

Visa Back-Office Dispute Management Guide

Best Practices and Tools for Issuers and Acquirers





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Table of Contents

About This Guide.....	1
SECTION : Visa Dispute Resolution Overview	5
The Visa Dispute Resolution Process.....	6
The Chargeback Life Cycle.....	7
Who Does What During the Chargeback Life Cycle	8
Visa Chargeback Rights and Reason Codes	9
Chargeback Reason Codes Quick Reference Chart	12
Understanding Jurisdictions and Rule Differences	15
SECTION 2: Visa Resolve Online Basics.....	16
How Visa Resolve Online Works.....	17
Visa Resolve Online Connectivity	18
Visa Resolve Online Activities.....	19
A Closer Look at the Transaction Inquiry	23
Transaction Inquiry Best Practices for Issuers.....	24
Transaction Inquiry Best Practices for Acquirers	25
Using Case Folders	26
Case Folder Management Best Practices for Issuers and Acquirers	28
Visa Resolve Online Support.....	29
SECTION 3: Visa Resolve Online Dispute Resolution Questionnaires and Support	
Documentation/Information.....	30
How Visa Resolve Online Dispute Resolution Questionnaires Work.....	31
When Additional Information is Needed.....	32
Documentation/Information as Evidence.....	33
Using the Documentation/Information Indicator	34
Dispute Resolution Questionnaire Best Practices for Issuers	35
Dispute Resolution Questionnaire Best Practices for Acquirers	38
SECTION 4 Back-Office Reporting	41
Visa Resolve Online Reports	42
Report Retention	43
Monitoring/Reporting Best Practices for Issuers.....	44
Monitoring/Reporting Best Practices for Acquirers.....	45
SECTION 5: Retrieval Requests/Legible Copies.....	46
Retrieval Request Requirement Changes	47
Issuer Best Practices for Processing Retrieval Requests	48

Acquirer Best Practices for Ensuring Legible Copies	49
SECTION 6: Fraud Reporting and Exception File Listing	50
What is the Fraud Reporting System?	51
Visa Resolve Online and Fraud Reporting	52
Fraud Reporting System Benefits	53
Fraud Reporting Best Practices for Issuers	54
A Closer Look at the Visa Exception File	55
Visa Exception File and Visa Resolve Online	56
Visa Exception File and Risk Control Best Practices for Issuers	57
What is the Visa Card Recovery Bulletin Service?	58
SECTION 7: Dispute Resolution Guidelines	59
General Dispute Resolution Tips	60
Fraud	61
Authorization	63
Non-Receipt of Services and Merchandise	64
Return and Refund Policy/Disclosure	65
Disposition of Merchandise	66
Credit Processing	67
Using Neutral Third- Party Opinion Documentation	68
SECTION 8: Compelling Evidence	69
Compelling Evidence and Merchant Representment Rights	70
Allowable Compelling Evidence	71
How Issuers Must Address Compelling Evidence	76
Pre-Arbitration Requirement for Issuers	77
SECTION 9: Special Dispute Considerations	78
Bankruptcy	79
Timeshares	81
Recurring Payment versus Installment Payment	82
Terms of Sale Misrepresented	83
Sale of Counterfeit Goods	84
SECTION 10: Dispute Provisions Related to Natural Disasters, Regional Tragedies, or Global Incidents	85
Retrieval Requests	86
Exception Item Processing	87
Late Deposits of Visa Transactions and Credits	88
T&E Transactions	89
Cancellation of Scheduled Events	90
Non-delivery or Delayed Goods or Merchandise	91

SECTION 11: EMV Liability Shift and Impact on Other Dispute Types	92
How Does a Chip Card Work?	93
Cardholder Verification in the Chip Environment	94
No Cardholder Verification Required	95
Offline Versus Online Authorization	96
Fallback Transactions	97
Who Holds Financial Liability for EMV/Chip-Initiated Transaction Fraud?	98
When to Initiate a Chargeback Under the EMV Liability Shift	100
Chip Processing and Visa Chargeback Rules	102
SECTION 12: Arbitration Management	103
How Arbitration Works	104
Arbitration/Pre-Arbitration Management: Best Practices for Issuers	106
Arbitration/Pre-Arbitration Management: Best Practices for Acquirers	108
Arbitration Settlement	110
Arbitration Case Ruling Appeal Rights	111
SECTION 13: Compliance Management	112
Common Compliance Violations	113
How Compliance Works	116
Member Compliance Filing Steps	117
Pre-Compliance and Compliance Best Practices for Issuers and Acquirers	119
Fraud Credits/Clearing and Reversals—Compliance Options	120
SECTION 14: Back-Office Operations and Functional Issues	122
Back-Office Best Practices for Issuers and Acquirers	123
Dispute Resolution Staff Cardholder Questions – Quick Reference	127
Dispute Case Review Checklist	130
SECTION 15: Visa Dispute Monitoring Program	132
Improving Issuer Chargeback Performance	133
Ensuring Compliance	134
Chargeback Performance Improvement Best Practices for Issuers	135
Key Resources	136
Appendices	137
Appendix A: Important Contacts	138
Appendix B: Merchant Ceasing Operations—Questions and Answers	139
Appendix C: Dispute Resolution Staff Cardholder Questions—Quick Reference	142
Appendix D: Dispute Case Review Checklist	145
Appendix E: Visa Europe Territory	147
Appendix F: Glossary	148



About This Guide

Background

The *Visa Back-Office Dispute Management Guide* provides the most current tools, best practices, and resources to ensure that the Visa® dispute resolution process delivers the benefits that it should to all participants involved in Visa transactions. **Where differences of interpretation exist between the *Visa Core Rules and Visa Product and Service Rules* and the recommendations stated here, the Visa Rules will take precedence.**

Intended Audience

This guide is intended for Visa Inc. issuer and acquirer dispute resolution managers. It assumes that readers have a clear understanding of the *Visa Core Rules and Visa Product and Service Rules* dispute processing and chargeback rights.* Requirements and practices may differ when a dispute involves a Visa Europe issuer or acquirer.

Guide Organization and Usage

Designed for ease-of-use, the *Visa Back-Office Dispute Management Guide* is divided into 15 sections, each with a different main focus. Users can work through the guide sequentially or “flip through and find” a specific topic.

- ✓ **Section 1: Visa Dispute Resolution Overview** explains how the dispute resolution process works from start to finish.
- ✓ **Section 2: Visa Resolve Online Basics** focuses on the importance of Visa Resolve Online, a web-based tool created specifically to support dispute resolution activities. It also reviews two important Visa Resolve Online functions, Transaction Inquiry and Case Folders, which offer background information on how each of these functions work, and provides best practices that managers can apply to ensure optimal use of Visa Resolve Online.
- ✓ **Section 3: Visa Resolve Online Dispute Resolution Questionnaires and Support Documentation/Information** includes best practices for the capture and exchange of necessary dispute details.
- ✓ **Section 4: Back-Office Reporting and Monitoring** takes a closer look at the Visa Resolve Online reports currently available to members. It also includes a set of best practices for assessing center/staff performance and uncovering areas of opportunity for improvement.
- ✓ **Section 5: Retrieval Requests/Legible Copies** covers Visa copy request and fulfillment rules for issuers and acquirers.

¹ Source: VisaNet clearing and settlement counts

- ✓ **Section 6: Fraud Reporting and Exception File Listing** provides an overview of the Visa Fraud Reporting System (FRS) and Visa Exception File Service and discusses a number of actions that issuers can take to minimize fraudulent transaction claims and associated losses.
- ✓ **Section 7: Dispute Resolution Guidelines** offers a high-level look at practical tips and guidelines to keep in mind during chargeback and representment processing. It also covers some of the more challenging chargeback circumstances and the dispute rights that may be available.
- ✓ **Section 8: Compelling Evidence** discusses the representment processing requirements related to merchant compelling evidence.
- ✓ **Section 9: Special Dispute Considerations** offers additional guidelines to assist in the handling of dispute cases which typically have special or extenuating circumstances.
- ✓ **Section 10: Dispute Provisions Related to Natural Disasters, Regional Tragedies, or Global Incidents** discusses the unique dispute circumstances that can arise from events such as natural disasters. The section provides examples of disputes related to such incidents and provides resolution guidelines.
- ✓ **Section 11: EMV Liability Shift** covers the chip and Personal Identification Number (PIN) liability issues involved when card-present fraud could have been prevented through the use of chip and PIN technology.
- ✓ **Section 12: Arbitration Management** walks through the Visa arbitration process and filing conditions. It also specifies Visa's allowable reasons for arbitration.
- ✓ **Section 13: Compliance Management** discusses the circumstances under which Visa members may elect to file for compliance when chargeback rights are not available and reviews the Visa compliance process and filing conditions.
- ✓ **Section 14: Back-Office Operations and Functional Issues** highlights guidelines and best practices on how to assess the unique characteristics of your back-office operations and take appropriate action.
- ✓ **Section 15: Visa Dispute Monitoring Program** discusses the Visa Dispute Monitoring Program—what it is and how it can improve issuer chargeback performance.

Guide Navigation

The *Visa Back-Office Dispute Management Guide* is designed for ease of use with icons that cue you to specific resources or information:



Additional key points and insights related to the topic that is being covered.

An Important Note About Visa Europe

The Visa payment system is operated in the European Economic Area by Visa Europe, a separate company operating under a license from Visa Inc. Participation in the Visa payment system in such countries is governed by the *Visa Europe Operating Regulations*, rather than the *Visa Core Rules and Visa Product and Service Rules*. While the *Visa Europe Operating Regulations* share many core requirements with the *Visa Core Rules and Visa Product and Service Rules* to ensure interoperability, the *Visa Europe Operating Regulations* may vary from the information set forth in this document.

Disclaimer

The information in this guide is based on the latest version of the *Visa Core Rules and Visa Product and Service Rules* and is current as of the date of printing. However, processing and chargeback rights are subject to change. If there are any differences between the *Visa Core Rules and Visa Product and Service Rules* and this guide, the *Visa Core Rules and Visa Product and Service Rules* will prevail in every instance.

All rules discussed in this guide may not apply to all countries or regions. It is your responsibility to ensure your institution complies with all applicable regulations.

The information, recommendations or “best practices” contained in this guide are provided “AS IS” and are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. This guide does not provide legal advice, analysis or opinion. Your institution should consult its own legal counsel to ensure that any action taken based on the information in this guide is in full compliance.

For More Information

If you have any questions related to the requirements and/or best practices covered in this guide, contact:

- **For U.S., LAC, Canada — Dispute Analysis and Support:**
 - 866-270-9602 (U.S.) 650-432-2888 (LAC) 416-860-8600 (Canada)
 - DisputeSupport@visa.com
- **For AP — Client Support Services:**
 - +65 6579-3783 (fax)
 - DisputeSupport@visa.com
 - Your local Visa Representative
- **For CEMEA — Dispute Analysis and Support:**
 - 1-866-270-9602
 - DisputeSupport@visa.com

SECTION 1

Visa Dispute Resolution Overview



What's Covered

- The Visa Dispute Resolution Process
- The Chargeback Life Cycle
- Who Does What During the Chargeback Life Cycle
- Visa International Chargeback Rights and Reason Codes
- Chargeback Reason Codes Quick Reference Chart
- Understanding Jurisdictions and Rule Differences

Visa is responsible for enforcing its operating requirements; however, the payment system structure is designed to facilitate “self-enforcement” whenever possible. In short, it’s up to members to follow the operating rules with minimal or no direct involvement from Visa. Should a member experience a financial loss as a direct result of another member’s violation of the *Visa Core Rules and Visa Product and Service Rules*, their primary recourse is to use the **dispute resolution** process.

This section walks through the Visa dispute resolution process and provides best practices for each phase along the way.

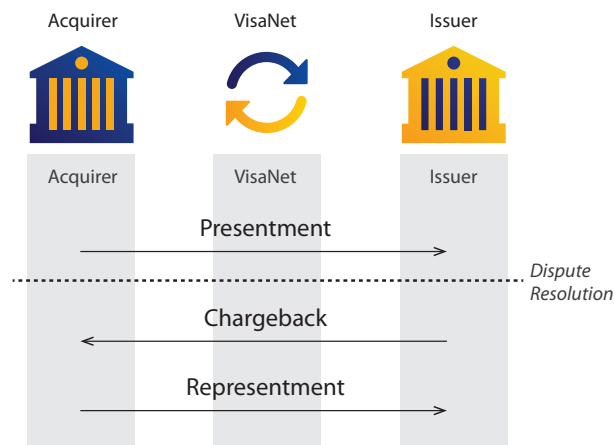


The Visa Dispute Resolution Process

Visa's dispute resolution process provides members with the means to efficiently correct errors and resolve disputed transactions arising from violations of the *Visa Core Rules* and *Visa Product and Service Rules*. The process has four main parts:

Presentment

Presentment is the normal way in which an acquirer passes on the transaction through the VisaNet® clearing and settlement system to the issuer. VisaNet credits the acquirer, sorts the transaction, and debits the issuer.



Chargeback

A **chargeback** provides an issuer with a way to return a disputed transaction through VisaNet. It's a dollar amount that an issuer returns to an acquirer as a financial liability. In essence, the issuer reverses a sales transaction. Visa member dispute resolution staff must work with up to 22 chargeback reason codes which vary per region.



Visa rulings are based on the rights identified (and supporting documentation/information requirements being fulfilled) during chargeback, representment, and pre-arbitration.

Members may submit a compliance case to Visa if a section of the *Visa Core Rules* and *Visa Product and Service Rules* has been violated by the opposing member, and if members incur a loss and a valid chargeback or representment is unavailable.

