Pacvue
Cancellation Rate Chargebacks
Order Fulfillment — Cancellation Rate

Vendor Guide

You may receive a chargeback if you cancel an order — either because you denied an order that Amazon submitted (formerly known as fill failure), or because you began to fulfill an order but could not complete it (formerly known as floor denial). These chargebacks exist to ensure reliable order fulfillment and accurate inventory availability.

OVERVIEW

WHAT TRIGGERS THIS CHARGEBACK

A **Cancellation Rate chargeback** occurs when you cancel an order, either because you **denied an order** that Amazon submitted (formerly known as **fill failure**), or because you **began to fulfill an order** but could not complete it (formerly known as **floor denial**). The root cause is typically inaccurate **inventory** data in your system.

PENALTY
$10
per cancellation issue

PERFORMANCE IMPACT
Keep rate as low as possible
Each cancelled order incurs a $10 charge — high rates may trigger warehouse or account suspension

EXCEPTIONS

No chargeback if the cancellation was **caused by Amazon** (e.g., Amazon-initiated PO cancellation or system error).

⚠ Operational Impact of Non-Compliance
A high cancellation rate can **negatively impact your performance metrics** and may lead to the **suspension of your warehouse or account**. If an order that Amazon has promised to a customer is denied, Amazon must find an alternative source or cancel the order — creating a poor customer experience.

HOW TO AVOID THIS CHARGEBACK

- Maintain **accurate warehouse inventory** to reduce the chance of receiving an order you can't fulfill.
- Update **available inventory** at least once every **24 hours**, per warehouse.
- Proactively flag stock-outs and **adjust available quantities** before Amazon submits a PO you cannot fulfill.

RATE CARD

Chargeback type	Trigger scenario	Rate	Key requirement	Compliance required
Cancellation Rate	Fill Failure (order denied)	**$10 per issue**	Accurate inventory; update every 24 hrs	Minimize — no fixed threshold
Cancellation Rate	Floor Denial (fulfillment incomplete)	**$10 per issue**	Accurate inventory; update every 24 hrs	Minimize — no fixed threshold

DISPUTING THIS CHARGEBACK

REQUIRED DOCUMENTATION

If you believe a chargeback was applied in error, follow the standard dispute process and include the following:

- **Justification:** A clear **justification for the order rejection** explaining why the cancellation was not due to your inventory inaccuracy (e.g., Amazon-initiated cancellation, duplicate PO, system error).
- **Supporting Documents:** Include the following details: **Case Number, Date of rejection and submission, PO Number**, and **ASIN/SKU(s)** affected. Attach any Vendor Central screenshots or case correspondence that supports your claim.

DISPUTE EVIDENCE EXAMPLES

✓ Approved submission — APPROVED

Vendor Central — Case Log | Support > Case History

DISPUTE CASE DETAILS

Case #	PO Number	ASIN	Rejection Date	Submission Date
Case-9281037	PO-7203948	B09DEF9012	2026-06-10	2026-06-12

DISPUTE JUSTIFICATION REASON & EVIDENCE

REASON FOR REJECTION

PO-7203948 was a **duplicate purchase order** submitted by Amazon for ASIN B09DEF9012. The original PO-7203511 was already confirmed and shipped on 2026-06-08. Vendor inventory was accurate — cancellation was due to Amazon's duplicate PO, not stock unavailability.

✓ JUSTIFICATION: AMAZON-INITIATED DUPLICATE PO — VENDOR INVENTORY WAS ACCURATE

◀ Case number and dates clearly documented

◀ Clear justification proving Amazon caused the issue

✓Dispute includes Case Number, PO Number, ASIN, rejection/submission dates.
✓Clear justification showing cancellation was caused by an **Amazon duplicate PO**, not vendor inventory issues.

✕ Denied submission — DENIED

Vendor Central — Case Log | Support > Case History

DISPUTE CASE DETAILS

Case #	PO Number	ASIN	Rejection Date	Submission Date
Not provided	PO-7203948	*Not provided*	*Not provided*	2026-06-20

DISPUTE JUSTIFICATION REASON & EVIDENCE

REASON FOR REJECTION

We had to cancel PO-7203948 because the **items were out of stock** at the time of the order. We are working on improving our inventory management.

✕ JUSTIFICATION CONFIRMS VENDOR-SIDE STOCK-OUT — DOES NOT QUALIFY FOR DISPUTE

◀ Missing Case #, ASIN, and rejection date

◀ Reason: vendor admits stock-out — no valid dispute basis

✕Submission is missing Case Number, ASIN, and rejection date.
✕Justification confirms a **vendor-side stock-out** — no valid basis for dispute.