

Chargebacks.

Your guide to reducing
the hassle and cost
of disputes.

The EP|NA logo is contained within a white rectangular box with a blue border. The letters 'E', 'P', 'N', and 'A' are in a dark blue, sans-serif font, with a vertical orange line separating 'P' and 'N'.

EP|NA



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1. Introduction – What is a Chargeback?

A chargeback is a transaction that is disputed by a cardholder card issuer. There are many reasons for chargebacks, but the most common are returned goods, canceled services, quality disputes, processing errors, and fraud.

Chargebacks can be a costly part of accepting credit cards. However, the risk of chargeback can be managed by making sure the customer is satisfied with their service and purchase and that payment processes are followed correctly.

Below you will find tips and best practices to reduce the hassle and cost of chargebacks.

2. Card Present Transactions

- Make sure that Chip & Signature cards, MasterCard and Visa (EMV) are processed on EMV terminals so that the customer properly processes and verified the transaction.
- Utilizing an EMV terminal to accept chip cards helps to avoid chargebacks for point of sale transactions in that the liability shifts for a chip transaction from the merchant to the card issuer in the event of a chargeback.
- If it is a signed a transaction, while checking the signature, also compare the name and card number on the transaction receipt.

Failure to process a transaction correctly may result in the following chargebacks:

- Fraudulent transaction – counterfeit card
- Fraudulent transaction – card present environment



3. Manual Imprint and Signature

If you are unable to swipe a card through an EMV point-of-sale terminal, you must obtain a manual imprint of the card. This manual sales slip must be signed by the customer and show the transaction date, authorization code, purchase amount, your information (business name, location) and description/itemization of goods or services. A legible imprint for the transaction in question must also follow with a signature or PIN.

Failure to obtain a complete transaction receipt copy can result in the following chargebacks:

- Fraudulent transaction – no cardholder authorization
- Fraudulent transaction – no imprint obtained
- Fraudulent transaction – signature not obtained

You should verify that the signature and name on the card matches the signature on the sales receipt and on the manual imprint.



4. Mail, Phone, and Online Transactions

Commonly known as “card not present” transactions; such as, mail order, telephone order, and online, are at more risk for chargebacks. Here are some ways to reduce the risk of chargebacks for fraudulent or unauthorized transactions:

- **Keep a transaction record** – By maintaining a record of problematic customers, you can identify high-risk transactions, block specific credit card numbers, and disallow future purchases.
- **Multiple Orders** – By limiting the number of transactions per hour, day, or week from a specific customer, you may reduce risk of potential fraud.
- **Address Verification Service (AVS)** - This is a fraud reduction service that allows you to verify a cardholder’s address prior to completing the sale. Ask your sales representative for more details about this service. The AVS system indicates whether there is a full, partial, or no-match response during address verification by comparing an address in the card issuer’s database. Remember, you should always ask the cardholder for his/her address – as indicated on their monthly statement.
- **Know our customers** - You may avoid chargebacks simply by getting to know your customers. For example, record the customer’s telephone number, then call back to verify the order.
- **Customer service phone number** – Make sure your customer service phone number is printed on the receipt and on the cardholder’s credit card statement along with the sales

transaction. This makes it easier for customers to resolve disputes by phone rather than through the chargeback process. EPNA includes this information as part of our merchant boarding process.

- **CVV2/CVC2 security** – The card brands have this three-digit code security feature printed on the back of their cards (four digits on the front of American Express cards), which you can verify as an additional security check. Contact us for more details on this feature. On its own, this does not guarantee that a chargeback won't happen, but used together with other prevention processes, it is highly effective.
- **3D Secure transactions** – If you run an e-commerce business and accept online payments, you can ask your e-commerce provider for a 3D Secure transaction authentication system. Used correctly with a cardholder's security code, this system will protect your business from most cases of fraud chargebacks.
- **Signatures on file** - Process all transactions separately and obtain cardholder agreement/authorization for each transaction even if you know your client and have her/his signature. Remember, signature on file is not an accepted signature if fraud is suspected. See page 23 to view a substitute receipt for card not present transactions.
- Learn to recognize the card issuer's Bank Identification Number (BIN). If a card was not issued in the cardholder's country of origin, we suggest you do not accept it. If you would like to confirm the issuing Bank Country, please contact our Call Center.

Tips to Avoid Chargebacks in a Card Not Present Environment

- ✓ Be clear about return, refund, and cancellation policies
- ✓ Be careful when logging transactions
- ✓ Keep customers informed on the status of their transactions
- ✓ Ship merchandise before processing the transaction



Note

In the event that cardholder disputes "card not present" transactions, you may be fully liable as it cannot be fully secured.



