



SUMMER 2022

## **Social Engineering in Refunds and Returns:** How Consumers Get Items for Free and Customer Service Agents Manage Disputes

# Executive Summary

It's as human as breathing to want something for nothing. Whether it's that extra 10% discount or those free breadsticks, we're hard-wired to want a little bit more. Unfortunately, that innate desire for more has led some consumers to push the boundaries for a few freebies.

Fraudulent activity exists in the physical space just as much as the digital world. Today, bad actors — even known customers — are resorting to tactics like coercion and social engineering to obtain refunds without returning goods. The issue is so prevalent that Kount's experts suggest some businesses lose more to false refunds than chargebacks.

To get to the bottom of why and how consumers engage in borderline-fraudulent behaviors and how often customer service agents have to manage aggressive customer tactics, we went straight to the source.

In part one of Kount's latest survey, we asked **1,000 consumers** who have purchased items online in the last year and obtained refunds:

- How often they seek refunds
- What kinds of items they seek refunds for most often and their average value
- If they've ever sought a refund for something that wasn't defective
- If they've ever convinced or coerced a customer service agent into issuing a refund and how they did it
- If they've ever hired a refunding service provider and how it worked

In part two, we asked **1,000 customer service agents** who work for online retailers and process refunds and returns:

- How often customers request refunds
- How often customers request refunds without returning items
- How often they refund items without receipts or after a refund/return window closes
- If they've ever interacted with a customer who resorted to crying, anger, aggression, threats, or other excessive or manipulative tactics to obtain a refund, how often it happens, and how the agent responded
- How many customers have resorted to excessive or manipulative tactics to obtain refunds compared to when they started working in their department
- How often they consider quitting their jobs after experiencing excessive or manipulative customers

# Consumer Survey Methodology

Kount, an Equifax Company, commissioned Pollfish in May 2022 to survey 1,000 male and female adults ages 18 and up in the United States, United Kingdom, and Canada who purchased items online in the last year and obtained refunds by way of coercion or other social manipulation tactics. Distribution of this data is permitted under the Creative Commons license with proper attribution to Kount, an Equifax Company ([www.kount.com](http://www.kount.com)).

# Customer Service Survey Methodology

Kount, an Equifax Company, commissioned Pollfish in May 2022 to survey 1,000 male and female adults ages 18 and up in the United States, United Kingdom, and Canada who are employed for wages as customer service agents for online retailers and process refunds and returns to learn more about the prevalence of coercion or other social manipulation tactics in the refund process. Distribution of this data is permitted under the Creative Commons license with proper attribution to Kount, an Equifax Company ([www.kount.com](http://www.kount.com)).

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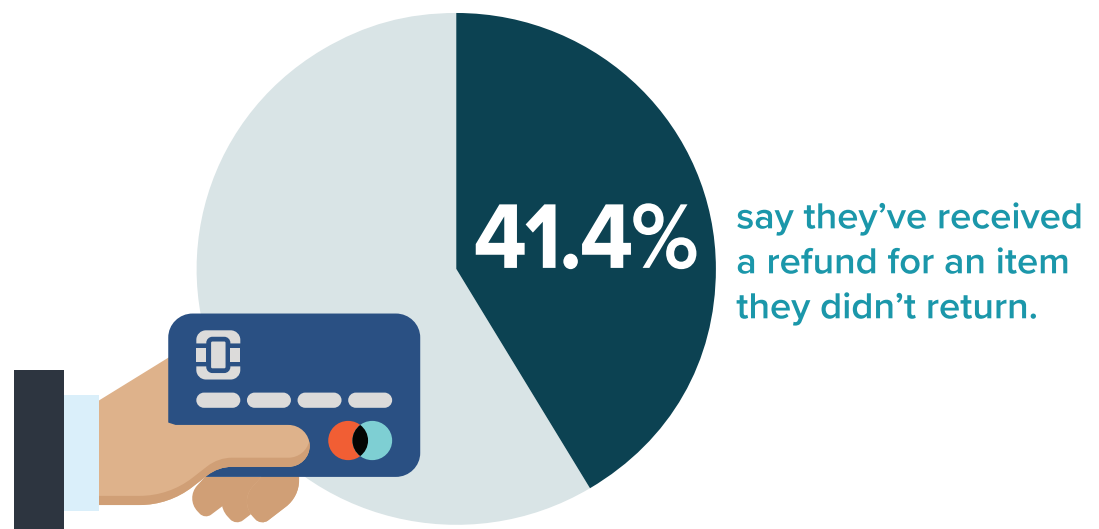
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## Key Takeaways