Representment

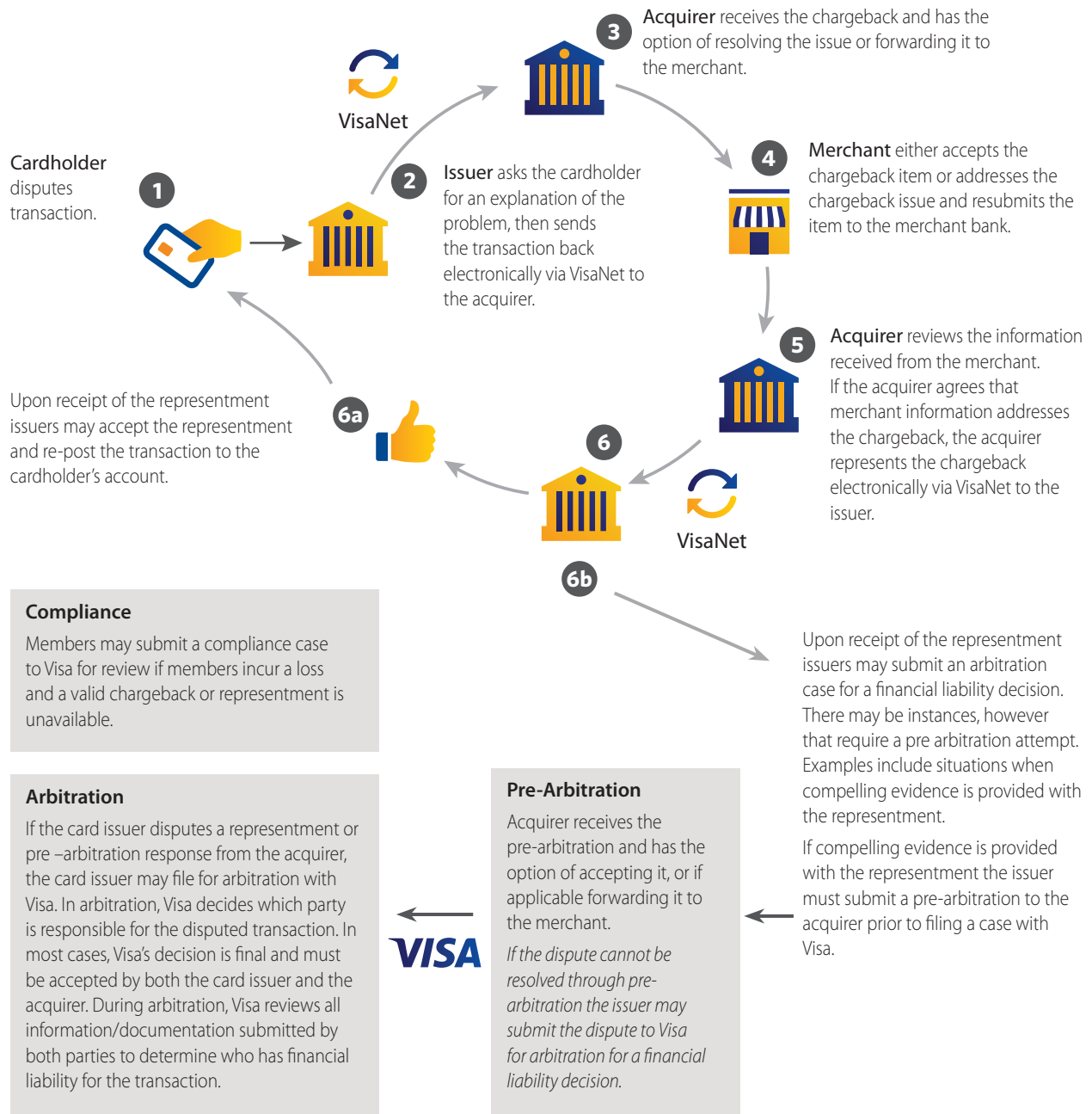
The acquirer does not have to accept invalid or incomplete chargebacks. If the acquirer determines that the chargeback is invalid, or if the required supporting documentation/information is missing/incomplete or can remedy the chargeback, the acquirer may refute the chargeback and send it back to the issuer through a **representment**.

Arbitration

If the issuer disputes a representment from the acquirer, the issuer may file for **arbitration** with Visa. In arbitration, Visa decides which party is responsible for the disputed transaction. Visa's decision is final and must be accepted by both the issuer and the acquirer. During arbitration, Visa reviews all documentation/information submitted by both members and the *Visa Core Rules* and *Visa Product and Service Rules* to determine who has final liability for the transaction.

The Chargeback Life Cycle

The diagram below illustrates and explains the Visa dispute resolution process in detail.





Who Does What During the Chargeback Life Cycle

The matrix below breaks down the diagram on page 7 into more refined tasks and describes the responsibilities of the issuer/processor, Third Party Agent, acquirer, and merchant during the entire chargeback cycle, including arbitration and compliance. This chart can be used as a tool to train your staff members not only about their responsibilities during the chargeback life cycle, but the role and responsibilities of other key players in the system as well.

Task	Acquirer	Third Party Agent*	Issuer/Processor
Review eligibility of incoming disputes		X	X
Research transaction through issuer/processor capability or Visa Resolve Online	X	X	X
Request subdraft copy of sales receipt	X	X	X
Obtain supporting cardholder dispute information/documentation		X	X
Complete dispute resolution forms	X	X	X
Submit dispute resolution forms online (Access to Visa Resolve Online)	X	X	X
Select chargeback reason codes		X	X
Process chargebacks		X	X
Process representments	X	X	
Process pre-compliance notification	X	X	X
File Compliance via Visa Resolve Online (including all form requirements)	X	X	X
Submit supporting compliance information/documentation	X	X	X
Process pre-arbitration notification	X	X	X
File Arbitration	X	X	X

This chart can be used as a tool to train your staff members not only about their responsibilities during the chargeback life cycle, but the role and responsibilities of other key players in the system as well.

*Third Party Agents with approved access to Visa Resolve Online functions may be allowed to perform this task on behalf of the member.



Visa Chargeback Rights and Reason Codes

Visa dispute resolution staff must work with six basic categories of chargeback rights and up to 22 chargeback reason codes which varies per region. Here is a quick view of associated reason codes.

Recognition

Reason Code 75* applies when cardholders do not recognize transactions on their Visa statements. In this situation, the issuer must first try to assist the cardholder in identifying the merchant and/or transaction.

Recognition Reason:	Reason Code:
Transaction Not Recognized	75

Fraud

Fraud chargebacks take place when a cardholder denies participating in the transaction. It's up to merchants to follow Visa acceptance procedures. When the merchant fails to follow required procedures, the acquirer or merchant may be responsible for the transaction.

Fraud Chargeback Reasons:	Reason Code:
Fraudulent Multiple Transactions	57
Counterfeit Transaction	62
Fraudulent Transaction — Card-Present Environment	81
Fraudulent Transaction— Card-Absent Environment	83
Merchant Fraud Performance Program	93

*This reason code is invalid for fraud disputes.

**Global Merchant Fraud Performance Program (GMFP) - Visa Resolve Online provides functionality to issuers to preview transactions that have been identified as qualifying for Visa's Global Merchant Fraud Performance (GMFP) Program. Please refer to the VROL User Guide for more information.

Visa Back-Office Dispute Management Guide

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Authorization Error

Authorization error chargebacks allow issuers to advise acquirers that their transactions cannot be honored because there is uncertainty that the authorization was obtained with correct information, or that the merchant failed to follow authorization procedures correctly.

Authorization Error Chargeback Reasons:	Reason Code:
Card Recovery Bulletin or Exception File (Excluding U.S. domestic transactions)	70
Declined Authorization	71
No Authorization	72
Expired Card	73
Non-Matching Account Number	77
Service Code Violation (Excluding U.S. domestic transactions)	78

Processing Error

When a merchant or an acquirer makes an error and a transaction is billed incorrectly, the acquirer or merchant may be responsible for the transaction.

Processing Error Chargeback Reasons:	Reason Code:
Late Presentment	74
Incorrect Currency or Transaction Code or Domestic Processing Violation	76
Incorrect Transaction Amount or Account Number	80
Duplicate Processing	82
Paid by Other Means	86

Cancelled/Returned

Chargeback rights apply when a cardholder cancels an order or service, disputes the quality of merchandise/service or returns merchandise. In these kinds of situations, the cardholder expects his or her account to be credited, or for recurring charges to stop. When the merchant fails to process a credit or reversal, this chargeback is applied.

Cancelled/Returned Chargeback Reasons:	Reason Code:
Cancelled Recurring Transaction	41
Not as Described or Defective Merchandise	53
Credit Not Processed	85

* Valid fulfillment is only required if needed to support a valid chargeback (Note: Exceptions apply. e.g., Visa Easy Payment Service).

Non-Receipt of Goods or Services

This chargeback right applies when a cardholder participated in a transaction, but the goods or services were never received and the transaction was charged to the cardholder's account.

Non-Receipt of Goods or Services Chargeback Reasons:	Reason Code:
Services Not Provided or Merchandise Not Received	30
Non-Receipt of Cash or Load Transaction Value at ATM or Load Device	90



Chargeback Reason Codes Quick Reference Chart

The chart below lists the 22 chargeback reason codes in numerical order for easy access. Each code includes a brief description and the chargeback time limit/calendar days allowed for chargeback processing. (Listed in Numerical Order)

Reason Code	Reason Code Title and Description	Chargeback Time Limit/ Calendar Days
30	Services Not Provided or Merchandise Not Received The cardholder or authorized person did not receive the merchandise or services at the location agreed with the merchant by the agreed date.	120
41	Cancelled Recurring Transaction The merchant continued to charge a cardholder for a Recurring Transaction despite notification of cancellation or account closure, or a failure by the merchant to follow proper procedure.	120
53	Not As Described or Defective Merchandise The cardholder received damaged, defective, or counterfeit merchandise or the merchandise or service did not match what was described on the transaction receipt, or other documentation presented at the time of purchase, or the merchandise was otherwise unsuitable for the purpose sold, or the merchant misrepresented the terms of sale.	120
57	Fraudulent Multiple Transactions Multiple transactions occurred on a single card at the same merchant outlet without the cardholder's permission.	120
62	Counterfeit Transaction A counterfeit card was used for a magnetic-stripe or chip-initiated transaction that received authorization but the authorization request did not include the required data, or contained altered data or a counterfeit transaction occurred at a merchant or Member location where required risk control procedures were not followed.	120
70	Card Recovery Bulletin or Exception File A merchant did not check the Card Recovery Bulletin or Exception File for a transaction with an amount that was below the Floor Limit.	75
71	Declined Authorization A merchant completed a transaction after an authorization request received a Decline Response.	75
72	No Authorization Authorization was required for a transaction, but the merchant did not obtain proper authorization.	75
73	Expired Card A merchant completed a transaction with a card that expired before the transaction date, and did not obtain authorization.	75

Reason Code	Reason Code Title and Description	Chargeback Time Limit/ Calendar Days
74	Late Presentment The transaction was not processed within the required time limits and the account was not in good standing on the processing date, or the transaction was processed more than 180 calendar days from the transaction date.	120
75	Transaction Not Recognized The cardholder does not recognize the transaction and additional information beyond the data required in the Clearing Record is needed to assist the cardholder in identifying the transaction.	120
76	Incorrect Currency or Transaction Code or Domestic Transaction Processing Violation A transaction was processed with an incorrect transaction code or an incorrect currency code, or the merchant did not deposit a transaction receipt in the country where the transaction occurred, or the cardholder was not advised that Dynamic Currency Conversion would occur or was refused the choice of paying in the merchant's local currency, or the merchant processed a credit refund and did not process a Reversal or Adjustment within 30 days for a transaction receipt processed in error.	120
77	Non-Matching Account Number A transaction did not receive authorization and was processed using an account number that does not match any account number on the issuer's master file or an original credit (including a Money Transfer Original Credit) was processed using an account number that does not match any account number on the Issuer's master file.	75
78	Service Code Violation (excluding U.S. domestic transactions) Authorization was not obtained for a magnetic-stripe read transaction on a Visa Electron Card or on a Visa Card in a registered mandatory positive authorization (X2X Service Code) account range.	75
80	Incorrect Transaction Amount or Account Number The transaction amount is incorrect, or an addition or transposition error was made when calculating the transaction amount, or the merchant altered the transaction amount after the transaction was completed without the consent of the cardholder, or a transaction was processed using an incorrect account number.	120
81	Fraudulent Transaction – Card-Present Environment A merchant did not obtain an imprint and either a signature, a PIN, or, effective 13 October 2012 , a Consumer Device Cardholder Verification Method (CDCVM)* in a card-present environment, and the merchant completed the transaction without the cardholder's permission, or a transaction was processed with a fictitious account number, or no valid card was outstanding bearing the account number on the transaction receipt.	120
82	Duplicate Processing A single transaction was processed more than once using the same account number.	120

*Valid fulfillment is only required if needed to support a valid chargeback (Note: Exceptions apply. e.g., Visa Easy Payment Service).

Reason Code	Reason Code Title and Description	Chargeback Time Limit/ Calendar Days
83	Fraudulent Transaction – Card-Absent Environment The cardholder did not authorize or participate in a transaction conducted in a card-absent environment, or a transaction was processed with a fictitious account number or no valid card was outstanding bearing the account number on the transaction receipt.	120
85	Credit Not Processed A merchant did not process a credit transaction receipt as required.	120
86	Paid by Other Means Merchandise or service was received but paid by other means.	120
90	Non-Receipt of Cash or Load Transaction Value at ATM or Load Device The cardholder participated in the transaction and did not receive cash or Load transaction value, or received a partial amount.	120
93	Merchant Fraud Performance Visa notified the issuer that the transaction is identified by the Merchant Fraud Performance Program.	120



Understanding Jurisdictions and Rule Differences

Visa requirements and rules may change based on jurisdiction circumstances.* So, it is important that you understand the region and the country in which the transaction has taken place and where the issuer of the card resides. There are three types of jurisdiction transactions which are based on issuer BIN or merchant location:

Transaction	Description	Example
Domestic	The card issuer is located in the same country where transaction was processed.	Card issuer and merchant are both located in the United States.
Inter-regional	The card issuer is not located in the region where transaction was processed.	Card issuer is located in Singapore. The merchant transaction was processed in Canada.
Intra-regional	The card issuer is located in the transaction region, but is not in the country where the transaction was processed.	The card issuer is located in Mexico, but the merchant transaction has been processed in Brazil.

