



Monthly Update #2: Stripe Misery, Disruption & Losses

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If you think it can't happen to you, it's going to happen. For over 8 years we used Stripe as our main payment processor.

We had 9 different sub-accounts for different micro ventures, including SaaS, e-commerce, WordPress hosting services, consulting, fractional management and coaching.

You would think that this would be all okay after building a solid reputation with over 24 million USD processed combined and zero chargebacks, with the exception of a few refunds that I never disputed.

BIN Attack

A couple of weeks ago, I [had a BIN attack](#).

I quote from the information provided by Stripe:

“BIN attacks are a form of credit card fraud where cybercriminals use brute-force methods to guess valid combinations of credit card information. In 2022 alone, credit card fraud losses amounted to \$219 million in the US.”

First this happened to me and I had a series of credit card payments blocked in a short period of time.

What was noticeable was, they were mostly American Express card numbers and targeted my web hosting company.

<input type="checkbox"/>	\$45.00	USD	Blocked ⊖	 6319	{ACC-12837} Payment (Invoice:
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<input type="checkbox"/>	\$45.00	USD	Blocked ⊖	 0648	{ACC-12837} Payment (Invoice:
<input type="checkbox"/>	\$45.00	USD	Blocked ⊖	 8983	{ACC-12837} Payment (Invoice:
<input type="checkbox"/>	\$45.00	USD	Blocked ⊖	 2927	{ACC-12837} Payment (Invoice:

I got informed and soon after, prevented the attack with measures taken by my side and by Stripe (automatically).

The attack was pretty clear:

- Same email address

- Different credit card numbers
- Same location, Mumbai in India

Since this was a first I wouldn't think much of it.

UNTIL

Stripe asked me 2 weeks ago to provide again identification, documents, the whole nine yards.

It's been a while they did that but I was still okay with the idea that this is a routine check.

And after that problems start to rise.

3 Fake Payments Went Through

I did not see 3 small payments of \$45 that were processed because there's such a high volume of transactions across 9 different sub-accounts and little did I know those were deposited in my account along with dozens if not 200 micro-payments.

I have the tendency to only process once per month and when that sum didn't come, it was clear something was cooking.

Stripe Suspended Me

It didn't take them long to completely suspend ALL my charges, payment links, integrations and were investigating the matter.

I tried to explain it to them, but Stripe support is one of the worst so no hopes were given there.

Out of nowhere, after a clean 8 year record, they smoked me and what was once my go-to payment processor has decided to close all my accounts without a particular reason given.

I received an email, with a statement, or more like a generic reponse and shared that in my Discord group.

But I could live with suspension. After all, platform risk is real and I would simply migrate my stuff to another payment processor.

But then it got real.

They Started To Refund Actual Customers

I couldn't believe it from others, unless I experienced it myself. I read upon Reddit how bad it was and some made the same claims as me.

Until, it slapped me in the face and Stripe decided to refund RANDOMLY REAL CUSTOMERS that are USING SERVICES with NO PROBLEM.

Result? They refunded B2B accounts, small amounts for web hosting to my clients and Stripe has not even the decency to respond to that.

There's even a person from that client base that is in my discord, using One Fox Tail as her hosting platform. That got refunded by Stripe.

For what reason?

It seemed Stripe just does whatever they want and here's the status:

- 79 customers got refunded by Stripe (without disputes)
- They all have been clients for a long time or paid a service they're using
- Stripe decides to refund THOSE people without my consent
- I am out of pocket \$64500 or almost \$70K
- I have to go explain to my clients why they get a refund and ask them to pay that AGAIN back to me for services rendered, SaaS, products, etc

Even if I take the loss on the financial side, there's a direct hit within my framework and manpower deployed to start containing a disaster. Which isn't cheap btw.

180 Days

So then there's another part that made it even worse. Stripe decided to hold the remaining money after those random refunds for 180 days.

For MANY companies that would lead to cash flow issues and bankruptcy. I am not immediately affected yet but it's causing me a ton of headaches and I have to approach my next quarter with caution.

I wanted to end my year with a banger, but that enthusiasm is now overshadowed by Stripe.

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Who's At Fault?

I have been going back and forth in my head why Stripe decided to shut me down after so many years.

Is it because of the BIN attack?

Is it because I let those 3 fraudulent payments slip through by accident?

Is it because Stripe tightening the rules and just doesn't like foreigners anymore conducting worldwide business?

Fucking hell, I would not know. And they refuse to answer me. Those motherfuckers.

But I can yell, blame, shout and stay frustrated, I have been into entrepreneurship for too long to get affected by one platform that decides to play God. Resilience remains a skill to weather those storms.

Backup Plan

I had a backup plan, way before this happened. Over a year there was a contingency playbook I mapped out in case something like this happens.

I had LS as a payment processor, BrainTree and Paddle ready for migration.

Hoping that LS could replace the majority of my Stripe payment processing. But the joke's now on me.

[Stripe acquired LS in July 2024](#) and the option is now out of the window. I wouldn't trust Stripe or anything related to Stripe ever again.

I am not a fan of Braintree either, because Paypal is a bit fickle and has a large reputation of holding funds hostage for even longer periods than Stripe.

Currently, I am [exploring GoCardless](#) as a replacement, but I will spread my payments across multiple ones and most likely set a limit on how much exposure I want per platform.

It's mentally draining. Even when I had a backup plan, the cost of now migrating and finding an LS alternative takes time, money and manpower.

E-commerce

My wife and I have 2 e-commerce stores. One local, one international. Technically she retired 4 years ago but she kept an eye on shipping, inventory and payments across our e-commerce.

Both of them had Stripe integration + local payments but this was the nail in the coffin for her.

She's tired and she was already on the edge to sunset things a while back. But now it's decided. We are going to sell both e-commerces. In case we can't find a buyer, we agreed on sunsetting them and convert them into lifestyle blogs with a team that can work autonomous without her interfering.

The traffic we gain is all organic and it would be a shame to shut down those domains and thousands of visitors per month after almost 7 years.

Stripe pushed her over the edge now and she's not as resilient as me haha. But that's okay.

What's Next?

I am still recalibrating. And I am estimating the damage done. I feel terrible for some of the coaching clients that now face a delay because of all that and I feel even more terrible for some of them asking them to pay differently because it's already a hassle to simply ask.

My business usually works frictionless, but when there's massive disruption, even I am not bulletproof.

I am behind on The Super Fund, 1M+ challenge and my public experiments. I wasn't even able to record my weekly reflection either.

Curse & Blessing

Maybe, just maybe it is supposed to happen. Maybe it's a curse and a blessing at the same time to review my current activities, holdings and assets tied to payment processors that give zero fucks about loyalty.

This event certainly helps me to approach 2025 differently and I will map that out in a future update here on The Super Hustle.

After all, I got in worse dicier situations in the past and I'll walk it off in a month.

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