5. Dynamic Currency Conversion (DCC) Transactions

A properly identified DCC transaction receipt should contain:

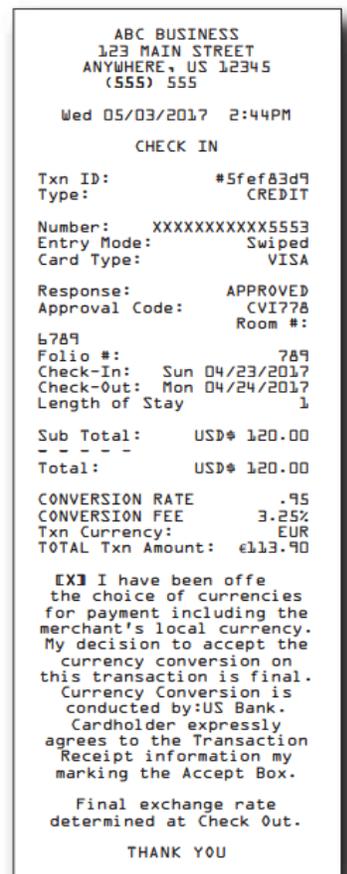
- Transaction amount of the goods or services purchased in your local currency – including currency symbol next to the amount.
- Exchange rate, including any commission
- Total price in the transaction currency
- Transaction Currency, including currency symbol next to the amount and a disclaimer that:
 - Is easily visible to the cardholder
 - Specifies that the cardholder has offered a choice of payment in your local currency and that the cardholder understands the choice of currency is final.

When performed correctly, DCC provides transparency for cardholders. It allows a cardholder to see the transaction amount in his or her billing currency and your pricing currency.

This way, the cardholder knows exactly how much the goods or services cost. With DCC, there are no surprises – the amount agreed and verified by the cardholder using either a PIN or signature at the point of sale is exactly the amount charged on his or her payment card statement.

Failure to obtain a complete copy can result in the following chargebacks:

- Incorrect currency or transaction code
- Domestic transaction processing violation





6. Recurring Transactions

To avoid canceled recurring transaction chargebacks, you should take immediate action when a customer asks to cancel a recurring transaction.



Don't forget

Prompt action can reduce the risk of repetitive chargebacks by the same customer.

7. Requesting a Copy Receipt

When the card issuer requests that you provide a copy of the transaction receipt on behalf of the cardholder, it is called a retrieval request. There is always a respond-by date on a retrieval notification, and it is important that a copy of the receipt is sent no later than this date.

A late or “no-response” may result in the following chargebacks:

- Non-receipt of requested items
- Requested copy illegible

How to reduce the risk of retrieval request chargebacks:

- Keep a record of your sales drafts for at least 12 months. Retrieval requests specify the credit card number, transaction date, and purchase amount. They do not include the cardholder’s name. Therefore, sales drafts should be filed by date or credit card number. (Note: per PCI requirements EPNA truncates card numbers. Never store full credit card data.)
- Be sure sales drafts are legible. If it is difficult to read, it is likely the copy receipt will be illegible too. Always check the ink cartridge or ribbon on your printer.
- Make sure the transaction is easy to identify. Most retrieval queries happen because the customer does not recognize the transaction on their card billing statement. It’s helpful that you make clear to your customers what business name they can expect to see on their statement.
- Your customer service telephone number should be included in the statement description. This way, your customers can easily contact you directly with any transaction queries.
- For card-not-present transactions such as mail order or online, you need to provide all available information regarding the disputed transaction. Such information depends on your Merchant Category Code and transaction specification. See page 23 to view a substitute receipt for card not present transactions.



Don't forget

Failure to respond to a retrieval request within the required time frame may result in an irreversible chargeback. The recommended response method is by fax or email.



8. Credit Refunds

To prevent credit-not-processed chargebacks, quickly process refunds to your customers. Your customer should always be made aware of your cancellation or refund policy in writing. Be sure to have your refund/cancellation policy clearly printed on the transaction receipt.

If the cardholder cancels the order that is the subject of an Advance Deposit Transaction, you must complete a Credit Transaction Receipt, which includes all of the following:

- Transaction amount
- Cardholder's name
- Cardholders account number and expiration date
- Cardholder's telephone number and mailing address
- Cancellation code that you give to the cardholder
- The words "Advance Deposit" on the Credit Transaction Receipt signature line

If you use a website to sell goods and services, your refund and cancellation policy should be on your checkout screen with an "I agree" button that the customer must click on prior to completing the transaction.

If you do not give refunds or offer in-store credit only, this information should be included on your transaction receipt.

Please bear in mind that you should process credits within 15 days from the date when goods were returned by the cardholder.



9. Unmatched Account Numbers

After swiping or manually key-entering the card, make sure the embossed card number and the displayed account number match.

Ask phone customers to read back the full card number to ensure accuracy.

Non-matching transactions can result in the following chargebacks:

- Account number not on file
- Non-matching account number on your transaction receipt

Please bear in mind that you should process credits within 15 days from the date goods were returned by the cardholder.



Don't forget

Refunds must be made using the same credit card as the original sale. Never refund a card purchase by cash or check.

10. Goods or Services not Received

If a customer does not receive their goods or services, a non-receipt of goods chargeback may occur. It is recommended that goods and services be delivered before charging the customer.