* Please refer to the *Visa Core Rules and Visa Product and Service Rules* for regional chargeback and representment differences.

SECTION 2

Visa Resolve Online Basics



What's Covered

- How Visa Resolve Online Works
- Visa Resolve Online Connectivity
- Visa Resolve Online Activities
- A Closer Look at the Transaction Inquiry
- Transaction Inquiry Best Practices for Issuers
- Transaction Inquiry Best Practices for Acquirers
- Using Case Folders
- Case Folder Management Best Practices for Issuers and Acquirers
- Visa Resolve Online Support

Visa Resolve Online is a web based application that supports customer service representatives and back-office analysts responsible for managing the dispute life cycle. It is used to research transaction information, send financial exception processing messages for both BASE II and Single Message Service (SMS), support Pre-authorized Payment Cancellation Service (PPCS), and request copies of sales drafts, fraud reporting, and Exception File management. In addition, it is a mandated service used to exchange electronic dispute documentation/information, Request For Copy (RFC) fulfillments, pre-filings, and case filings between members and Visa during the dispute cycle. Visa Resolve Online is accessible through Visa Online via a standard User Interface or a Custom System Interface.

This section provides a general overview of Visa Resolve Online—what it is and how it works.



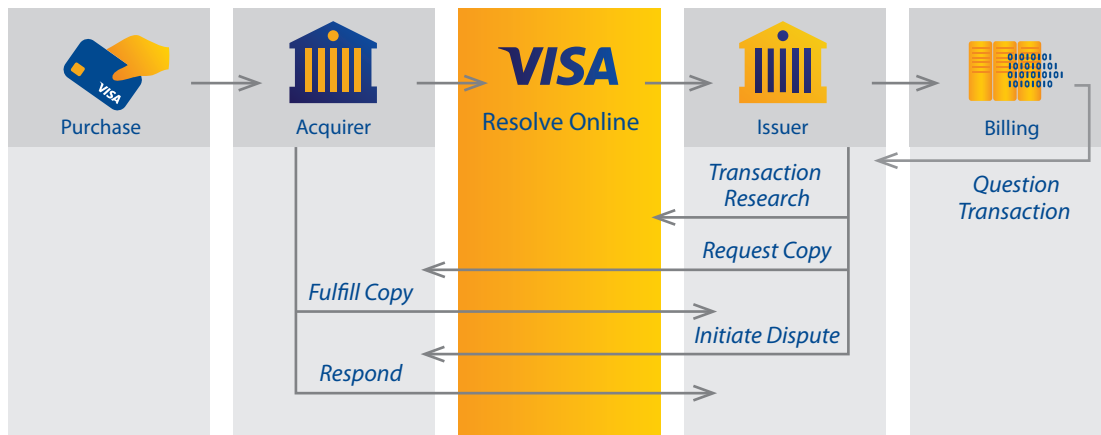
How Visa Resolve Online Works

Visa Resolve Online operates from a set of core objectives that are aimed at promoting dispute resolution practices that:

- Exceed cardholder and merchant expectations.
- Prevent disputes before they happen.
- Resolve a majority of disputes within one billing cycle.
- Simplify rules.
- Encourage the exchange of information, not documentation.
- Reduce operational costs.
- Discourage abuse of the dispute resolution process.

It is a global, web-based service that enables members around the world to electronically retrieve transaction information, exchange information, process exception items, process chargebacks and representments, submit pre-arbitration and pre-compliance cases and file arbitration and compliance cases.

Visa Resolve Online also enables members to report fraud, and list cards/account numbers on the exception file. Based on industry-standard Internet Protocols (IP), members can be up and running on Visa Resolve Online quickly and easily. And because the service is intuitive, staff can be trained faster, becoming more productive in less time.



While Visa Resolve Online is extremely easy to use, resources are available to assist members and processors in training their staff. Visa provides a highly interactive online training tutorial that guides users through practical Visa Resolve Online usage simulated scenarios.



Visa Resolve Online Connectivity

System Considerations

Visa Resolve Online offers interface options to help members better integrate this core service with their internal systems. Using a standard personal computer and web browser software, members access the Visa Resolve Online User Interface through a secure Internet connection.

Some members may choose to have their existing host systems interface more directly with Visa Resolve Online. Systems Interface alternatives are:

- **Real Time Web Services:** Allows transfer of dispute resolution data using XML-based requests and responses.
- **Bulk Systems Interface (Bulk SI):** Provides batch processing of questionnaires, documentation, case filings, fraud reports, and exception file listings in data or image format.



Visa Resolve Online Activities

Visa Resolve Online provides a number of key features that enable members to retrieve and view transaction information online, exchange information electronically, manage workflows, file arbitration and compliance cases, receive rulings online, submit good faith collection cases, generate fraud reports, manage exception files, and (optionally) process financial transactions. A user can also submit a Pre-authorized Payment Cancellation Service (PPCS). **Many of these features are optional and are dependent upon the type of interface or options selected by the member.**

Key activities within the dispute resolution processes, supported by Visa Resolve Online, include:

- **Transaction Inquiry** — Original authorization and settlement transactions are accessed through interfaces to Visa systems where the information resides. Member staff can make inquiries on any of their cardholders' or merchants' transactions and receive detailed information to help the customer determine whether there is a problem. From the Transaction Inquiry Results screen, users can perform a variety of functions, such as viewing additional details of a transaction, viewing a sub-draft, print, saving documents as a PDF, and revising their search criteria.
- **1 Click Transaction Inquiry** — Allows you to complete a Transaction Inquiry directly from a case using the card account number or consumer account number from the case.
- **Substitute Draft** — A facsimile draft of the transaction can be created and easily printed or emailed to the cardholder or merchant from Visa Resolve Online.
- **Copy Request and Fulfillments** — Issuers can request copies of transaction receipts and acquirers must respond to requests with either a copy of the transaction receipt (fulfillment) or a non-fulfillment message through Visa Resolve Online.
- **Visa Resolve Online Dispute Resolution Questionnaires** — Members use this tool to provide relevant information to support their dispute. The questionnaires can be used to capture and transmit information, or they can be used as a script when speaking to a customer.
- **Financial Processing of Exception Items** — Members can submit and receive financial transactions such as chargebacks, representments, adjustments and miscellaneous fees.
- **Fraud Reporting** — Members can use Visa Resolve Online to report fraudulent transactions to Visa. Fraud disputes deal with issues related to the compromise of account data (e.g., a stolen card number).
- **Card Management** — Members can list card/account numbers on the exception file.
- **Pre-Filing** — Pre-arbitration and pre-compliance cases must be submitted electronically through Visa Resolve Online. For U.S. domestic only, response questionnaires provide the option of submitting a funds transfer if accepting a case.
- **Case Filing** — Issuers and acquirers are required to use Visa Resolve Online to submit both arbitration and compliance case filings. Both arbitration and compliance cases must be filed electronically. Visa Resolve Online provides the initiator of a case filing with an online form.

- **Case Folders** — Related elements of a dispute are captured and managed in a case folder. The case folder is available to all users of the organization and is used as a history of the dispute. Contents of the case folder include, but are not limited to, transaction information, questionnaires, and documentation.
- **Imaging** — Documents can be scanned into cases for research purposes. If the document is needed to support a dispute, an image of the document must be attached to a questionnaire and submitted to the other member through Visa Resolve Online.
- **Reports** — User/billing reports, statistical reports, and processing status reports are available for online display, print, or as data files for export to other applications.

What Are Some Key Advantages of Using Visa Resolve Online?

Function:	What You Can Do:	When You Should Do It:	How You Benefit:
Transaction Inquiry	• Send a Transaction Inquiry to search Visa's databases for original authorization and settlement transaction information, allowing you to: – Look up transaction details – Create substitute drafts – Check authorization codes and times • Use the Transaction History Inquiry feature for exception file listings, fraud reports, and stop payment orders. • Easily obtain merchant contact information (when provided). • Search for credits and reversals.	• To assist a cardholder who has a transaction recognition issue. • To verify chargeback and representment rights exist. • To search for credits. • To access translation of processing codes (without having to go to other resources).	• Ensures faster communication, allowing you to assist customers/merchants in receiving information in real time. • Allows you to retrieve transaction information for up to two years.

What Are Some Key Advantages of Using Visa Resolve Online? (continued)

Function:	What You Can Do:	When You Should Do It:	How You Benefit:
Substitute Draft	• Issuers can place transaction information in a format that can be sent to their cardholder. • Acquirers can quickly create a sub-draft to fulfill certain copy requests in a cost-effective manner. Note: Acquirers must complete substitute drafts as required by Visa. • Substitute drafts can be viewed on-screen, saved as a PDF, or printed, and they can be made available to cardholders and merchants by way of an email message.	• Issuers can assist a cardholder who does not recognize a transaction or is requesting a copy of a transaction receipt for their records. • Acquirers may create a sub-draft to fulfill certain issuer copy requests, when applicable. Note: Acquirers must complete substitute drafts as required by Visa.	• Increases office efficiencies. Issuers receive substitute draft within seconds (versus the 30 days that the acquirer has to fulfill). • Helps reduce the number of copy requests that acquirers must process. • Offers greater cost-efficiencies. Cost is considerably cheaper than requesting a copy from the merchant (this does not replace a request for copy when required for chargeback rights). • Provides faster service. Issuers can email a substitute draft the same day as request submission or can print it off to mail or fax to their cardholder.
Case Folders	• Access and view all case events in one system instead of going to multiple repositories (e.g., the dispute history about the transaction including dates, amount, reason code, <i>Visa Resolve Online Dispute Resolution Questionnaire</i>/documentation/information, member banks involved, etc.). • Assist in dispute processing by enabling Visa to see the events of the case as presented between the members, along with all documents submitted in the case. • Easily store documentation/information images online by scanning all paper into an electronic file. • Add notes to a case that remain private and viewable only to the member who entered them.	• At the time a case is initiated and until it is resolved. • To track a case through the life of the dispute. Visa Resolve Online can be used as a stand-alone case-tracking system, or in conjunction with the member's own case-tracking system.	• Helps you easily access cardholder and merchant contact information (when provided). • Provides faster and more complete access to information by offering one place to view everything about the transaction. • Ensures a more informed dispute decision process by providing both Visa and the member with an accurate depiction of what was used to support a dispute.

What Are Some Key Advantages of Using Visa Resolve Online? (continued)

Function:	What You Can Do:	When You Should Do It:	How You Benefit:
Reporting	- Use Visa Resolve Online Reports to monitor usage and dispute efficiency. Reports are categorized as follows: – Usage Reports – Trends in Usage Reports – Aging Reports – Case Filing Process – Financial Reports – Administration Reports - Schedule key reports for download with Bulk System Interface files. <i>(Only available for specific reports.)</i> User Interface users can also schedule specific reports on a daily and monthly basis and have them delivered to their Visa Online mailbox.	Monthly, quarterly, or daily, as needed.	- Allows you to pull reporting by user, user group, or organization to view pending cases that are close to expiring. - Allows you to monitor write-offs due to user error, department minimums, or customer satisfaction requests to look for areas of improvements. - Allows you to monitor how your users are accessing/using Visa Resolve Online and provide best practices or training, as needed.
Dashboard	- Provides the ability to customize your dashboard. - Ability to set up to four Queue Monitors for display on the Dashboard. - Provides queue volumes in both the All and My views. - Allows users to refresh on the setting the user provided, or can be manually refreshed by clicking on the yellow arrows on the left. - Allows users to filter queue content.	Once configured, users will see the new incoming items displayed on the dashboard daily.	- Allows users an easy way to view new incoming items without having to open a queue. - You can set the dashboard to refresh automatically at a given interval. - Each queue that is being monitored will display two sets of numbers—all items in the queue (All) and the items in the queue that are assigned to you (My).



A Closer Look at the Transaction Inquiry

With a Transaction Inquiry, a participating member's representative can connect to Visa Resolve Online in real time to request specific information on a transaction such as sales, cash, authorizations, and credits. The query is based on the search parameters and can include the account number or transaction identifier and the transaction date.

The Transaction Inquiry:

- **Provides the representative with enough information to help a customer recognize a transaction.** This reduces the number of times a member needs to initiate a copy request or possibly a dispute.
 - Once the information is retrieved, Visa provides the fields found in the authorization and clearing records, along with a description of the codes that populate the fields.
 - The representative can create a sub-draft from this information to give to the customer.
- **Includes a link to access data from the Visa Merchant Profile Database.** This link appears on the Transaction Details Screen as the "More Merchant Information" button.
 - If the merchant is participating in this service, additional information about the merchant will be provided in the response.
 - Through this link, a representative can receive enhanced data about the merchant such as a street name, or the "Doing Business As" (DBA) name in the event that the transaction is settled with the merchant corporation name.



