validation.



2 For CX, Policy, and Operations Leaders

✔ Avoid One-Size-Fits-All Policies

- Segment return windows by product category
- Reserve lenient policies for categories where return behavior is core to conversion.

✔ Make Abuse Consequences Visible—Without Alienating Good Customers

- Consider adding friendly but firm language like:
 - “We reserve the right to limit returns based on account history.”
 - “Abuse of our return policy may result in account review.”
- You don’t need complex legalese—just enough wording to make fraudsters think twice.

✔ Test Returnless Refunds + Partial Refunds

- For low-value items, offer refunds without requiring a return. This saves money and improves CX.
- Use ML/AI powered insights to decide when to trigger this. But limit it to low-risk segments only.

✔ Create a Feedback Loop Between CS and Fraud Teams

- Customer service agents often see refund abuse patterns before systems do.
- Give them a channel to flag refunders who “always say it’s defective” or “always escalate to get credits.”
- Bonus: flag patterns of friendly fraud that originate on social media.

3 For Executive Leadership

✔ Measure the True Cost of Return Abuse

- It’s not just lost merchandise—it’s also lost shipping, payment processing, agent time, and potential churn from good customers dealing with tightened policies.
- Build dashboards that track:
 - Refund approval rates by segment
 - Refunds as % of Gross Merchandise Value
 - Manual refund time/cost
 - Abuse-to-claim ratio

✔ Invest in Prevention, Not Just Recovery

- Prevention includes better ID verification at account creation, tighter fulfillment controls, and smarter returns portals that detect anomalies.
- Recovery (chargeback disputes, banned users) is always more expensive.



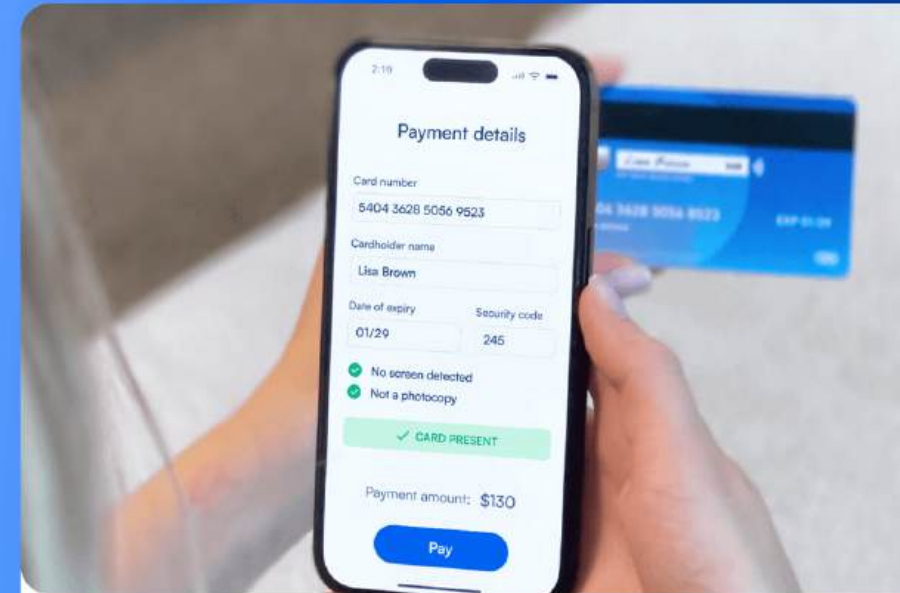
CONCLUSION

The Gray Area of Friendly Fraud

Not all 1st party fraud stems from malicious intent. In fact, much of it originates from confusion, forgetfulness, or mismatched expectations. A customer might dispute a charge simply because they don't recognize the billing descriptor, or because they forgot they signed up for a free trial that auto-renewed.

Other times, the return abuse starts innocently—a shopper thinks they're within the policy window, or they expect a refund to process faster than it does. The line between mistake and manipulation isn't always clear. But the impact on the business is the same.

That's why the best fraud strategies aren't just punitive—they're perceptive. Teams need tools to detect intent, policy flexibility to resolve misunderstandings, and clear, human-centered communication to reduce friction before it escalates into disputes. Because in a world where trust is currency, protecting the bottom line starts with understanding the customer behind the purchase.



Seeking more friendly fraud defenses?

BlinkCard by Microblink offers payment card scanning with liveness detection to help reduce Card-Not-Present fraud.

[Contact us today](#) to learn more.

Appendix

100 merchants were selected as a sample representing different global regions, company sizes and retail categories.

Only well-established, market-leading brands were included.

List of Merchants

Adidas	eBay	HelloFresh	Patreon
Adobe	Electronic Arts	Hertz	Poshmark
Agoda	Epic Games	Home Depot	Priceline.com
Airbnb	ESW	Hopper	Rent-A-Center
Amazon	Ethiopian Airlines	iFood	Reverb
American Eagle	Etix	IHG Hotels & Resorts	Richemont
Arc'teryx	Etsy	Instacart	Ring Central
ASICS	Expedia Group	Intuit	Sam's Club
B&H Photo	Faire	John Deere	SeatGeek
B&Q	FanDuel	Kingfisher	Sephora
Bed Bath & Beyond	FareHarbor	La Redoute	SHEIN
Best Buy	Fashion Nova	Lazada	Shipt
Blizzard Entertainment	Fnac	Lenovo	Shopee
Bose	Front Gate Tickets	Loewe	StubHub Inc.
Brooks Running	Gap	Louis Vuitton	The Home Depot
Bulgari	Getty Images	Lululemon	The RealReal
Burberry	GetYourGuide	Major League Baseball	Ticketmaster
CarTrawler	GoDaddy	ManoMano	Tiffany & Co.
Christian Louboutin	GoPro	Match Group	Turo
Coles Group	Grab	Nefflix	Uber
Costco	Grainger	Nintendo	Ulta Beauty
Crocs	Grammarly	Nordstrom	Vestiaire Collective
Decathlon	Guerlain	On	Vinted
Dell Technologies	Guesty	OpenTable	Walmart
Dyson	H-E-B	Otto Group	Wehkamp