To avoid these types of chargebacks, you must obtain signed proof of delivery for all goods or services not immediately received at the point of sale. Here are some helpful hints:

- **Installment transactions** – share the terms of installment transactions in writing including shipping, handling charges, and taxes. Inform your customer if currency conversion rates will cause installment amounts to fluctuate. Card association regulations prohibit you from including finance charges in the installment.
- **Installment intervals** – the first installment transaction must not be processed before the shipment of goods. Use the 30-calendar day (or more) rule or use the exact monthly recurring shipping date (must be the same day each month) to process installments.
- **Delayed delivery** – you can process delayed delivery transactions before delivery of the goods or service if the sale is described as “delayed delivery” on the transaction receipt. You may not process a deposit or a balance transaction receipt before the delivery of the goods or service.
- **Prepayment** – you may process a prepayment transaction if you advise your customer that he or she will be billed immediately. You may also process a full prepayment for custom order goods (manufactured to the customer’s specifications).
- **Delivery date and conditions** – if the date of delivery for goods or services is not specified, you have 15 calendar days from the transaction date to deliver them. Make sure that the goods or services were received by the cardholder or authorized person on an agreed date or location.
- **No show** – no show can be charged by hotels only for the first night of stay. The words “no-show” must be included on the signature line of the transaction receipt.



Don't forget

Obtain signed proof of delivery for all goods and services not immediately delivered at the point-of-sale.



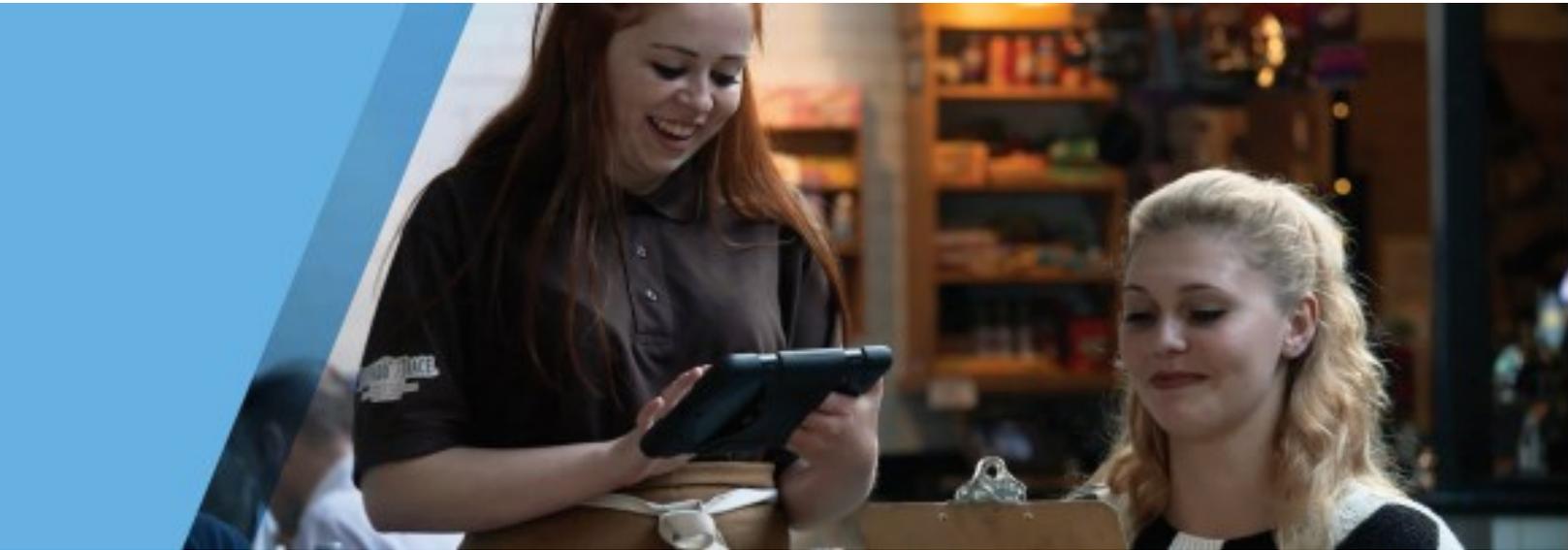
11. Authorization Procedures

- A “decline” code indicates that the card issuer does not approve the transaction. Do not continue to attempt authorization on the card by reducing the amount requested or repeating the request. When you receive a decline code, you should return the card to the customer and ask for another form of payment.
- If you are suspicious of a card transaction, contact your voice authorization center and request a “Code 10” authorization. The operator will ask you a series of yes or no questions. You will be given information on how to proceed with the transaction.
- If you did not receive authorization for the full transaction amount, do not attempt to obtain authorization for smaller amounts.



Don't forget

Always check the expiration date of the card and never process the transaction if a card has expired.