Transaction Inquiry Best Practices for Issuers

- **Use Visa Resolve Online to help the customer recognize the transaction.** Visa Resolve Online provides valuable transaction information. However, a representative may also conduct research through their customer interactions and note this information in their own system or appropriate screen field.
- **When initiating a Transaction Inquiry, limit your search to only the necessary information needed to avoid confusion (i.e., if you are interested in the authorization, just search for the authorization).** If you want to process a chargeback, however, you may need details related to not only the sale, but also to the authorization. If you elect to search for both sales and authorization details, be sure to look at the “transaction type” column to determine which transaction to use.
- **Allow staff access to the Internet to assist the cardholder in identifying a merchant.**
- **Encourage staff to conference the merchant and cardholder together to discuss the dispute details.**
- **Keep the Transaction Inquiry date ranges as short as possible.** Wider date ranges typically take longer to process and, in some cases, could result in the representative having to go back at a later time to retrieve the results. This could mean a delay in responding to the customer.
- **If the request response takes longer than 30 seconds or if the transaction date is older than six months, Visa Resolve Online will send a message indicating that the response may take more time.** Do not immediately perform another Transaction Inquiry. Wait a few minutes and then check your queue.
- **If the cardholder claims a credit has not been received, initiate a Transaction Inquiry credit search.** A wide date range may be appropriate for this type of search.



Transaction Inquiry Best Practices for Acquirers

- Encourage your merchants to supply the cardholder name and merchant contact details as part of their sales transaction data.
- When using the Transaction Inquiry function, don't expect Visa Resolve Online to provide all of the information needed to help the merchant locate the transaction or remedy a chargeback. Representatives must also conduct research through merchant interactions and note this information in their own system or appropriate screen field.
- When initiating a Transaction Inquiry for a merchant, limit your search to only the information needed to avoid confusion (i.e., if you are interested in the authorization, just search for the authorization). If you want to process a representment, however, you may need details related not only to the sale, but also to the authorization. If you elect to search for both sales and authorization details, be sure to look at the "transaction type" column to determine which transaction to use.
- **Keep Transaction Inquiry query date ranges as short as possible.** Wider date ranges typically take longer to process and, in some cases, could result in the representative having to go back at a later time to retrieve the response. This could mean a delay in responding to the merchant.
- If the request response takes longer than 30 seconds, or if the transaction date is older than six months, Visa Resolve Online will send a message indicating that the response may take more time. Do not immediately perform another Transaction Inquiry. Wait a few minutes and then check your queue.
- If you create a substitute draft to fulfill a copy request, make sure all required information is present. Use the Comments section to enter any additional details that you would like to share about the transaction/merchant.



Using Case Folders

The Visa Resolve Online case folder feature allows member staff and management to:

- Track a dispute case from the time it is initiated until it is resolved.
- Access and view all case events in one place—as opposed to going to multiple repositories (e.g., the dispute history about the transaction—including dates, amount, reason code, *Visa Resolve Online Dispute Resolution Questionnaire*/documentation, and member banks involved).
- Assist in dispute processing by enabling Visa to see the events of the case as presented between the members, along with all documents submitted in the case.
- Easily store documentation/information images online by scanning all paper into an electronic file.



If you upload documentation/information into a case folder, only users within your organization can see it. If you want to use the documentation/information to support your case, you must attach it to a *Visa Resolve Online Dispute Resolution Questionnaire*.

Case Folder Content

Case folders are designed to organize the information associated with a specific request or dispute. A case folder contains the history of information related to an original transaction: substitute draft creations, added notes, added images, and *Visa Resolve Online Dispute Resolution Questionnaires*. Visa Resolve Online assigns each case folder a unique identifier (Visa Resolve Online case number). Issuers and acquirers may also assign their own internal case number to the case.

A case folder contains a perspective for each of the following parties:

- Visa
- Acquirer
- Issuer

Member staff may view and modify only the folders associated with their organization, and only if granted the appropriate permissions by a member Site Administrator.

Case Folder Setup

A case folder is automatically created when any of the following conditions occur:

- If action is taken on a Transaction Inquiry response.
- An image is uploaded.
- A manual *Visa Resolve Online Dispute Resolution Questionnaire* is created.
- A case is received from an opposing user.
- An advice is received.

A case folder can also be created **manually** if none of the above conditions apply. For example, when you receive a call from a customer and you want to open a case to capture notes. Visa Resolve Online allows you to open a case manually when you are supplying information such as an account number, merchant name, cardholder name, or transaction date.

Case Folder Access

All cases within your organization can be accessed by permissioned users. Permissioned users are configured by the Visa Resolve Online Site Administrator and are role based. For example, if a designated user is out of the office, another user can access the case folder to answer a cardholder question, handle pending issues, or work the case. Cases cannot be accessed by the designated Site Administrator or Batch Processing Analyst.

Case Expirations and Archiving/Purging

Cases in the dispute stage will be archived/purged after 150 days from the last action taken. Visa Resolve Online, however, will not archive/purge arbitration or compliance cases. Members can subscribe to receive all archived data or request an archived case from Visa.



Case Folder Management Best Practices for Issuers and Acquirers

- **Train staff members to check their queues daily.** Managers should also check everyone's queue at least once a week to insure that case work is being processed accurately and in a timely manner.
- **Be sure to review the status of cases and take appropriate action.** Check for newer cases (in boldface type), cases that have received new information (in boldface type), or cases that are about to expire. Consider reviewing first those cases that are close to expiring.
- **Look at the "Notes" before working a case.** A "Notes" icon will appear on the screen if a user has added notes to the case.
- **Look for "red flags."** If the other member involved in the case is not participating in Visa Resolve Online, a red flag will appear on the "read-only" version of the *Visa Resolve Online Dispute Resolution Questionnaire* displayed on the screen. This identifies that it went to a bulk print queue.



Visa Resolve Online can be used to track the aging of your cases. Refer to the 300 Series on your Visa Resolve Online Report Screen.

- **Always check the actual dispute time frames noted in your case folder.** If an "E" is next to the number of days in the DAYS TO ACT column, it means the time frame is an estimate. If there is no "E," then the time frame is based on the financial and is considered accurate.
- **Always look for attachments.** You can tell if a chargeback or representment has an attachment if there is a link positioned next to the *Visa Resolve Online Dispute Resolution Questionnaire* in the case details.



Visa Resolve Online can be used to track the aging of your cases. Refer to the 300 Series on your Visa Resolve Online Report Screen.



Visa Resolve Online Support

Region:	Phone Number and Fax Number:	Email Address/Links:
Asia-Pacific		
VOL enrollment		https://gvol.visaonline.com/
VROL		apvrolsupport@visa.com
VOL		volapcemea@visa.com
Canada		
VROL	Phone: (416) 860-8600	ROLSupport@visa.com
VOL		volamericas@visa.com
CEMEA		
VOL enrollment		https://gvol.visaonline.com
VROL		cemeavrol@visa.com
VOL		volapcemea@visa.com
Visa Europe		
VROL	Phone: +44-(0)20 7937-8111	CustomerSupport@visa.com
VOL		voleu@visa.com
LAC		For questions and issues regarding VROL, a VCSA CASE must be opened.
VROL		ROLSupport@visa.com
VOL		volamericas@visa.com
U.S.		
Client Specialized Product Support (CSPS)	Phone: (877) 847-2765 Fax: (650) 554-3996	ROLSupport@visa.com
VOL		volamericas@visa.com
Dispute Analysis and Support (DAS) Hotline for questions regarding dispute resolution rules and procedures	Phone: (866) 270-9602	disputesupport@visa.com

SECTION 3

Visa Resolve Online Dispute Resolution Questionnaires and Support Documentation/Information



What's Covered

- How Visa Resolve Online Dispute Resolution Questionnaires Work
- When Additional Information is Needed
- Documentation/Information as Evidence
- Using the Documentation/Information Indicator
- Dispute Resolution Questionnaire Best Practices for Issuers
- Dispute Resolution Questionnaire Best Practices for Acquirers

The *Visa Resolve Online Dispute Resolution Questionnaire* helps simplify the dispute resolution process and facilitates the capture of essential dispute details. This section outlines the best practices for completing and submitting *Visa Resolve Online Dispute Resolution Questionnaires* to ensure the exchange of accurate documentation/information.



How Visa Resolve Online Dispute Resolution Questionnaires Work

Uniquely designed from both an issuer and acquirer perspective, *Visa Resolve Online Dispute Resolution Questionnaires*:

- Guide issuers in capturing useful information from cardholders in support of their claim.
- Assist acquirers in obtaining necessary information from their merchants to respond to the chargeback.
- Questionnaires are available in Spanish, Portuguese and Japanese.



The *Visa Resolve Online Dispute Resolution Questionnaire* is considered documentation if the information about the dispute is captured on the form.

The questionnaires are categorized by the dispute types:

- Recognition
- Authorization Errors
- Processing Errors
- Fraud
- Cancelled/Returned/Quality
- Non-receipt of Goods or Services

If you have a letter from the cardholder or merchant, the *Visa Resolve Online Dispute Resolution Questionnaire* is used as a cover sheet for the documentation/information.

If you are recording the dispute information from the cardholder or merchant over the phone or transferring the dispute information from a letter to the *Visa Resolve Online Dispute Resolution Questionnaire*, the form can be used in place of a cardholder or merchant letter.*

* If the dispute does not require anything more than a Member Message Text, a *Visa Resolve Online Dispute Resolution Questionnaire* does not need to be filled out. The member can transmit the information through VisaNet.



When Additional Information is Needed

When additional information is needed, it is very important to complete the questionnaire with as much information as possible prior to exercising a chargeback or representment. In some cases, documentation/information may still be required to support a dispute prior to the case being filed for arbitration or compliance at Visa. Visa may also request additional information at the time of arbitration or compliance case filing.



Documentation/Information as Evidence

Documentation/information may be required during the chargeback process and can be used as evidence to support a chargeback or representment. It may include, but is not limited to:

- *Visa Resolve Online Dispute Resolution Questionnaires*
- Clearing records
- Cardholder letters
- Emails
- Faxes
- Issuer/acquirer certifications
- Transaction receipts
- Guest folios
- Car rental agreements
- Substitute transaction receipts
- Merchant rebuttals
- Authorization logs
- Cancelled checks
- Cash receipts
- Proof of signed delivery
- Neutral third-party opinions



For more information regarding neutral third-party opinions, please refer to *Section 7: Dispute Resolution Guidelines*.



The *Visa Core Rules and Visa Product and Service Rules* note the minimum documentation/information requirements to support chargebacks and representments by reason code. Additional documentation/information may be provided; however, it must be complete and legible, and it must support the member's position. Translation is required for non-English documentation that is relevant to support the reason code.



Using the Documentation/Information Indicator

If submitting documentation/information as evidence to support a chargeback or representment, the member must use the appropriate information/documentation indicator in the *Visa Resolve Online Dispute Resolution Questionnaire*. **Choices are as follows:**

Use:	For:
space	No supporting documentation required.
0	No chargeback documentation/information provided.
1	Supporting documentation to follow.
2	Invalid Acquirer Reference Number (ARN) and no supporting documentation was required.
3	Invalid Acquirer Reference Number (ARN) and supporting documentation was received.
4	No supporting documentation was received for prior chargeback.



Remember, your *Visa Resolve Online Dispute Resolution Questionnaire* is considered to be documentation and therefore the documentation should be set to "1" if one is completed.

All dispute documentation/information must be sent electronically between members using Visa Resolve Online. The waiting period for receipt of required documentation/information is five calendar days. The issuer or acquirer can take action on the sixth day.



Dispute Resolution Questionnaire

Best Practices for Issuers

- **Make sure that your staff members are properly trained to work the chargeback.** Emphasize to your staff that they must:
 - Complete the appropriate *Visa Resolve Online Dispute Resolution Questionnaire*, answering all questions in detail relating to the cardholder's dispute (if applicable).
 - Attach supporting documentation/information, if necessary.
 - Clearly understand the acquirer's representment rights so that everything is properly completed and submitted on the chargeback.
- **Have phone units take the dispute information over the phone, fill in the details, and process a chargeback.** It is not recommended that they hand the dispute off to another unit as this increases costs by having another representative handle the item.
- **Provide as much information as possible in the *Visa Resolve Online Dispute Resolution Questionnaires*.** Lack of complete information will undoubtedly result in a representment, along with increased costs associated with reworking the item. Each field is designed to provide information that can help reduce the time it takes to resolve a dispute. The fields are there to support the dispute and answer potential questions the opposing member may have.
 - The *Visa Resolve Online Dispute Resolution Questionnaire* for the chargeback gives acquirers the information they need to determine if a representment should be pursued.
 - The *Visa Resolve Online Dispute Resolution Questionnaire* for the representment helps issuers decide if they need to pursue the dispute further for their cardholder.



Issuers have the option of using a special partial indicator of "P" when requesting an amount that is less than the representment amount. This indicator assists the acquirer in matching the representment to the associated representment.

- **Emphasize to representatives the *Visa Resolve Online Dispute Resolution Questionnaire* must be completed unless they are attaching a cardholder letter that contains all the required information.**
- **Use required Member Message Text or Comments Section, if needed.** If the dispute does not require anything more than a Member Message Text, a *Visa Resolve Online Dispute Resolution Questionnaire* does not need to be submitted. You can transmit the information through VisaNet, as processed today.

- **Make sure the images submitted to Visa Resolve Online are in a TIFF or JPEG file.** Visa Resolve Online stores the image in a particular format and the image may be rejected if Visa Resolve Online is unable to convert to this format. Images that do not conform to Visa Resolve Online requirements or cannot be converted by Visa Resolve Online will be rejected.



For additional information on TIFF files, refer to the *Visa Resolve Online Member Implementation Guide (MIG)*.

- **Ensure that all required chargeback documentation/information is supplied.**
- **Use the documentation/information indicator, as needed.** If you are using documentation/information as evidence to support a chargeback, use the correct documentation/information indicator on the *Visa Resolve Online Dispute Resolution Questionnaire*, as well as the financial records.

Note: You should set the indicator to **0** on your VisaNet advice if you are not submitting any documentation/information.



When processing a chargeback, it is important to provide as much information and/or documentation as possible to support your cardholder's dispute.