### Consumer survey

- 24.43% have returned between 11 and 20 items for a full refund in the last year.
- 54.7% say the average value of items refunded is between \$25 and \$100.
- 14.4% say the average value of items refunded is between \$100 and \$499
- Half say they've sought refunds for items they wore or used that weren't defective.
- 41.4% say they've received a refund for an item they didn't return.
- 38.7% say they've convinced or coerced a customer service representative to refund a purchase. To do it, 9.82% of them became angry or aggressive, 11.89% threatened to leave a bad review, 22.22% claimed the item was broken or damaged, and 6.46% cried.
- 30.2% have hired someone to obtain a refund on their behalf. Among them, 19.34% claim the refund service provider was successful in obtaining a refund between \$100 and \$499.
- 29.30% said they would not think differently about a friend or loved one who used manipulative tactics on a customer service representative to obtain a refund. And 33% said they'd think slightly or significantly more of someone who did.





## Key Takeaways

### Customer service survey

- 33.07% have worked in a refunds or returns department for an online retailer between 1 and 3 years.
- 27.89% say they communicate with customers primarily via email.
- 61.63% say customers request refunds for online purchases up to 10 times per day.
- 69.93% say customers try to get refunds without returning items up to 10 times per day.
- 70.93% say they've interacted with a customer who resorted to crying, anger, aggression, threats, or other excessive or manipulative tactics to obtain a refund. Among them, 31.69% said they empathized with the customer but declined the refund. 31.27% say they escalated the case to management, and 4.79% say they disconnected the communication immediately.
- 18.59% say the largest amount they've refunded to a customer who resorted to excessive or manipulative tactics was between \$100 and \$499.
- 32.68% say moderately or significantly more customers have resorted to excessive or manipulative tactics to obtain refunds compared to when they started working in their department.
- 55.55% say they've processed more refunds today compared to when they started in their department.



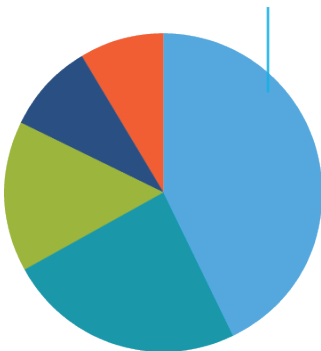
## Consumer Survey

### Refunding habits

Which of the following best describes you?

	Percent	Count
I frequently return or seek refunds for online purchases	35.60%	356
I sometimes return or seek refunds for online purchases	64.40%	644
I rarely return or seek refunds for online purchases	0%	0
I never return or seek refunds for online purchases	0%	0
<b>Total responses</b>		<b>1,000</b>

The majority of survey participants have returned 1-5 items in the last year.



About how many items have you returned for a full refund in the last year?

	Percent	Count
0	0	0
1-5	42.84%	428
6-10	24.22%	242
11-15	15.32%	153
16-20	9.11%	91
Over 21	8.51%	85
<b>Total responses</b>		<b>999</b>

What was the average value of items refunded?