12. Duplicate Transactions

To avoid duplicate transactions that may result in multiple chargebacks, you should:

- Process one transaction at a time through your point of sale terminal.
- Balance your deposit at the end of the day.
- Create a separate invoice describing each purchase if your customer makes more than one purchase in a day or makes purchases with a duplicate amount.
- Check your batch totals at the end of every shift or business day to ensure that your customers were not charged twice.
- If you discover that a customer was charged twice in error, you should immediately credit the cardholder's account for the duplicate transaction

Failure to do the above may result in the following chargebacks:

- Duplicate processing
- Payment by other means

13. Cardholder Disputes Quality of Goods or Services

It is difficult to reverse a dispute from a customer who challenges the quality of your goods or service. Such disputes can result in the following chargebacks:

- Goods or services not as described
 - Cardholders dispute – not elsewhere classified
 - Defective goods.
-
- If a customer disputes a transaction, try to resolve the issue directly with the customer and document your efforts to satisfy the customer. Always keep accurate records of each transaction because you may need to provide documentation in your response to a customer's dispute.
 - Ensure proper packaging of shipped goods. Make sure the goods are suitable for the purpose for which they were sold. Make sure your customer has a clear understanding of how to return goods.
 - To avoid such chargebacks, ensure that your customers are aware of your return policy at the time of purchase. Display the policy at the point of sale and print it on the sales slip. Always apply a consistent return policy. Please bear in mind that with disputes involving defective, damaged, or not as described goods, your refund policy has no bearing on the outcome of the dispute. Additionally, a cardholder can dispute the transaction if you refuse to repair the damaged goods.

Also, you should not accept the return of goods that are not in the original condition (e.g., broken, torn, dirty, missing tags). Such goods should be sent back to the customer. Please store documents to prove that the goods were not defective at the time of purchase/dispatch or delivery and that the service and goods were correctly described at the time of purchase.

We hope this information has explained chargebacks clearly and given you helpful advice on how to avoid them. If you have any questions please refer to the Frequently Asked Questions which follow. However, if you still need additional information concerning chargebacks please contact the Chargeback Customer Service (please refer to the back page for contact details).





14. Frequently Asked Questions

What is a Dispute?

A “dispute” provides an issuer with a way to return a disputed transaction. When a cardholder disputes a transaction, the issuer may request a detailed explanation of the problem from the cardholder. Once the issuer receives this information, the first step is to determine whether a dispute situation exists. There are many reasons for disputes—those reasons that may be of assistance in an investigation include the following:

- Merchant failed to get an authorization
- Merchant failed to obtain card imprint (electronic or manual)
- Merchant accepted an expired card

When a dispute right applies, the issuer sends the transaction back to the acquirer and disputes the dollar amount of the disputed sale. The acquirer then researches the transaction. If the dispute is valid, the acquirer deducts the amount of the dispute from the merchant account and informs the merchant. Under certain circumstances, a merchant may respond to a dispute to its acquirer. If the merchant cannot remedy the dispute, it is the merchant’s loss. If there are no funds in the merchant’s account to cover the disputed amount, the acquirer must cover the loss.

What is a chargeback?

A chargeback is a transaction that is formally disputed by the cardholder or the cardholder’s issuing bank. Chargebacks can be a costly part of accepting card payments. Excessive chargeback rates may result in loss of revenue, damage to your company’s reputations, penalties imposed by card networks (Visa, MasterCard, etc.) and even termination of your account. It is essential that you minimize chargeback risk at the time of the sale by complying with card

associations guidelines and requirements. When we defend your cases, we send a dispute response to the issuing bank.

What is a Retrieval Request?

This is a request for transaction information from the cardholder's bank; e.g., a copy of a receipt, invoice, or proof of cardholder signature. A retrieval can be requested for up to 12 months from the sale date. Therefore, it is important to keep your receipts for this timeframe. When a copy of the transaction receipt is requested, you will receive a copy request notice. If the retrieval request is not acted upon quickly or you provide an illegible sales draft, it may evolve into a chargeback, at which time your account may be debited for the amount of the disputed transaction.

How to Reduce Chargebacks

- ✓ Keep a record of your sales receipts
- ✓ Ensure sales vouchers are legible
- ✓ Make sure transactions are easy to identify
- ✓ Respond to retrieval requests within the specified timeframe and provide all transaction related information.

Can a chargeback be escalated?

Yes. A chargeback consists of several stages. The first stage is a first chargeback, which can be defended in a dispute response. The issuer and cardholder have the right to escalate the chargeback to next stages, which can be either a second chargeback or pre-arbitration (depending on the Card Network). If there is still a disagreement with the dispute at this point, the chargeback case goes to the final stage – Arbitration.

What is Arbitration?

Arbitration is the final stage of the dispute process. The decision-making body is the relevant Card Network i.e., Visa, MasterCard, Amex, Discover). You will be responsible for all fees, penalties, and the transaction value if your case is not successfully defended. Arbitration committees impose fees to the losing side of the dispute, which can reach \$500 USD or more.

What is Compliance?

A Compliance is an alternative procedure regarding card network regulations for a dispute when no chargeback code is applicable. It places the same financial liability as a chargeback; therefore, if you receive a compliance notification letter, you must provide documentation to support the dispute.

In case of a fraudulent transaction, does EPNA contact the relevant authorities on my behalf?

If a business is a victim of fraud, the business owner would need to contact the appropriate law enforcement authorities to report the fraud.

What is Good Faith?

The Card Networks have implemented timeframes for receipt of documentation. Should you supply the requested documents outside those timeframes, an attempt may be made to present the documents to the card issuing bank. This is known as Good Faith. However, there is no guarantee that the card issuing bank will consider any documentation that is presented late. Therefore, it is critical to respond within the timeframe specified in the chargeback notification.