- **If the cardholder letter is incomplete or illegible, contact the customer by phone and fill in the needed information.** You should indicate when and how this new information was obtained (e.g., via a phone call with the customer on xx date).
- **Scan or upload the cardholder letter or other documentation/information that needs to be attached to the *Visa Resolve Online Dispute Resolution Questionnaire*.** This will allow you to send the letter/documentation electronically and store it for future reference.
- **Avoid creating multiple case folders.** If you are not working within a queue and must complete a *Visa Resolve Online Dispute Resolution Questionnaire*, initiate a case search on the cardholder account number first to make sure that a case doesn't already exist. If a case does exist for the same transaction, create a questionnaire in this same case folder.



It is recommended that all stages of a case (including supporting documentation) reside within a single Visa Resolve Online case number. However, it is not uncommon to see different stages of a single case housed in multiple case folders. In these situations, the filing member is required to:

- Use the case-linking functionality within Visa Resolve Online, **or**
 - Record any related case number(s) in the "Comments" section of the *Visa Resolve Online Dispute Resolution Questionnaire*.
- **Preview Images to make sure they are legible.** Use the "View" button in the Visa Resolve Online "Add Documents" or the "Attach Documents" screen to preview any images that are in the case. If the quality of the image is poor, re-scan the item into the case. Remember, when you submit a *Visa Resolve Online Dispute Resolution Questionnaire* with an attachment to the opposing member, the image will be used by the other member (and potentially by Visa) to determine the outcome of the dispute.
 - **Always check to make sure there are no outstanding items.** If you check your exception matching queue* and discover it contains documentation/information that was supposed to be sent in support of a chargeback, attach and send the documentation/information via Visa Resolve Online within the five day delivery time frame. This should eliminate the possibility of a No Document representment.
 - **Check your queues daily in Visa Resolve Online for incoming dispute documentation/information and for bulk printing and exceptions.**

- **Make sure your staff members are properly trained to work the representment.** Emphasize to your staff that they must:
 - Fully understand the conditions associated with the chargeback and representment to ensure that all conditions and timeframes are met.
 - Complete the appropriate *Visa Resolve Online Dispute Resolution Questionnaire*, addressing all points to the merchant's rebuttal (if applicable).
 - Attach documentation/information if necessary.



Dispute Resolution Questionnaire

Best Practices for Acquirers

- **Emphasize to representatives the *Visa Resolve Online Dispute Resolution Questionnaire* must be completed.** If, however, they are attaching a merchant letter that contains all required information, the questionnaire does not need to be completed.
- **Use required Member Message Text and Comments Section if needed.** If the dispute does not require anything more than a Member Message Text, a *Visa Resolve Online Dispute Resolution Questionnaire* does not need to be submitted.
- **If you are using documentation/information as evidence to support a representment, use the correct documentation/information indicator on the *Visa Resolve Online Dispute Resolution Questionnaire*, as well as in the financial record.**

Use:	For:
space	No supporting documentation required.
0	No chargeback documentation/information provided.
1	Supporting documentation to follow.
2	Invalid Acquirer Reference Number (ARN) and no supporting documentation was required.
3	Invalid Acquirer Reference Number (ARN) and supporting documentation was received.
4	No supporting documentation was received for prior chargeback.

- You should set the indicator to **1** any time you create a questionnaire for the following:
 - Bottom portion of the questionnaire with information supporting the dispute.
 - Bottom portion of the questionnaire with information supporting the dispute and attach a document.
 - The top portion of the questionnaire and attach a document.
- You should set the indicator to **0** on your VisaNet advice if you are not submitting any documentation/information.
- **Check your queues daily in Visa Resolve Online for incoming dispute documentation/information and for bulk printing and exceptions.**

* For more information on exception matching queue, refer to the *Visa Resolve Online User's Guide* located on VisaOnline.

- **Provide as much information as possible in the *Visa Resolve Online Dispute Resolution Questionnaires*.** Lack of complete information will undoubtedly result in a pre-arbitration or filing, along with increased costs associated with reworking the item. Each field has been designed to provide information that can help reduce the time it takes to resolve a dispute. The fields are there to support the dispute and answer potential questions the opposing member may have.
 - The *Visa Resolve Online Dispute Resolution Questionnaire* for the chargeback gives acquirers the information they need to determine if a representment should be pursued.
 - The *Visa Resolve Online Dispute Resolution Questionnaire* for the representment helps issuers decide if they need to pursue the dispute further for their cardholder.

The *Visa Resolve Online Dispute Resolution Questionnaires* are marked with an asterisk indicating the required fields on the form. There may, however, still be other required fields that do not have an asterisk. Members should refer to the *Visa Core Rules and Visa Product and Service Rules* for all documentation/information requirements **before** submitting their representment.



Acquirers have the option of using a special partial indicator of "P" when requesting an amount that is less than the chargeback amount. This indicator assists the issuer in matching the representment to the associated chargeback.

- **Make sure the merchant has addressed all of the cardholder's pertinent claims.**
- **If the merchant rebuttal is incomplete or illegible, contact the merchant by phone and fill in the needed information.** You should indicate when and how this new information was obtained (e.g., via a phone call with the merchant on xx date).
- **Make sure the completed *Visa Resolve Online Dispute Resolution Questionnaire* is sent electronically through Visa Resolve Online.** This ensures the documentation requirements of the *Visa Core Rules and Visa Product and Service Rules* are met and ensures your document is retained in your Visa Resolve Online user's case folder for future reference.



When processing a representment, it is important to provide as much information and/or documentation as possible to support your merchant's rebuttal.

- **Scan or upload the merchant letter or other documentation/information that needs to be attached to the *Visa Resolve Online Dispute Resolution Questionnaire*.** This will allow you to send the letter/documentation electronically and store it for future reference.
- **Make sure the images submitted to Visa Resolve Online are in a TIFF or JPEG file.** Visa Resolve Online stores the image in a particular format and the image may be rejected if Visa Resolve Online is unable to convert to this format. Images that do not conform to Visa Resolve Online requirements or cannot be converted by Visa Resolve Online will be rejected.
- **Avoid creating multiple case folders.** If you are not working within a queue and must complete a *Visa Resolve Online Dispute Resolution Questionnaire*, initiate a case search on the cardholder account number first to make sure that a case doesn't already exist. If a case does exist for the same transaction, create a questionnaire in the existing case folder.



For additional information on TIFF files, refer to the *Visa Resolve Online Member Implementation Guide (MIG)*.

- **Preview Images to make sure they are legible.** Use the “View” button in the Visa Resolve Online “Add Documents” or the “Attach Documents” screen to preview any images that are in the case. If the quality of the image is poor, re-scan the item into the case. Remember, when you submit a Visa Resolve Online Dispute Resolution Questionnaire with an attachment to the opposing member, the image will be used by the other member (and potentially by Visa) to determine the outcome of the dispute.
- **Always check to make sure there are no outstanding items.** If you check your queue and discover it contains documentation/information that was supposed to be sent in support of a representment, attach and send the documentation/information via Visa Resolve Online within the five day delivery time frame. This should eliminate the possibility of a No Document Received pre-arbitration or Direct Filing.

SECTION 4

Back-Office Reporting



What's Covered

- Visa Resolve Online Reports
- Report Retention
- Monitoring/Reporting Best Practices for Issuers
- Monitoring/Reporting Best Practices for Acquirers

Complete and accurate chargeback data reporting is essential to maximize the effectiveness of your Dispute Center operations. Daily, weekly, monthly, and quarterly reports along with internal monitoring can help Center management assess dispute operations performance and take corrective actions, if necessary. This section offers a closer look at the Visa Resolve Online reports that are currently available. In addition, it highlights some helpful practices for monitoring dispute resolution activity to track performance and uncover areas of opportunity.



Visa Resolve Online Reports

Visa Resolve Online offers a set of pre-defined, in-demand reports, which are organized as follows:

- **100 Series—Usage Reports:** Identify and tabulate the usage of various functions. Authorized users can generate usage reports to determine productivity for one or more users at a site.
- **200 Series—Trends in Usage Reports:** Tabulate the specific service features that are being used at a site. Tabulate and summarize a variety of Visa Resolve Online activities.
- **300 Series—Aging Reports:** Alert authorized users to time-sensitive dispute resolution stage and status information.
- **400 Series—Case Filing Reports:** Provide important information about cases that have been filed with Visa and the resolution of those cases compared to all cases filed system-wide.
- **500 Series—Financial Reports:** Assist members with reconciling financial transactions submitted through Visa Resolve Online with VisaNet Settlement Service (VSS) reports.
- **900 Series—Administration Reports:** Provide authorized users with information to audit the configuration and access of users at the site.



For more information regarding Visa Resolve Online report access and generation, refer to the *Visa Resolve Online Reference Manual*.

Access to the report generation screens is restricted to users with reporting privileges within Visa Resolve Online.

The following reports can also be scheduled for delivery to a secure Visa Online mailbox:

- Report 100 – ROL Usage Report
- Report 130–Outgoing Detail Activity Report
- Report 130–Incoming Detail Activity Report
- ROL 160, Fraud Activity Report
- ROL 165, VCRFS Information Report
- ROL 170, VCRFS Detail Report
- Report 180 – Exception File Activity Report
- ROL 200, Monthly Activity Summary Report
- ROL 305, Pre-Arbitration Aging Report
- Report 325 – RFC/VCRFS Aging Report
- ROL 500, Financial Reconciliation Report
- ROL 505, Rejects and Returns Report



Report Retention

These reports are available on request. Visa does not generate these reports at predetermined intervals for delivery to an organization.

Visa Resolve Online report data is retained for five years for most reports. Retention starts on the day the activity occurs, e.g., on the day a Transaction Inquiry takes place. After five years, the reporting data is purged and archived.



Monitoring/Reporting Best Practices for Issuers

- Initiate reporting for outgoing and incoming pre-compliance and compliance cases.
- Initiate reporting for pre-arbitration and arbitration cases.
- **Develop detailed trending and reporting to track the effectiveness of chargebacks.** The Representment Department should hold this responsibility.
- **Establish procedures for management review of all reports on a daily/monthly basis.** This will help you:
 - Ensure that the back office is handling and resolving the incoming volume in a timely manner.
 - Track write-offs due to employee error and as a result of cardholder satisfaction procedures. Management must track dollar amounts, reasons, and resolutions on all reports.



While the “chargeback-to-sales” ratio is important in discovering missed opportunities, the effectiveness of the chargeback should be reviewed thoroughly for trending purposes and to identify staff training needs.

- **Consider producing the following daily/monthly reports; and separate the fraud vs. non-fraud claims:**
 - *Incoming Disputes/Claims:* Volume, Dollars.
 - *Pending Claims:* Volume, Dollars, # of Days Outstanding (for both Claims Processing and Chargeback departments).
 - *Provisional Credit:* Volume, Dollars, # of Days Outstanding.
 - *Completed Claims:* Volume, Dollars, Method of Resolution (chargeback, write-off, reverse credit).
 - *Incoming Representments:* Volume, Dollars, # of Days Outstanding, Method of Resolution (write-off, reverse credit), and reasons for the Representment.
 - *Incoming/Outgoing Pre-Arbitrations:* Volume, Dollars, # of Days Outstanding, Method of Resolution (write-off, reverse credit from cardholder, reasons for pre-arbitration, and effectiveness. These must be manually tracked.)
 - *Incoming/Outgoing Pre-Compliance:* Volume, Dollars, # of Days Outstanding, Method of Resolution (compliance, write-off, reverse credit from cardholder, and effectiveness. These must be manually tracked.)
 - *Write-Offs:* Employee errors, department limit, or cardholder satisfaction requests.
 - *Chargeback and Retrieval Rejects:* Employee errors should be tracked.



Monitoring/Reporting Best Practices for Acquirers

- Look for recurring dispute resolution activity or performance issues that may require additional refresher training for staff members.
- Initiate reporting for outgoing and incoming pre-compliance/compliance cases.
- Initiate reporting for pre-arbitration and arbitration cases.
- Develop detailed trending and reporting to track the effectiveness of **representments**. The department that handles representments should hold this responsibility.
- Establish procedures for management review of all reports on a **daily/monthly basis**. This will help you:
 - Ensure that the back office is handling and resolving the incoming volume in a timely manner.
 - Track write-offs due to employee error and as a result of merchant satisfaction procedures. Management needs to track dollar amounts, reasons, and resolutions on all reports.
- Consider producing the following daily/monthly reports and separate as fraud vs. non-fraud claims:
 - *Incoming Chargebacks*: Volume, Dollars.
 - *Outgoing Representments*: Volume, Dollars, Method of Representment.
 - *Pending Representments*: Volume, Dollars, # of Days Outstanding.
 - *Representment Rejects*: Employee errors should be tracked.
 - *Incoming/Outgoing Pre-Arbitrations*: Volume, Dollars, # of Days Outstanding, Method of Resolution (arbitration, write-off, reasons for pre-arbitration, and effectiveness. These must be manually tracked.)
 - *Incoming/Outgoing Pre-Compliance*: Volume, Dollars, # of Days Outstanding, Method of Resolution (compliance, write-off, reverse credit from merchant, and effectiveness. These must be manually tracked.)
 - *Write-Offs*: Employee errors or merchant satisfaction requests.
- Look for recurring dispute resolution activity or performance issues that may require additional or refresher training for staff members.

SECTION 5

Retrieval Requests/Legible Copies



What's Covered

- Retrieval Request Requirement Changes
- Issuer Best Practices for Processing Retrieval Requests
- Acquirer Best Practices for Ensuring Legible Copies

Members can generate request for copy transactions, receive copy request advices, and send and receive fulfillment and non-fulfillment messages through Visa Resolve Online.

Issuers are no longer required to request a copy of the transaction receipt, but can still do so in an effort to resolve a question or prevent a dispute. Acquirers must continue to respond and properly fulfill requests for copy in a timely manner to avoid further dispute or compliance action.

In this section, you will find useful copy fulfillment best practices for both issuers and acquirers.