	Percent	Count
Less than USD\$25	12.10%	121
USD\$26-\$50	25.50%	255
USD\$51-\$75	14.60%	146
USD\$76-\$100	14.60%	146
USD\$100-\$499	14.40%	144
USD\$500-\$999	6.10%	61
USD\$1,000-\$4,999	4.90%	49
USD\$5,000-\$9,999	4.10%	41
Over USD\$10,000	3.70%	37
<b>Total responses</b>		<b>1,000</b>

## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

### What kinds of goods did you seek refunds for most often?

	Percent	Count
Clothes/apparel/shoes	37.60%	376
Video games/video game consoles	4.30%	43
Home goods	7.80%	78
Food/groceries	5.80%	58
TVs/entertainment equipment	4.60%	46
Portable devices (headphones, smartphones, speakers, smartwatches, etc.)	6.20%	62
Outdoor equipment/sporting goods	2.50%	25
Jewelry	2.90%	29
Makeup/cosmetics	2.30%	23
Exercise equipment	3.40%	34
Garden/yard care equipment	3.30%	33
Power tools	3.10%	31
Furniture	3.30%	33
Car parts	3.20%	32
Vacation/travel expenses (airfare, hotel accommodations, etc.)	2.60%	26
Skincare/hair care products	3.90%	39
Nutritional supplements	2.20%	22
Other	1.00%	10
Total responses		1,000



## Social Engineering in Refunds and Returns:

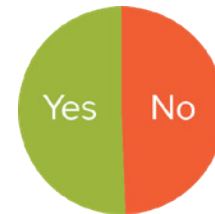
How Consumers Get Items for Free and Customer Service Agents Manage Disputes



## The prevalence of and consumer sentiment around social engineering

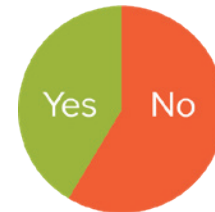
Have you ever sought a refund for something you wore or used that wasn't defective?

	Percent	Count
Yes	50.60%	506
No	49.40%	494
<b>Total responses</b>		<b>1,000</b>



Have you ever received a refund for an item you didn't return?

	Percent	Count
Yes	41.40%	414
No	58.60%	586
<b>Total responses</b>		<b>1,000</b>



Have you ever lied to a business or customer service representative to obtain a refund?

	Percent	Count
Yes	35.70%	357
No	64.30%	643
<b>Total responses</b>		<b>1,000</b>



Have you ever convinced or coerced a customer service representative to refund a purchase?

	Percent	Count
Yes	38.70%	387
No	61.30%	613
<b>Total responses</b>		<b>1,000</b>





## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

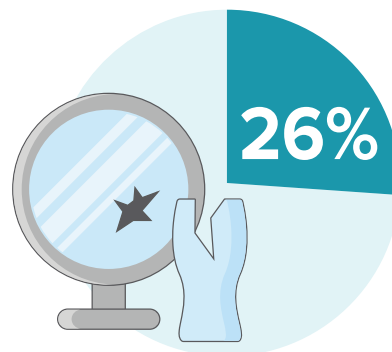


### How did you convince or coerce the representative to refund your purchase?

	Percent	Count
I cried	6.46%	25
I became angry or aggressive	9.82%	38
I threatened to cancel my account or change providers	14.99%	58
I told them I needed the money to pay for something else	12.40%	48
I threatened to leave a bad review	11.89%	46
I told them the item was broken or damaged	22.22%	86
I threatened to chargeback/dispute the purchase with my bank	12.92%	50
I threatened to blast the company on social media	8.27%	32
Other	1.03%	4
Total responses		387

### Why did you need to convince or coerce a customer service representative to refund your purchase?

	Percent	Count
I wanted to use the item but not keep it	12.14%	47
Customer service was unhelpful	16.28%	63
The company didn't believe the item was defective	13.95%	54
My item arrived damaged or broken	26.36%	102
There was something wrong with my bill or payment	15.50%	60
The return window closed/expired	15.50%	60
Other	0.26%	1
Total responses		387



Wanted a refund because they received a damaged or broken item.

## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

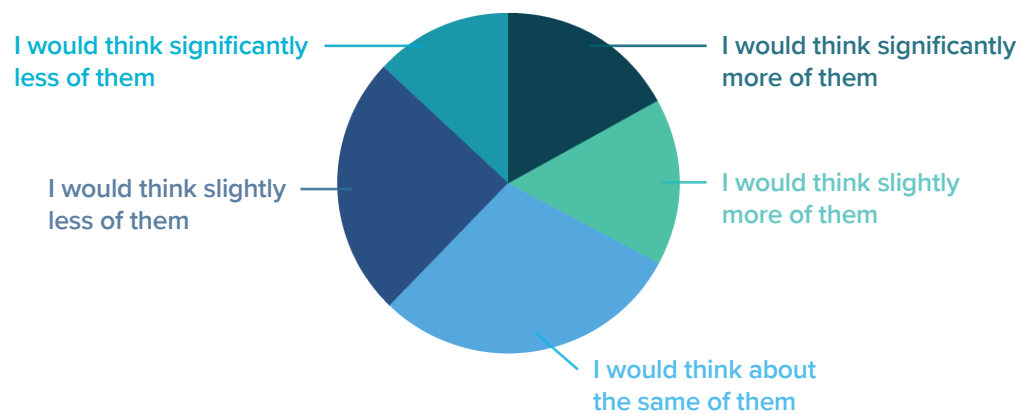


### Over what media were you communicating with the business?

	Percent	Count
Phone	21.71%	84
Email	26.87%	104
Web chat	19.12%	74
Text	10.59%	41
Social media	21.19%	82
Other	0.52%	2
<b>Total responses</b>		<b>387</b>

### How would your view of a friend or loved one change if you knew they had lied to, coerced, or convinced a customer service representative to obtain a refund?

	Percent	Count
I would think significantly more of them	17.10%	171
I would think slightly more of them	15.90%	159
I would think about the same of them	29.30%	293
I would think slightly less of them	24.80%	248
I would think significantly less of them	12.90%	129
<b>Total responses</b>		<b>1,000</b>



## Consumers and refunding services



Have you ever hired someone to obtain a refund on your behalf?

	Percent	Count
Yes	30.20%	302
No	69.80%	698
<b>Total responses</b>		<b>1,000</b>



Was the refund service provider successful in getting your purchase refunded?

	Percent	Count
Yes	70.20%	212
No	29.80%	90
<b>Total responses</b>		<b>302</b>



What was the total amount refunded?

	Percent	Count
Less than USD\$25	10.38%	22
USD\$26-\$50	10.38%	22
USD\$51-\$75	10.85%	23
USD\$76-\$100	17.92%	38
USD\$100-\$499	19.34%	41
USD\$500-\$999	9.43%	20
USD\$1,000-\$4,999	7.55%	16
USD\$5,000-\$9,999	8.49%	18
Over USD\$10,000	5.66%	12
<b>Total responses</b>		<b>212</b>

## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

### What type of item did you ask the refund service provider to get your money back on?

	Percent	Count
Clothes/apparel/shoes	9.43%	20
Video games/video game consoles	7.55%	16
Home goods	3.77%	8
Food/groceries	6.60%	14
TVs/entertainment equipment	4.72%	10
Portable devices (headphones, smartphones, speakers, smartwatches, etc.)	10.85%	23
Outdoor equipment/sporting goods	4.72%	10
Jewelry	4.72%	10
Makeup/cosmetics	4.72%	10
Exercise equipment	7.08%	15
Garden/yard care equipment	2.83%	6
Power tools	4.25%	9
Furniture	6.13%	13
Car parts	3.77%	8
Vacation/travel expenses (airfare, hotel accommodations, etc.)	5.66%	12
Skincare/hair care products	10.38%	22
Nutritional supplements	2.83%	6
Other	0%	0
<b>Total responses</b>		<b>212</b>



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes



### How did you hear about the refund service provider?

	Percent	Count
I Googled them	33.96%	72
I found them through social media	26.89%	57
I found them through an online forum	17.45%	37
A friend referred me	21.70%	46
Other	0%	0
<b>Total responses</b>		<b>212</b>

### How much did the refund service provider charge you?

	Percent	Count
Less than 5% of the total refund	18.87%	40
5%-10% of the total refund	36.79%	78
More than 10% of the total refund	34.91%	74
The provider charged a flat fee	9.43%	20
Other	0%	0
<b>Total responses</b>		<b>212</b>



## Consumer respondent demographics

Gender	Percent	Count	Country	Percent	Count
Female	53.60%	536	Canada	3.90%	39
Male	46.40%	464	United Kingdom	41.5%	415
<b>Total responses</b>		<b>1,000</b>	United States	54.60%	546
			<b>Total responses</b>		<b>1,000</b>
Age	Percent	Count			
18-24	18.70%	187			
25-34	30.70%	307			
35-44	30.60%	306			
45-54	9.70%	97			
Over 54	10.30%	103			
<b>Total responses</b>		<b>1,000</b>			



## Customer Service Survey

### Experience in refund and return departments

How long have you worked in customer service for an online retailer?