What is Duplicate Processing?

In the event the cardholder claims that a single transaction was processed twice, the dispute reason is duplicate processing. The responsibility is on the merchant to provide proof to the contrary. To defend chargebacks for this reason, we would require documentation from the merchant for both the transaction in dispute and the documentation of the transaction claimed by the cardholder. The documentation should include signed sales receipts, invoices, booking confirmations, and/or contracts.

What is meant by “Not as Described?”

This applies when the goods or service ordered were not the same as described on the sales receipt or related documentation. Documentation required to defend such chargebacks are written proof that service or merchandise was correctly described, proof that merchandise received was not damaged, and a written explanation regarding the dispute with the cardholder. It is critical that the courier services you use to deliver merchandise to the cardholders obtain a signature at the moment of delivery.

What is Service not Rendered?

This applies when the cardholder claims that the stated service was not received or was paid for by alternative means. The documentation required to defend such chargebacks is: signed proof of delivery, signed proof of receiving service invoice, written explanation.

Who is liable for a card-not-present transaction?

If the card is not presented to you at the time of the sale, in the event that the cardholder subsequently disputes the transaction, you may be liable for the transaction, as it cannot be fully secured. See page 23 to view a substitute receipt for card-not-present transactions.

If the cardholder claims that the transaction was fraudulent, and if 3D Secure* verification was performed, the responsibility of the transaction lies with the issuer. However, transactions processed through 3D Secure can still be disputed for chargeback reasons other than fraud.

*3D Secure authentication is a technical standard created by Visa (Verified by Visa) and MasterCard (SecureCode). This service enables buyers to validate transactions they make over the internet by requesting a personal code (usually sent to their cell phone or email address as a one-time PIN). It helps protect against fraudulent use by unauthorized individuals.

Can insurance coverage be obtained for a card-not-present transaction?

Individual transactions cannot be insured, but you can reduce the risk by utilizing security features such as 3D Secure. In order to increase safety for card-not-present transactions, Visa and MasterCard developed the security standards Verified by Visa and MasterCard SecureCode. Both methods are based on 3D Secure technology and verify online payments with a credit card by the legitimate cardholder through a password interrogation process. This guarantees security against fraud; however, chargebacks can still be raised under different reasons (duplicate charge, service/goods not as described, etc.)

EPNA offers breach coverage to protect your business in case of a security breach along with our PCI compliance program.

What is a Declined Transaction?

This indicates that the issuer did not approve the transaction. Please do not continue with the transaction and request an alternative method of payment.

What is a Fraudulent Transaction?

A fraudulent transaction is a transaction in which the cardholder did not authorize or participate. You must supply proof that the cardholder participated in the transaction.

What transaction methods are considered fraud preventive?

As per card network rules, transaction processing methods that are fraud preventive are: properly processed chip, contactless, magnetic stripe read (if card does not bear a chip), and 3D Secure transactions. Transactions processed through key entry, mail/telephone order, and unsecured online transactions hold greater risk.

What is “Not Matching Account Number?”

This means the transaction card details are not on the issuer file. This occurs when a card number is taken incorrectly on a manual transaction or if an account is closed.

What is “Paid by Other Means?”

The cardholder claims that the transaction was paid by an alternative method (cash, other credit/debit card, voucher) and yet the credit/debit card was charged for the same purchase. The documentation required to defend such chargebacks is proof that both transactions are valid (payment by alternate method and credit/debit card payment), invoices, written explanation.

What is “Credit not Processed?”

The cardholder has not received the defined refund following return of goods or cancellation of service as agreed. The documentation required to defend such chargebacks is proof that the refund was processed, proof that the cardholder was informed about the cancellation policy,

transaction receipt or other records to prove you properly disclosed a limited return or cancellation policy at the time of the transaction.

What is “Proper disclosure of Terms and Conditions?”

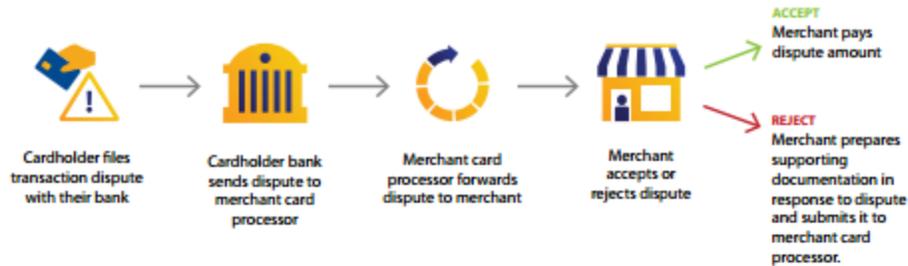
As per card network rules, the cardholder has to accept the terms and conditions stated prior to accepting a transaction. For internet transactions, you should have a “click to accept” button for the cardholder, which if not marked, does not allow the purchase to continue. For transactions taken “on site” in the presence of the cardholder, you should obtain the signature under the terms and conditions, which should also bear a statement that the cardholder acknowledged prior to processing the transaction. The terms and conditions cannot be presented to the cardholder after confirming the purchase nor available for review under a separate link. You must assure the cardholder cannot proceed with the purchase until the terms and conditions are accepted; otherwise, you may face financial loss in case of chargeback.