Retrieval Request Requirement Changes

Visa is continuing to refine its chargeback process with an eye toward reducing required documentation and promoting faster dispute resolution for merchants, acquirers and issuers.

Transaction Receipt Requirement is Eliminated

Issuers are no longer be required to request a copy of the transaction receipt prior to initiating a chargeback. Refer to the *Visa Core Rules and Visa Product and Service Rules* for additional RFC requirements.

As part of the dispute process, issuers may still request a copy of the transaction receipt if it is needed to respond to a cardholder escalation request or for legal proceedings or law enforcement reasons, but not as a condition of the chargeback. Issuers can also request a copy of a transaction receipt if they want to pursue a compliance.



Issuer Best Practices for Processing Retrieval Requests

To realize cost savings, Visa recommends issuers limit the number of requests for a copy of a transaction receipt and use one of the following alternatives:

- **Send Transaction Inquiry (TI) requests.** A TI request may be sufficient in most cases to help identify the transaction.
- **Establish write-off limits for retrieval requests, members need to factor in costs.**
- **Check Merchant Category Code (MCC) and jurisdiction to verify if sales draft is required.** A sales draft request does not extend the chargeback limit delay resolution, and determine if the merchant is obligated to fulfill (e.g., EMV liability.)
- **Conduct a reasonable investigation (e.g., review MCC's, POS Entry Modes, and Authorization and Clearing records.)**
- **Review transaction information through your host system, or use Visa Resolve Online, VROL Advance Case Search, or Sub-Draft features to help the cardholder recognize the transaction.**

Issuers that do choose to order a draft should use Visa Resolve Online's Advance Case Search capability to avoid duplicate requests.



Acquirer Best Practices for Ensuring Legible Copies

Acquirer Preparation Steps

- Ensure your back-office operation (or processor) is set up to image-scan and electronically transmit fulfillments or non-fulfillment messages to the issuer through Visa Resolve Online.
- Train retail merchant owners, managers, and staff on the various ways they can avoid causing illegible transaction receipts. Communicate the following tips:

For Marketing

- **Position company logo or marketing messages on sales drafts away from transaction information.** A company name, logo, or marketing message printed across the face of sales draft can make copies illegible. Position all printing away from transaction information areas.

For Administrative Staff

- **Copy from microfilm using original draft size.** When microfilm sales drafts are used, reduced size images result in blurred and illegible copies.

For Retail Associates

- **Change point-of-sale printer cartridge routinely.** Faded, barely visible ink on sales drafts is the #1 cause of illegible sales draft copies. Make sure the printing is clear and dark on every sales draft. Check readability on all point-of-sale printers daily.
- **Handle carbonless paper and carbon paper carefully.** Any pressure on carbonless and carbon-backed paper during handling and storage causes black blotches, making copies illegible. Always handle this type of paper with care!
- **Change point-of-sale printer paper when colored streak first appears.** The colored streak down the center or the edges of printer paper indicates the end of the paper roll. It also diminishes the legibility of transaction information. Change the printer paper as soon as this colored warning streak appears.
- **Keep merchant copy of sales draft receipt—give customers their copy.** Keep the copy of sales draft; color won't matter to your customers. Since colored paper does not copy as clearly as white paper, it often results in illegible copies.
- **Keep merchant copy of sales draft receipt—give customers their copy.** Keep the copy of sales draft; color won't matter to your customers. Since colored paper does not copy as clearly as white paper, it often results in illegible copies.
- **Understand that any character noted on the signature line of the sales draft is considered an acceptable signature**



The timeframe for retrieval retention is 13 months* or 6 months for a T&E document.

SECTION 6

Fraud Reporting and Exception File Listing



What's Covered

- What is the Fraud Reporting System?
- Visa Resolve Online and Fraud Reporting
- Fraud Reporting System Benefits
- Fraud Reporting Best Practices for Issuers
- A Closer Look at the Visa Exception File
- Visa Exception File and Visa Resolve Online
- Visa Exception File and Risk Control Best Practices for Issuers
- What is the Visa Card Recovery Bulletin Service?

Today, all issuers are required to take the following actions when initiating most fraud chargebacks:

- Properly list the account number on the Visa Exception File.*
- Properly submit a fraud report for the transaction to Visa.

This section provides an overview of the Visa Fraud Reporting System (FRS) and Visa Exception File Service. It also discusses how Visa Resolve Online can be used to submit fraud advices and exception file listings to Visa and highlights a number of best practices that issuers can use to minimize fraudulent transaction claims and associated losses.

* Refer to the Visa Rules for additional regional requirements.



What is the Fraud Reporting System?

The Fraud Reporting System (FRS) is a simple application that allows members to electronically report all of their fraudulent transactions through VisaNet. Visa consolidates and analyzes this transaction data to help quantify existing and new fraud patterns and identify new programs that will protect an institution's profitability into the future.



All Visa members must report fraudulent transactions for all Visa products. Fraud must be reported regardless of financial recoveries or whether the transaction is an on-us, intra-regional, domestic, or International transaction.

Issuer requirements for reporting specific types of fraud can be found in the *Visa Fraud Reporting System User's Guide*. Members not complying with fraud reporting requirements as defined in the *Visa Core Rules and Visa Product and Service Rules*:

- May be subject to an audit by Visa.
- Will be responsible for all expenses relating to the audit.
- May be subject to fine and/or penalties.
- May lose a case.

Visa monitors members on a regular basis to ensure compliance with fraud reporting requirements.



Visa Resolve Online and Fraud Reporting

Members can submit fraud advices using Visa Resolve Online and their current VisaNet or Single Message System (SMS) connection. Members do not have to make any changes to the VisaNet systems tables to submit fraud advices using Visa Resolve Online.

The use of this function in Visa Resolve Online requires user-level permission, which is granted by the Administrator and described in the *Visa Resolve Online Administrator's Guide*.

If members choose to submit fraud advices using Visa Resolve Online, all confirmations, warnings, and rejects are generated by the FRS as TC40 messages. These responses are returned only to Visa Resolve Online and will not be available to a member through a FRS report. A member report that details the fraud advices submitted and their disposition is available through Visa Resolve Online.



Fraud Reporting System Benefits

Based on the ever-increasing complexity of fraud patterns, financial institutions cannot afford to disregard the fact that complete and accurate fraud reporting is essential when it comes to maximizing the effectiveness of the risk management services received from Visa—and to ensure profitability. FRS benefits include:

- **Retained chargeback rights.** In order to claim most fraud-related chargeback, members must report fraud to Visa. Accurate and timely fraud reporting makes a member eligible for maximum chargeback rights.
- **Reduced exposure to fraud loss.** Once exposures to fraud are identified, they can be better controlled, thus helping to reduce an institution's losses.
- **Enhanced effectiveness of risk management services.** Many of Visa's risk management services depend on reported fraud data. The more complete and accurate the data, the better the service received. This also enables Visa to develop new services that will help protect member profitability.
- **Impact on government legislation.** Reported fraud data can and has been used to prosecute criminals and to support changes in government legislation.
- **Improved competitive advantage.** Daily, weekly, and quarterly activity reports delivered to an institution allow for peer comparisons. This can help when it comes to making strategic decisions regarding the card portfolio. The reports also support internal fraud monitoring analysis efforts so that corrective actions can be applied, if necessary.
- **Strengthened brand.** Swift response to fraud loss patterns can protect an institution's customers' overall confidence in their brand, as well as the Visa brand.



Fraud Reporting Best Practices for Issuers

- **Properly report all confirmed fraud activity to Visa through the VisaNet or SMS as an advice, or through Visa Resolve Online.**
 - You must report all fraudulent activity upon detection, within 90 calendar days from the transaction date.*
 - If you do not receive notification of the cardholder dispute within the 90-day period*, you must report the fraud no later than 30 calendar days from the receipt of the dispute notification.
- **Report only confirmed fraud.** Before you report fraudulent transactions, investigate all claims of disputed or unauthorized charges carefully.
- **Confirm that all information submitted to the system is complete and accurate.** Visa Resolve Online will do this for you.



A Closer Look at the Visa Exception File

Before approving a transaction, the issuer checks its files to determine if the account number used for the transaction has been statused as lost, stolen, counterfeit, closed, or a credit problem, and if there is an available credit line in the amount of the transaction. If a negative match is made, the transaction is not approved and a response is sent to the merchant. The response may include instructions to retain the card.



Visa makes authorization decisions on behalf of the issuer through its Stand-in Processing (STIP) service. Transactions are sent to STIP when an issuer is not available, authorization processing capacity limits have been exceeded, or when the transaction meets criteria previously set by the issuer.

Whenever a cardholder reports a lost or stolen card, the issuer or the issuer's processor immediately blocks the account on the member's in-house exception or master file. At this time, the account should also be listed on the Visa Exception File with a request for merchants or other members to pick up the card if it is presented to them, or to decline the authorization request.

Every time an authorization request is routed to Visa Stand-in Processing (STIP) service, the Visa Exception File is checked to see if and how the account is listed. If it is listed, a pick-up, referral, or other appropriate message is sent back to the merchant that requested the authorization. In the case of a lost/stolen card, a pick-up response is sent to the merchant and the transaction is declined. If possible, the card is then confiscated and forwarded through appropriate channels to the issuer.

Issuers that list lost/stolen accounts on the Visa Exception File may have increased chargeback rights for fraudulent transactions on the reported accounts.

* Timeframe is 60 days for AP, CEMEA, and LAC.



Visa Exception File and Visa Resolve Online

Members can submit Visa Exception File listings using Visa Resolve Online or their current VisaNet or SMS connection. Members do not have to make any changes to the VisaNet systems tables to submit exception file listings using Visa Resolve Online.

The use of this function in Visa Resolve Online requires user-level permission, which is granted by the Administrator and described in the *Visa Resolve Online Administrator's Guide*.



Visa Exception File and Risk Control Best Practices for Issuers

- **Immediately block lost/stolen cards on your host file and list them on the Visa Exception File at the time a lost/stolen report is received.** Exception file listings can be submitted using Visa Resolve Online.
- **Ensure that representatives who take lost/stolen calls have the access and training needed to block accounts on the host file and on the exception file at the time of the initial call.**
- **Ensure that third-party processors list all fraud blocked and reported missing card accounts with Visa consistently and promptly.** A lost/stolen card should be listed on both your issuer's in-house file and the Visa Exception File.



For more information on how to use the Visa Exception File, refer to the *V.I.P. System User's Guide*.



What is the Visa Card Recovery Bulletin Service?

The Visa Exception File is sometimes confused with the Visa Card Recovery Bulletin service. Even though both are aimed at helping issuers identify lost or stolen cards during the authorization process, the Visa Card Recovery Bulletin helps control losses on “below floor limit” transactions that do not require authorization. Usage is restricted to outside of the United States and Canada.

SECTION 7

Dispute Resolution Guidelines



What's Covered

- General Dispute Resolution Tips
- Fraud
- Authorization
- Non-Receipt of Services and Merchandise
- Return and Refund Policy/Disclosure
- Disposition of Merchandise
- Credit Processing
- Using Neutral Third Party Opinion Information

All the benefits of effective and efficient disputes rest largely on the extent to which back-office staff understand key case trouble spots and how best to get around them. This section pinpoints some common dispute resolution issues and explains the interpretation of the *Visa Core Rules and Visa Product and Service Rules* * that have been applied based on past precedent. It offers a set of high level tips and guidelines for making sure you build a successful case.

* Please refer to the *Visa Core Rules and Visa Product and Service Rules* for regional chargeback and representment differences.



General Dispute Resolution Tips

Listed below are some general tips that apply across all dispute cases:

- A member should always provide as much detail available to support their case.
- Certification can be in the Member Message Text, the Comments section of the questionnaire, or other documentation.
- Any character noted on the signature line of the sales draft is considered an acceptable signature.
- If a third-party was supposed to pay the merchant and the merchant charges the cardholder because the third party did not pay, the issuer should attempt to honor the transaction.
- When a cardholder buys merchandise from a merchant, the merchant must not refer the cardholder to the manufacturer in lieu of attempting to resolve the problem. Since the merchant sold the merchandise to the cardholder, they are the “merchant of record”, and responsible for addressing the dispute.
- Pertinent documentation must be provided. Translation is required for non-English documentation that is relevant to support the reason code.
- A member is allowed to process multiple chargebacks on a single transaction as long as the partial chargebacks do not exceed the original transaction amount.

Example:

A cardholder has purchased several items at a retail outlet during a single transaction. The total comes to US \$150.00. The cardholder decides to return one item for a US \$15.00 refund, and disputes another item (originally purchased for US \$90.00) that is damaged.



Issuers are reminded to use a “P” indicator when processing a partial chargeback.

- The cardholder must attempt to resolve the dispute with the merchant prior to the chargeback, unless prohibited by local law. If quoting local law, the member should do so in the Member Message Text or Comments of the Visa Resolve Online Dispute Resolution Questionnaire.



Fraud

Examples of Card-Present Fraud

Both the card and cardholder are present at the time of the transaction, including the following situations:

- The cardholder is face-to-face with a sales associate (e.g., retail merchant outlets, department stores, grocery stores, etc.).
- Both card and cardholder are present, but sales person may not be (e.g., automated fuel dispensers at gas stations).
- The merchant is swiping/dipping the card through a mobile terminal and capturing the signature or PIN.

Card-Present Fraud Tips

The following can assist you when processing card-present fraud transaction disputes:

- Any character noted on the signature line of the sales draft is considered an acceptable signature.
- “See ID” notation is not considered a valid signature (**U.S. and Visa Europe Only**).
- Validity of the chargeback is not dependent on authorization approval—exceptions apply for CVV2 transactions for U.S. Only.



U.S. Only. The Card Verification Value 2 (CVV2) program allows U.S. merchants to include a three-digit CVV2 code in the authorization request for U.S. domestic key-entered face-to-face transactions in which an electronic imprint of the card cannot be obtained. Participating merchants will receive fraud chargeback protection for transactions that receive an authorization approval. Please refer to *Visa Core Rules and Visa Product and Service Rules*.