	Percent	Count
I don't work in customer service for an online retailer	0%	0
Less than 1 year	17.08%	171
1-3 years	31.77%	318
4-6 years	23.48%	235
7-10 years	12.49%	125
Over 11 years	15.18%	152
<b>Total responses</b>		<b>1,001</b>

What percentage of your job is dedicated to refund or return processing?

	Percent	Count
None	0%	0
1%-25%	42.86%	429
26%-50%	33.67%	337
51%-75%	13.69%	137
76%-100%	9.79%	98
<b>Total responses</b>		<b>1,001</b>

About how many return merchandise authorizations (RMA) do you process per day?

	Percent	Count
None	0%	0
1-5	39.66%	397
6-10	32.07%	321
11-20	16.48%	165
Over 21	11.79%	118
<b>Total responses</b>		<b>1,001</b>

## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

### How long have you worked in a refund or returns department for an online retailer?

	Percent	Count
Less than 1 year	21.18%	212
1-3 years	33.07%	331
4-6 years	22.48%	225
7-10 years	9.39%	94
Over 11 years	13.89%	139
Total responses		1,001

### Over what media do you communicate with customers processing returns?

	Percent respondents	Percent answers	Count
Phone	54.15%	26.34%	542
Email	57.34%	27.89%	574
Chat	38.86%	18.90%	389
Text	25.87%	12.59%	259
Social media	26.27%	12.78%	263
Other	3.10%	1.51%	31
Total responses			1,001



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes



## Frequency of refund requests

How often do customers request refunds for goods purchased online?

	Percent	Count
1-5 times per day	35.66%	357
6-10 times per day	25.97%	260
11-15 times per day	16.28%	163
16-20 times per day	8.89%	89
Over 20 times per day	13.19%	132
<b>Total responses</b>		<b>1,001</b>

How often do customers try to get refunds without returning items?

	Percent	Count
1-5 times per day	49.75%	498
6-10 times per day	20.18%	202
11-15 times per day	12.99%	130
16-20 times per day	7.99%	80
Over 20 times per day	9.09%	91
<b>Total responses</b>		<b>1,001</b>

Have you ever refunded an item without a receipt or after a refund/return window closed?

	Percent	Count
Yes	49.05%	491
No	50.95%	510
<b>Total responses</b>		<b>1,001</b>



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

### How often do you refund items without receipts or after a refund/return window closes?

	Percent	Count
Always	9.57%	47
Most of the time	17.72%	87
About half of the time	14.26%	70
Sometimes	50.51%	248
Never	7.94%	39
Total responses		491

### How many refunds have you processed today compared to when you started in your department?

	Percent	Count
Significantly more	11.29%	113
Moderately more	20.98%	210
Slightly more	23.28%	233
About the same	24.78%	248
Slightly less	8.19%	82
Moderately less	5.29%	53
Significantly less	6.19%	62
Total responses		1,001



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes



### The prevalence of customers practicing social engineering

Have you ever interacted with a customer who resorted to crying, anger, aggression, threats, or other excessive or manipulative tactics to obtain a refund?

	Percent	Count
Yes	70.93%	710
No	29.07%	291
<b>Total responses</b>		<b>1,001</b>



What did you do in response to a customer who resorted to crying, anger, aggression, threats, or other excessive or manipulative tactics to obtain a refund?