How does the process work?

Below is the Dispute Life Cycle from Visa¹ as an example, but the process is the same for all card types.

The Dispute Life Cycle

The diagram below illustrates and explains the Visa dispute resolution.

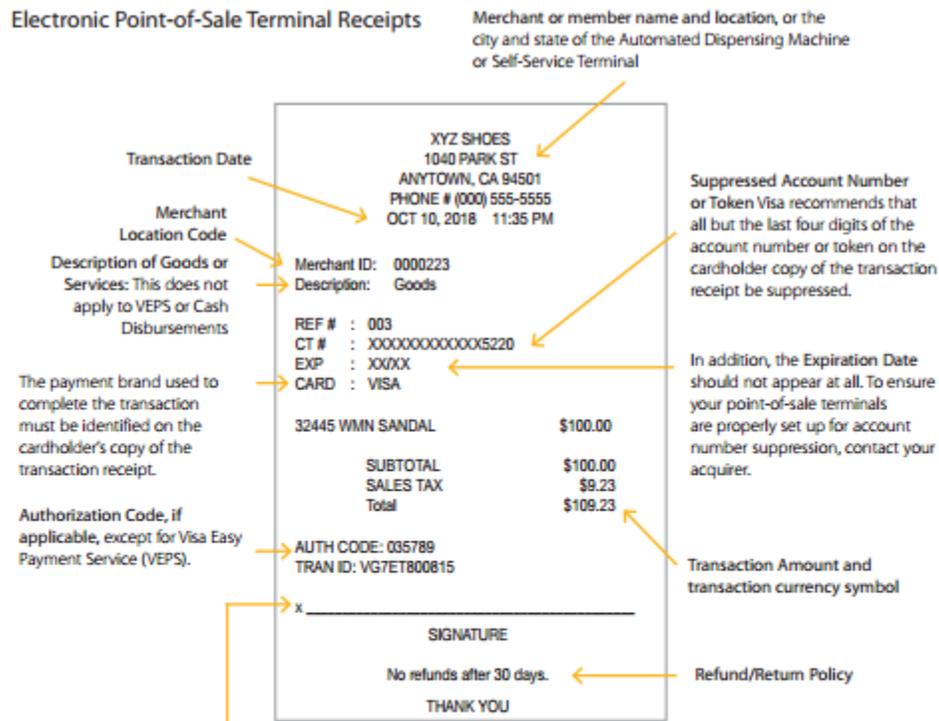


For your convenience, we have organized the content into four Visa dispute categories: Fraud, Authorization, Processing Errors, and Consumer Disputes. Each category includes a set of numbered dispute conditions as shown below.

 10. Fraud	 11. Authorization	 12. Processing Errors	 13. Consumer Disputes
10.1 – EMV Liability Shift Counterfeit Fraud 10.2 – EMV Liability Shift Non-Counterfeit Fraud 10.3 – Other Fraud-Card Present Environment 10.4 – Other Fraud-Card Absent Environment 10.5 – Visa Fraud Monitoring Program	11.1 – Card Recovery Bulletin 11.2 – Declined Authorization 11.3 – No Authorization	12.1 – Late Presentment 12.2 – Incorrect Transaction Code 12.3 – Incorrect Currency 12.4 – Incorrect Account Number 12.5 – Incorrect Amount 12.6 – Duplicate Processing/ Paid by Other Means 12.7 – Invalid Data	13.1 – Merchandise/ Services Not Received 13.2 – Cancelled Recurring 13.3 – Not as Described or Defective Merchandise/ Services 13.4 – Counterfeit Merchandise 13.5 – Misrepresentation 13.6 – Credit Not Processed 13.7 – Cancelled Merchandise/Services 13.8 – Original Credit Transaction Not Accepted 13.9 – Non-Receipt of Cash or Load Transaction Value