- Acquirers **must** fulfill with a signed draft if a transaction had a valid CVV2 in lieu of imprint transaction, and was authorized to avoid unnecessary chargebacks (U.S. Only).
- “Signature on file” notation is not an acceptable signature.
- Pencil rubbing of a card or photocopy of card is not considered proof of a valid Imprint.
- For T&E transactions, evidence of a signed folio/registration car/rental agreement and evidence that the card was swiped at check in, will remedy a fraud dispute. This is due to the transaction processing landscape and the ability for express check out, etc. This is also true if there are subsequent transactions and the acquirer can provide the above mentioned evidence which can be tied into the original stay, rental, etc.
- It is recommended that anytime a fulfillment request is received a valid sales draft and any related documentation (as applicable) should be supplied at that time.

Examples of Card-Absent Fraud

Neither the card nor cardholder is present at the time of transaction

- Telephone/catalog mail orders
- Internet orders
- Recurring payment—where a cardholder authorizes a merchant to debit the cardholder's Visa account on a continuing and periodic basis for goods or services to be received over a period of time (e.g., subscriptions, insurance premiums, membership dues).

Card-Absent Fraud Tips

The following can assist you when processing card-absent fraud transaction disputes:

- Determine if the transaction involved Verified by Visa cardholder validation.



Verified by Visa is a program which validates a cardholder's ownership of an account in real time during an online Visa card transaction. Refer to *Verified by Visa Guide*.

- Verify if the transaction qualified for Card Verification Value 2 (CVV2) and was properly authorized.
- Properly identify card-absent transactions by using MO/TO or ECI indicator to avoid unnecessary technical penalties

Issuers should monitor unusual authorizations and credits received without previous debits to avoid fraud.

Acquirers should monitor any batches of "credits only" without evidence of sales.



Additional best practices for fraud related issues are listed under Compelling Evidence in Section 8 of this guide.



Authorization

The authorization process allows the card issuer to approve or decline a transaction. To protect against fraud, the card issuer may request additional information about the transaction. When processing authorization-related disputes, consider the following:

- A decline authorization chargeback may be used when a merchant completes a transaction after receiving a decline response. For disputes purposes, a response other than an approval is considered a decline (e.g., referral or contact issuer response).
- If a merchant receives a “referral” or “contact issuer response,” the merchant must connect via a bridge to the International Automated Referral Service (IARS) in order to receive a valid authorization. The merchant should not call the issuer directly as there will be no record to show the call connected with VisaNet.
- Taxicab, limousine, bar, tavern, beauty/barber shop, and health/beauty spa (U.S. only) and restaurant transactions are valid for the authorization amount, plus 20 percent to protect merchants from chargeback liability for failure to obtain proper authorization.
- Hotels, car rentals, and cruise lines transactions are valid for the authorized amount, plus 15 percent. See the *Visa Core Rules and Visa Product and Service Rules* for additional requirements.
- A chargeback is allowed when a merchant is required to obtain an issuer authorization, but does not do so, it then subsequently submits the transaction into Visa without having received the authorization. When a transaction is submitted to Visa without having received required authorization, this is commonly referred to as “Force Posting”.
- Issuers can report to Visa any merchants who are continually force posting transactions without proper authorization by filing a “Notification of Customer Complaint” form located in the Visa Publication Center.



Non-Receipt of Services and Merchandise

- The most common types of “services not rendered” disputes* are for:
 - A merchant’s cancellation of an airline flight (i.e., airline is bankrupt),
 - The failure of software being downloaded, leads (e.g. employment or mortgage), or
 - Timeshares**
- The most common types of “merchandise not received” disputes*** are for:
 - The purchase of gift certificates
 - Tickets sent by mail (e.g., concert tickets not received in the mail)
 - Furniture*
 - Non Receipt of ATM cash
- A merchant’s disclosure of its cancellation/refund policy has no bearing on a non-receipt of services and merchandise dispute.

* These are only examples and the most common types of “services not rendered” and “merchandise not received” disputes.

** This only applies to specific reason codes. Refer to the *Visa Core Rules and Visa Product and Service Rules* for more information.

*** These are only examples and the most common types of “services not rendered” and “merchandise not received” disputes.



Return and Refund Policy/Disclosure

If a merchant business has policies regarding merchandise returns and refunds, these policies must be clearly disclosed **at the time of the transaction**. The following can assist you when working with merchandise returns and refund policy disclosures disputes:

- If the cardholder returns merchandise for repair or replacement, this is not considered a valid attempt to return for refund unless the merchant fails to provide the replacement or repaired item.
- If a merchant's return policy is on the back of a receipt that has been signed on the front, the receipt must also be signed or initialed by the cardholder next to the policy on the back to be considered properly disclosed.
- When the disclosure is embedded within a multi-page contract, the cardholder must have initialed the refund policy section of the contract in order for the policy to be considered properly disclosed.
- If the cardholder admits to knowing or being aware of the refund policy at the time of sale, Visa will deem the policy to be properly disclosed.
- In a buyer's remorse dispute, if the merchant properly disclosed a no-refund policy and gives the cardholder an "in-store" credit as a goodwill gesture, Visa will uphold the merchant's policy and consider the cardholder compensated.
- For online transactions, if the merchant has a valid "click to accept" disclosure and the policy that is on the same page is in a scroll down format, the cardholder/issuer cannot make the claim that the cardholder was not aware of the policy if the cardholder admits participation and the "accept" box has been checked.

The following are not considered proper disclosure:

- If the cardholder admits participation and the "click to accept" disclosure is not on the same sequence of pages, but presented as a separate link, the disclosure is not considered valid.
- It is not considered proper disclosure if a merchant's policy is not on the web site checkout page or the pages leading up to the checkout page and/or the cardholder must click a separate link to review the merchant's policy.



Disposition of Merchandise

There are many circumstances under which a cardholder or merchant sends merchandise or denies ever receiving it. The guidelines below can assist in the handling of these dispute situations:

- Signed proof of delivery is not proof that the cardholder or merchant received the goods **if** the recipient maintains it is not their signature. Visa will uphold the cardholder/merchant's claim of non-receipt.
- Merchandise does not need to be in its original packaging to be returned. However, it must be in the same condition as when it was sold.
- When a cardholder abandons merchandise at the merchant's location, they are doing so at their own risk. The burden of proof of return will rest on the cardholder/issuer to substantiate the claim.



Credit Processing

For any chargeback where an acquirer states it processed a credit, the acquirer may be responsible for providing documentation to prove that the credit was processed. If an issuer states it does not have a record of the credit, the issuer may have to provide its incoming-credit log to prove a credit has not been received. When dealing with credit processing disputes, VisaNet records will prevail. Keep the following in mind:

- An issuer may pursue a dispute if the representment states that:
 - A credit was issued and the issuer does not have record of the posting, **or**
 - A partial credit was issued without an explanation and no other documentation has been provided.
- If a cardholder is charged multiple times and the issuer has determined that additional credit is due, the issuer may choose which transactions to chargeback regardless of the reference number provided for the credit.

Example:

If a cardholder is charged five times and the issuer provides evidence that the cardholder is due to receive a credit for four transactions, but is only credited three times, Visa will allow the issuer to choose which transaction to chargeback regardless of the reference numbers provided for the credits. However, the issuer must indicate the reason why additional credit is due at pre-arbitration.

- Issuers should try to match credits with available information; however, Visa will also review the merits of the case filing to determine if additional credit is due.



Using Neutral Third- Party Opinion Documentation

Both issuers and acquirers need to clearly understand the documentation that is necessary to support a cardholder or merchant claim of quality* or not as described. This documentation can include the following:

- Neutral third-party opinion stating work was not done correctly or was unnecessary.
- Estimate and cost of the repair, and Neutral third-party confirmation indicating that previous work was faulty and requires rework.
- Invoices that support a description error (e.g., jewelry appraisal dispute).

The following guidelines have been provided to help further clarify what constitutes supporting documentation:

- A neutral third-party opinion consists of documentation supplied from a qualified and unbiased expert that addresses the specific issues of the dispute. This documentation may be on letterhead, an invoice, an email message, or other document verifying that the third party is qualified to support or refute the dispute.
 - Some examples of **valid** neutral third-party opinions are:
 - A letter from a doctor identifying that the procedure in dispute was done incorrectly, was unnecessary, or caused additional problems.
 - An invoice from an auto repair center indicating that the disputed work was faulty and had to be redone, or caused additional damage to the vehicle.
 - An invoice showing that the work was duplicated or needs to be redone.
 - Some examples of **invalid** neutral third-party opinions are:
 - A letter from an acquaintance not qualified to address the dispute.
 - An invoice showing additional work was done, but not related to the disputed work.
 - An estimate for repairs that might fix the disputed problem.
- If the cardholder is disputing a portion of the repair, a service breakdown (e.g., repair order or itemized invoice) must be provided to support the amount being charged back. The chargeback is limited to the amount needed to correct the problem and cannot exceed the transaction amount.
- Disputes may include claims relating to damage caused by the merchant's service. (e.g., merchant moves a piano and damages the wall). The chargeback may be pursued for the amount to repair the damage, if evidence is provided.
- Verbal representations are not supported, Visa recommends documentation be provided to support "Not as Described" disputes.
- For U.S. and Canada and dispute between U.S. and Canada, verbal descriptions are applicable for card-absent transactions. Effective 18 April 2015 this rule will be available to all regions.

Note: A cardholder **must** allow the merchant the opportunity to correct the dispute issue unless prohibited by local law.

* Quality disputes apply to U.S. and Canada Only. Effective 18 April 2015 quality disputes will be available to all regions.

SECTION 8

Compelling Evidence



What's Covered

- Compelling Evidence and Merchant Representment Rights
- Allowable Compelling Evidence
- How Issuers Must Address Compelling Evidence
- Pre-Arbitration Requirement for Issuers

At representment, merchants or acquirers can now provide additional types of evidence to try to support that the cardholder participated in the transaction, received goods or services, or otherwise benefited from the transaction. When providing compelling evidence, acquirers are reminded check the “Compelling Evidence box” on their Visa Resolve Online representment questionnaire.

This section explains the representment processing requirements related to merchant compelling evidence.



Compelling Evidence and Merchant Representment Rights

Merchants have a representment right to provide compelling evidence for the following chargeback reason codes:

- Reason Code 30: Services Not Provided or Merchandise Not Received
- Reason Code 53: Not as Described or Defective Merchandise
- Reason Code 76: Incorrect Currency or Transaction Code or Domestic Transaction Processing
- Reason Code 81: Fraud – Card-Present Environment
- Reason Code 83: Fraud – Card-Absent Environment

It's important to remember that this is a representment right and not a remedy for the chargeback.



Allowable Compelling Evidence

Use of Compelling Evidence

An Acquirer may submit Compelling Evidence at the time of Representation, as follows:

Item #	Allowable Compelling Evidence	Applicable Chargeback Reason Code				
		30	53	76	81	83
1	Effective for Representments processed through 16 October 2015 Evidence, such as photographs or emails, to prove a link between the person receiving the merchandise and the Cardholder, or to prove that the Cardholder disputing the Transaction is in possession of the merchandise Effective for Representments processed on or after 17 October 2015 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		X	X
2	For a Card-Absent Environment Transaction in which the merchandise is collected from the Merchant location, any of the following: • Cardholder signature on the pick-up form • Copy of identification presented by the Cardholder* • Details of identification presented by the Cardholder	X			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	X
4	Effective for Representments processed through 16 October 2015 For an Electronic Commerce Transaction representing the sale of digital goods downloaded from a website, one or more of the following: • Purchaser's IP address • Purchaser's email address • Description of the goods downloaded • Date and time goods were downloaded • Proof that the Merchant's website was accessed for services after the Transaction Date	X			X	X

* 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	Applicable Chargeback Reason Code				
		30	53	76	81	83
	Effective for Representments processed on or after 17 October 2015 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: • 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 • 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	X
5	Effective for Representments processed through 16 October 2015 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 (for example: confirmation that the Cardholder was listed in the company directory or had an email address with the company's domain name). A signature is not required as evidence of delivery. Effective for Representments processed on or after 17 October 2015 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	X
6	Effective for Representments processed through 16 October 2015 For a Mail/Phone Order Transaction, a signed order form.	X			X	X
7	Effective for Representments processed on or after 17 October 2015 For a Mail/Phone Order Transaction, a signed order form				X	X
8	For a passenger transport Transaction, evidence that the services were provided and any of the following: • Proof that the ticket was received at the Cardholder's billing address • Evidence that the ticket or boarding pass was scanned at the gate • Effective for Representments processed through 16 October 2015 Details of frequent flyer miles claimed, including address and telephone number, that establish a link to the Cardholder	X			X	X

Item #	Allowable Compelling Evidence	Applicable Chargeback Reason Code				
		30	53	76	81	83
	• Effective for Representments processed on or after 17 October 2015 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	X
9	Effective for Representments processed on or after 17 October 2015 For Transactions involving Members in the Visa Europe Territory, 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	X
10	Effective for Representments processed on or after 17 October 2015 For a T&E Transaction, evidence that the services were provided and either: • 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	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	X
12	Evidence that the Transaction was completed by a member of the Cardholder's household or family.				X	X
13	Effective for Representments processed on or after 17 October 2015 Evidence that the person who signed for the merchandise was authorized to sign for the Cardholder or is known by the Cardholder.	X				
14	Effective for Representments processed on or after 17 October 2015 Evidence of one or more non-disputed payments for the same merchandise or service				X	X
15	Effective for Representments processed on or after 17 October 2015 For a Recurring Transaction, all of the following: • 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	X