	Percent	Count
Approved the refund immediately	5.63%	40
Declined the refund immediately	6.90%	49
Empathized with them but declined the refund	31.69%	225
Empathized with them and approved the refund	11.69%	83
Escalated the case to management	31.27%	52
Credited the customer's account	7.32%	222
Disconnected the communication immediately	4.79%	34
Other	0.70%	5
<b>Total responses</b>		<b>710</b>



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

### How often have you considered quitting your job after experiencing excessive or manipulative customers?

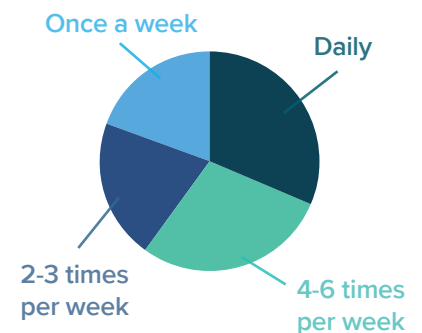
	Percent	Count
Always	11.41%	81
Most of the time	19.01%	135
About half of the time	17.18%	122
Sometimes	34.23%	243
Never	18.17%	129
Total responses		710

### What's the largest amount you've refunded to a customer who resorted to excessive or manipulative tactics to obtain a refund?

	Percent	Count
Less than USD\$25	19.01%	135
USD\$26-\$50	16.76%	119
USD\$51-\$75	13.52%	96
USD\$76-\$100	13.38%	95
USD\$100-\$499	18.59%	132
USD\$500-\$999	7.61%	54
USD\$1,000-\$4,999	4.93%	35
USD\$5,000-\$9,999	3.94%	28
Over USD\$10,000	2.25%	16
Total responses		710

### How often do customers resort to excessive or manipulative tactics to obtain refunds?

	Percent	Count
Daily	31.55%	224
4-6 times per week	28.59%	203
2-3 times per week	20.56%	146
Once a week	19.30%	137
Total responses		710



## Social Engineering in Refunds and Returns:

How Consumers Get Items for Free and Customer Service Agents Manage Disputes

How many customers have resorted to excessive or manipulative tactics to obtain refunds compared to when you started working in your department?

	Percent	Count
Significantly more	13.38%	95
Moderately more	19.30%	137
Slightly more	26.20%	186
About the same	22.68%	161
Slightly less	8.73%	62
Moderately less	5.63%	40
Significantly less	4.08%	29
Total responses		710

## Consumer service respondent demographics



Gender	Percent	Count	Employment status	Percent	Count
Female	59.94%	600	Employed for wages	100%	1,001
Male	40.06%	401	Total responses		1,001
Total responses			1,001		
Age	Percent	Count	Career	Percent	Count
18-24	20.28%	203	Retail	100%	1,001
25-34	35.56%	356	Total responses		1,001
35-44	26.77%	268			
45-54	12.59%	126	Country	Percent	Count
Over 54	4.80%	48	Canada	3.80%	38
Total responses			United Kingdom	48.35%	484
			United States	47.85%	479
			Total responses		1,001



## About Kount, an Equifax Company

Kount, an Equifax Company, provides the world's most advanced identity trust, digital enablement, and consumer insights platform. It delivers real-time fraud prevention and account protection, and it allows more than 15,000 leading brands and payment providers to personalize customer experiences. Linked by our award-winning AI, Kount's Identity Trust Global Network™ analyzes signals from 32 billion annual interactions to personalize user experiences across the spectrum of trust — from reducing friction to blocking fraud. Quick and accurate identity trust decisions deliver safe payment, account creation, and login events while reducing digital fraud, chargebacks, false positives, and manual reviews. ([www.kount.com](http://www.kount.com))



## About Pollfish

Pollfish ([www.pollfish.com](http://www.pollfish.com)) is an agile market research platform offering real-time responses from mobile consumers. Using a modern sampling methodology called Organic Sampling that merges mobile delivery, artificial intelligence, and a massive audience network, Pollfish is able to narrowly target highly specific audience segments within their audience network of over 650M global respondents, spanning 160 countries and 51 languages, with better data quality and faster completion times than competitive survey solutions. Trusted by brands, media companies, and agencies alike, Pollfish data has powered stories in almost every major news source in the US, including The New York Times, Washington Post, and Inc.