¹Dispute Management Guidelines for Visa Merchants ©2018

Transaction Receipt Requirements – Card Present Merchants²



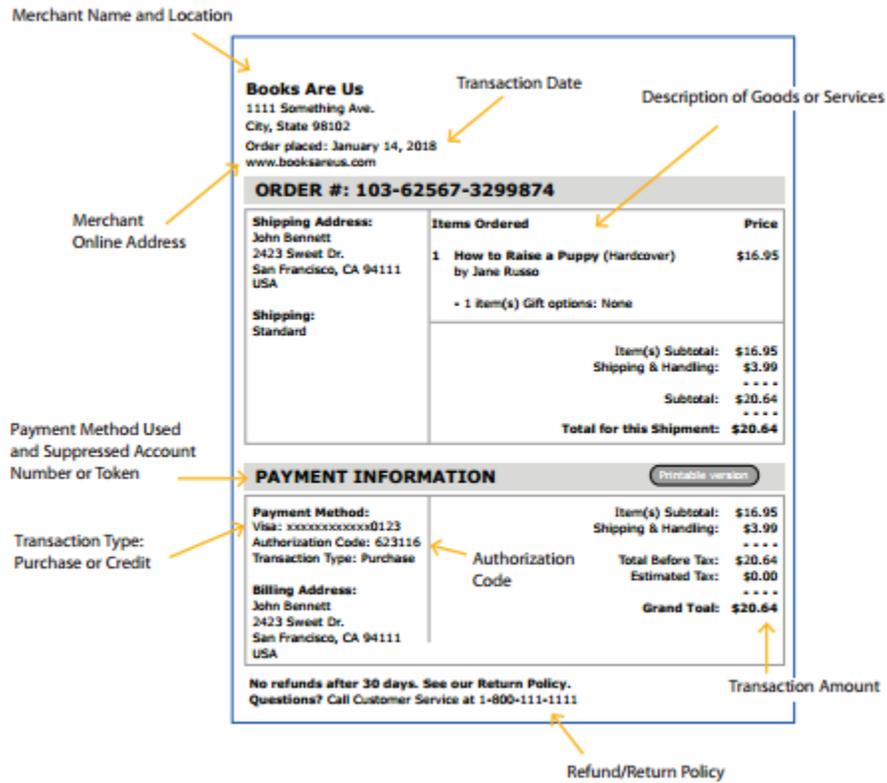
Space for Cardholder Signature, except for:

- Transactions in which the PIN is an acceptable substitute for cardholder signature
- Limited-Amount Terminal Transactions
- Self-Service Terminal Transactions
- VEPS

Effective for transactions completed on or after April 14 2018 and only for US, US Territories, Canada, and anything interregional between them. If the transaction took place at a chip-enabled terminal, there is no longer a need to provide a copy of the signed receipt

²Dispute Management Guidelines for Visa Merchants ©2018

Substitute Transaction Receipt Requirements – Card Not Present Environment³



³Dispute Management Guidelines for Visa Merchants ©2018

Compelling Evidence Merchant Rights⁴

Merchants will have a right to provide compelling evidence for the following dispute conditions:

- Condition 10.4 – Other Fraud-Card-Present Environment
- Condition 13.1 – Merchandise/Services Not Received

Item #	Allowable Compelling Evidence ⁸	Applicable Dispute Condition	
		10.4 Other Fraud – Card-Absent Environment	13.1 Merchandise/ Services Not Received
1	Evidence, such as photographs or emails, to prove a link between the person receiving the merchandise or services and the Cardholder, or to prove that the Cardholder disputing the Transaction is in possession of the merchandise and/or is using the merchandise or services.	X	X
2	For a Card-Absent Environment Transaction in which the merchandise is collected from the Merchant location, any of the following: <ul style="list-style-type: none"> • Cardholder signature on the pick-up form • Copy of identification presented by the Cardholder⁹ • Details of identification presented by the Cardholder 	X	X
3	For a Card-Absent Environment Transaction in which the merchandise is delivered, documentation (evidence of delivery and time delivered) that the item was delivered to the same physical address for which the Merchant received an AVS match of Y or M. A signature is not required as evidence of delivery.	X	X
4	For an Electronic Commerce Transaction representing the sale of digital goods downloaded from a Merchant's website or application, description of the merchandise or services successfully downloaded, the date and time such merchandise or services were downloaded, and 2 or more of the following: <ul style="list-style-type: none"> • Purchaser's IP address and the device geographical location at the date and time of the Transaction • Device ID number and name of device (if available) • Purchaser's name and email address linked to the customer profile held by the Merchant • Evidence that the profile set up by the purchaser on the Merchant's website or application was accessed by the purchaser and has been successfully verified by the Merchant before the Transaction Date 	X	X

⁸ In the Europe Region, an Acquirer may present Compelling Evidence not listed in this table.

⁹ A Merchant must not require positive identification as a condition of Card acceptance, unless it is required or permitted elsewhere in the Visa Rules.

Item #	Allowable Compelling Evidence ^B	Applicable Dispute Condition	
		10.4 Other Fraud – Card- Absent Environment	13.1 Merchandise/ Services Not Received
4	<ul style="list-style-type: none"> • Proof that the Merchant’s website or application was accessed by the Cardholder for merchandise or services on or after the Transaction Date • Evidence that the same device and Card used in the disputed Transaction were used in any previous Transaction that was not disputed 	X	X
5	For a Transaction in which merchandise was delivered to a business address, evidence that the merchandise was delivered and that, at the time of delivery, the Cardholder was working for the company at that address. A signature is not required as evidence of delivery.	X	X
6	For a Mail/Phone Order Transaction, a signed order form	X	
7	<p>For a passenger transport Transaction, evidence that the services were provided and any of the following:</p> <ul style="list-style-type: none"> • Proof that the ticket was received at the Cardholder’s billing address • Evidence that the ticket or boarding pass was scanned at the gate • Details of frequent flyer miles relating to the disputed Transaction that were earned or redeemed, including address and telephone number, that establish a link to the Cardholder • Evidence of any of the following additional Transactions related to the original Transaction: purchase of seat upgrades, payment for extra baggage, or purchases made on board the passenger transport 	X	X
8	For Transactions involving a Europe Member, for an Airline Transaction, evidence showing that the name is included in the manifest for the departed flight and matches the name provided on the purchased itinerary	X	
9	<p>For a T&E Transaction, evidence that the services were provided and either:</p> <ul style="list-style-type: none"> • Details of loyalty program rewards earned and/or redeemed including address and telephone number that establish a link to the Cardholder • Evidence that an additional Transaction or Transactions related to the original Transaction, such as the purchase of T&E service upgrades or subsequent purchases made throughout the T&E service period, were not disputed 	X	X

Item #	Allowable Compelling Evidence ⁸	Applicable Dispute Condition	
		10.4 Other Fraud – Card-Absent Environment	13.1 Merchandise/ Services Not Received
10	Effective for Disputes processed on or after 14 April 2018 For a virtual Card Transaction at a Lodging Merchant, evidence of the Issuer’s payment instruction sent through Visa Payables Automation, containing all of the following: <ul style="list-style-type: none"> • Issuer statement confirming approved use of the Card at the Lodging Merchant • Account Number • Guest name • Name of the company (requestor) and either their phone number, fax number, or email address 	X	
11	For a Card-Absent Environment Transaction, evidence that the Transaction used an IP address, email address, physical address, and telephone number that had been used in a previous, undisputed Transaction	X	
12	Evidence that the Transaction was completed by a member of the Cardholder’s household or family	X	
13	Evidence that the person who signed for the merchandise was authorized to sign for the Cardholder or is known by the Cardholder		X
14	Evidence of one or more non-disputed payments for the same merchandise or service	X	
15	For a Recurring Transaction, all of the following: <ul style="list-style-type: none"> • Evidence of a legally binding contract held between the Merchant and the Cardholder • Proof the Cardholder is using the merchandise or services • Evidence of a previous Transaction that was not disputed 	X	
16	In the Europe Region, evidence that the Cardholder has been compensated for the value of the merchandise or services through another method		X
17	In the Europe Region, evidence that the initial Transaction to set up a wallet was completed using Verified by Visa but any subsequent Transaction from the wallet that was not completed using Verified by Visa contained all wallet-related Transaction data	X	

⁴Dispute Management Guidelines for Visa Merchants ©2018

15. Card Network Definitions

Authorization:

An authorization code is returned by the card issuing bank confirming that the cardholder has sufficient credit available to proceed with the transaction.

Card Not Present (CNP) Transactions:

Merchants are liable for all keyed/order and telephone transactions (MO/TO), which are also referred to as card-not-present transactions. Internet transaction liability will vary depending on the transaction authentication for you and the Card Issuer perspective when 3D Secure (Verified by Visa/MasterCard Secure) is utilized.

Documentation:

This refers to the documentary evidence that you must present within the timeframes in response to a retrieval and chargeback notification. If the evidence is not provided as requested, the acquirer will not be able to defend the chargeback.

Hotel bookings (no shows):

In the case of a no show, hotels can charge for one night stay only; the full amount cannot be charged to the cardholder. The responsibility is on the merchant to prove that the Terms and Conditions were accepted by the cardholder.

Refunds:

A refund can only be processed on the card initially presented for payment. The refund must be equal to or less than the value of the original credit/debit sale. Under no circumstances must a cardholder be given a refund by any other means; e.g., cash or check.

Splitting Transactions:

Processing more than one transaction for a single purchase in order to obtain authorization is not permitted under the Card Association rules and must not be done under any circumstances (one transaction, one authorization code).



Note

To ensure chargeback and retrieval cases are addressed promptly, please ensure all requested documentation supplied to the Elavon Chargeback Team is legible and sets out all requested information.

16. Reason Codes

Top Chargeback Reasons Codes

Fraud	
10.1	EMV Liability Shift Counterfeit Fraud
10.2	EMV Liability Shift Non-Counterfeit Fraud
10.3	Other Fraud Card Present Environment
10.4	Other Fraud Card Absent Environment
10.5	Visa Fraud Monitoring Program

Processing Errors	
12.1	Late Presentment
12.2	Incorrect Transaction Code
12.3	Incorrect Currency
12.4	Incorrect Account Number
12.5	Incorrect Amount
12.6.1	Duplicate Processing
12.6.2	Paid by Other Means
12.7	Invalid Data

Authorization	
11.1	Card Recovery Bulletin
11.2	Declined Authorization
11.3	No Authorization

Consumer Disputes	
13.1	Merchandise/Services Not Received
13.2	Cancelled Recurring
13.3	Not As Described or Defective Merchandise/Services
13.4	Counterfeit Merchandise
13.5	Misrepresentation
13.6	Credit Not Processed
13.7	Cancelled Merchandise/Services
13.8	Original Credit Transaction Not Accepted
13.9	Non-Receipt of Cash or Load Transaction Value

For more information, please visit

<https://usa.visa.com/run-your-business/merchant-support/merchant-disputes.html#1>

Contact Our Dispute Resolution Department

Please respond to the phone and/or fax number stated in your retrieval or chargeback notice.