Item #	Allowable Compelling Evidence	Applicable Chargeback Reason Code				
		30	53	76	81	83
16	For a Dynamic Currency Conversion (DCC) Transaction not involving an Issuer or Acquirer in the Visa Europe Territory, both: - Evidence that the Cardholder actively chose DCC, such as a copy of the Transaction Receipt showing a checked "accept" box or evidence that the DCC solution requires electronic selection by the Cardholder and choice could not be made by the Merchant's representative - A statement from the Acquirer confirming that DCC choice was made by the Cardholder and not by the Merchant			X		

What Merchants Should Provide

The following table outlines the chargeback reason codes and the type of compelling evidence that can be provided:

Applicable Chargeback Reason Codes	Allowable Compelling Evidence
30, 53, 81, 83	Evidence such as photographs or emails, to prove a link between the person receiving the merchandise and the cardholder, or to support that the cardholder disputing the transaction is in possession of the merchandise
30, 81, 83	For a card-absent environment transaction in which the merchandise is picked up at the merchant location, any of the following: - Cardholder signature on the pick-up form - Copy of identification presented by the cardholder - Details of identification presented by the cardholder
30, 81, 83	For a card-absent environment transaction in which the merchandise is delivered, documentation (evidence of delivery and time delivered) that the item was sent to the same physical address for which the merchant received an Address Verification Service (AVS) match of "Y" or "M." A signature is not required as evidence of delivery.* AVS is for U.S. and Canada only)
30, 81, 83	For electronic commerce transactions representing the sale of digital goods downloaded from a web site, one or more of the following: - Purchaser's IP address - Purchaser's email address - Description of the goods downloaded - Date and time goods were downloaded - Proof that the merchant's web site was accessed for services after the transaction date
30, 81, 83	For transactions in which merchandise was delivered to a business address, evidence that the merchandise was delivered and at the time of delivery, the cardholder was an employee of the company at that address (e.g., confirmation that the cardholder was listed in the company directory or had an email address with the company's domain name). A signature is not required as evidence of delivery

Applicable Chargeback Reason Codes	Allowable Compelling Evidence
30, 81, 83	For a Mail/Telephone Order (MO/TO) transaction, a signed order form
30, 81, 83	For passenger transport transactions, any of the following: • Proof that the ticket was received at the cardholder's billing address • Evidence that the boarding pass was scanned at the gate • Details of frequent flyer miles claimed, including address and telephone number, that establish a link to the cardholder • Evidence of additional transactions related to the original transaction, such as purchase of seat upgrades, payment for extra baggage, or purchases made on board the aircraft
81, 83	For card-absent environment transactions, evidence that the transaction uses data, such as IP address, email address, physical address, and telephone number, that had been used in a previous, undisputed transaction
81, 83	Evidence that the transaction was completed by a member of the cardholder's household
76	For a Dynamic Currency Conversion (DCC) transaction not involving issuers or acquirers in Visa Europe, both: • Evidence that the cardholder actively chose DCC, such as a copy of the transaction receipt showing a checked "accept" box or evidence that the DCC solution requires electronic selection by the cardholder and choice cannot be made by the merchant's representative • A statement from the acquirer confirming that DCC choice was made by the cardholder not by the merchant



How Issuers Must Address Compelling Evidence

With the compelling evidence representment rights for merchants comes the need to ensure issuers provide this information to their cardholders. If compelling evidence is provided by the acquirer with the representment, issuers must attempt to contact their cardholder with this new information. Issuers will be required to provide certification through Visa Resolve Online that it reviewed the compelling evidence with its cardholder and explain why the cardholder continues to dispute the charge.



Pre-Arbitration Requirement for Issuers

Prior to filing an arbitration case with Visa, if the issuer refuses the compelling evidence provided with the representment by the acquirer, the issuer must initiate a pre-arbitration case prior to filing arbitration with Visa. If the issuer files an arbitration case with Visa without initiating a pre-arbitration first, the issuer will receive an unfavorable arbitration ruling.

SECTION 9

Special Dispute Considerations



What's Covered

- Bankruptcy
- Timeshares
- Recurring Payment versus Installment Payment
- Terms of Sale Misrepresented
- Sale of Counterfeit Goods

In this section, you'll also find additional guidelines to help you in the handling of dispute situations that typically have special or extenuating circumstances.

Bankruptcy

Many consumers today are directly affected by the growing number of companies that are filing for bankruptcy. The information below covers some of the common types of cardholder disputes that can arise when a business goes bankrupt, but still owes its customers merchandise, services, or refunds.

Airline Bankruptcy and Travel Disputes

- When an airline announces that it has filed for bankruptcy and ceased operations, Visa will honor chargebacks representing future travel dates.
- Visa, however, strongly recommends that the issuer verify with its cardholder the disposition of the tickets to minimize the chance of the cardholder receiving credit twice (either through the chargeback dispute process or by receiving credit directly from the merchant or its agent). Unused tickets are negotiable documents. Whenever tickets are returned by mail, the sender should use a mailing method that provides proof of receipt. Proof of return of unused tickets is not a condition of the chargeback.

Flight Obligations and Fees

- The cardholder is not obligated to accept flights offered by another carrier willing to honor the unused ticket. However, should the cardholder accept this option and use the ticket, he or she may not dispute the original transaction.
- Any fees billed by travel agencies for booking flights prior to an airline's bankruptcy are considered valid. These fees should not be charged back because the cardholder did receive the flight booking service.

Proof of Merchant Bankruptcy

When an issuer initiates a chargeback under Reason Code 30—Services Not Provided or Merchandise Not Received for a merchant ceasing operations under bankruptcy, proof that the merchant has filed for bankruptcy is not required.

Example:

An airline merchant has publicly announced that it has filed for bankruptcy and has ceased operations. In this scenario, the issuer is not required to provide proof that the airline merchant has filed for bankruptcy as a condition of initiating a chargeback. The issuer also does not need to wait until the expected date of services has passed (i.e., the date the cardholder was expected to use the airline ticket) before initiating a chargeback.



For more information, see *Appendix B: Merchant Ceasing Operations — Questions and Answers*.

Processing Timeframes

Members are reminded that if the services were to be provided after the transaction's processing date, the 120 calendar day time frame is calculated from the date that the cardholder expected to receive the service, or from when the cardholder was first made aware that the services would not be provided. This time frame must not exceed 540 calendar days from the processing date of the transaction.



Timeshares

Timeshare and Vacation Club Dispute Rights

The following examples have been included to help issuers select the correct reason code based on their cardholder's dispute:

- **Reason Code 85—Credit Not Processed:**
 - Issuers may pursue this reason code when a cardholder cancels a timeshare transaction within 14 calendar days of the contract date (or the receipt date of the contract or related documents) and the merchant has not issued a credit. The 14-day provision applies to all timeshare transactions, even if the acquirer used an improper Merchant Category Code (MCC). For instance, an acquirer might use the MCC 7011 for Hotels/Motels/Resorts. Additionally, this 14-day time frame is available regardless of what the cardholder agreed to in the contract's terms and conditions. Acquirers are reminded to properly identify merchants that process timeshare transactions using MCC 7012—Timeshares.
 - Issuers may also pursue this reason code if the cardholder cancels services relating to the timeshare or vacation club and the merchant has not issued a credit.
-  If the cardholder cancels outside the 14-day time frame and the merchant failed to properly disclose its limited refund policy, additional rights under Reason Code 85 may be available.
- **Reason Code 81—Fraudulent Transaction: Card-Present Environment** or **Reason Code 83—Fraudulent Transaction: Card-Absent Environment:** Issuers may pursue the applicable reason code if the cardholder did not authorize monthly dues associated with the timeshare or vacation club transaction.
 - **Reason Code 53—Not as Described:** Issuers may pursue this reason code when the cardholder cancels expected services because they differ from what was described in the agreed-upon timeshare or vacation club contract.



Recurring Payment versus Installment Payment

A **recurring transaction** can be identified with a recurring indicator of “2” or “R”. If an indicator is not present, Visa also considers “recurring” as a service that is on-going (e.g., cable, mobile phone, gym membership, magazine subscription, etc.). A recurring transaction does not have an end date.

An **installment transaction** can be identified as a single purchase of goods (e.g., furniture, electronics) or services billed to an account in multiple segments, over a period of time agreed to between a cardholder and a merchant.



Installment transactions that do not have a recurring indicator should not be pursued under Reason Code 41.



Terms of Sale Misrepresented

Terms of Sale Misrepresented dispute rights are available under Reason Code 53 when a cardholder claims the terms of sale were misrepresented by the merchant. Under this type of dispute, the following merchant categories are affected:

- Timeshare resellers, timeshare reseller advertisers, or merchants that recover timeshare reseller fees. These merchants may or may not be assigned Merchant Category Code (MCC) 7012—Timeshares.
- Merchants that sell the following services in a card-absent environment:
 - Debt consolidation
 - Credit repair or counseling
 - Mortgage repair, modification or counseling
 - Foreclosure relief
 - Credit card interest rate reduction

These merchants may or may not be assigned MCC 7277—Counseling Services: Debt, Marriage, and Personal.

- Merchants that sell computer anti-virus security software products in a card-absent environment using one or both of the following deceptive marketing practices to promote their offerings:
 - Inaccurate online advertisements
 - Malicious software downloaded onto a consumer's personal computer (or similar electronic device)
- Merchants assigned MCC 5962—Direct Marketing: Travel-Related Arrangements Services.
- Merchants assigned MCC 5966—Direct Marketing: Outbound Telemarketing Merchant.

Evidence of a sales contract signed or acknowledged by the cardholder will not, on its own, be a defense for the acquirer or the merchant. Issuers will not be required to close cardholder accounts, but are encouraged to monitor account activity and close accounts if suspicious activity is detected.



Sale of Counterfeit Goods

Dispute rights are available under Reason Code 53 if a cardholder claims to have been sold counterfeit goods. Counterfeit goods include products not produced by a legitimate owner or authorized manufacturer, or goods that otherwise violate the intellectual property rights of another entity.

- The issuer will be required to provide the acquirer with information confirming that the cardholder was notified that the goods were counterfeit. There are several possible sources of this notification, including:
 - The rights-holder or owner of the intellectual property, either through direct inspection of the merchandise or through a broader public notice.
 - A customs agency, law enforcement agency or other government entity.
 - A neutral third-party bona fide expert with relevant experience/expertise in the type of merchandise involved in the transaction.
- The cardholder will not be required to return the counterfeit goods or attempt resolution with the merchant.
- The issuer will be required to identify the current disposition of the counterfeit goods (e.g., the current location of the goods).

If a cardholder claim related to the receipt of counterfeit merchandise is not successfully repudiated by the acquirer or merchant during the chargeback process, issuers are encouraged to notify the Visa Global Brand Protection Program at Inquiries@visa.com.

SECTION 10

Dispute Provisions Related to Natural Disasters, Regional Tragedies, or Global Incidents



What's Covered

- Retrieval Requests
- Exception Item Processing
- Late Deposits of Visa Transactions and Credits Processed through VisaNet
- T&E Transactions
- Cancellation of Scheduled Events
- Non-delivery or Delayed Goods or Merchandise

There are many cardholders, merchants, and members who may be casually affected by events such as natural disaster(s). While most acquirers will remain fully operational during such events, certain merchant locations may be severely impacted. Most issuers may also be fully operational; however, many cardholders' personal lives and businesses may be disrupted in varying degrees. As a result, Visa urges members to make every effort to be flexible when resolving disputed transactions involving cardholders and merchants affected by such events.

This section includes examples of disputes related to natural disasters, regional tragedies, and global incidents, as well as a summary of applicable member rights. Due to the wide-ranging impacts of these events, it is not possible to anticipate every situation. If a dispute involves extraordinary circumstances, members are advised to contact their Visa Regional Office for assistance.

Members are advised that normal dispute resolution procedures apply to all transactions occurring in non-affected areas.



All arbitration and compliance cases involving disaster-related transactions will be reviewed on a case-by-case basis. Visa will take the unique circumstances of these events into consideration when reviewing exception items. For more information, please contact your local Visa representative.

The following examples of potential disputes related to natural disasters or events are provided as guidelines of applicable member dispute chargeback procedures and rights.



Retrieval Requests

In some cases, merchants that are directly affected may be slow or unable to respond to retrieval requests. Visa encourages issuers to request retrieval items only when absolutely necessary.

Recognizing that natural disasters or events may interrupt communications, issuers are urged to accept fulfillments delivered outside the specified timeframes.



Exception Item Processing

Supporting Documentation

Members are expected to work together if exception item documentation from a cardholder or a merchant in the affected areas was delivered after the five-day time frame.

Processed Past Time Limits

Members are expected to work together if an exception item involving a cardholder or merchant in the affected areas was initiated beyond a required chargeback or representment timeframe.



Late Deposits of Visa Transactions and Credits

Issuers should accept transactions and credits that are processed late through VisaNet. Chargebacks for late presentment occurring as a result of a natural disaster should not be pursued.



T&E Transactions

Hotel

Example: A cardholder is unable to cancel his hotel reservation by the required deadline due to disruptions in the communications infrastructure or other unusual circumstance. As a result, the cardholder is charged for a no-show or an advance lodging deposit transaction.

- Visa highly discourages hotel merchants in affected areas from billing the cardholder for a no-show transaction.
- If a prepayment transaction was previously processed and the cardholder is unable to properly cancel due to communications infrastructure failure or other unusual circumstances caused by a disaster, Visa encourages the merchant to credit the cardholder for the deposit amount.

Airlines

Example: An airline is unable to provide services to or from the affected areas and credit is not issued.

Issuers are reminded that cardholders must first attempt to resolve the dispute with the merchant. If the dispute cannot be resolved with the merchant, the acquirer is responsible for services not rendered.

Car Rentals

Example: A cardholder is unable to return a rental car to an airport location due to airport closure, leaving the car at another location instead.

- Acquirers of car rental companies are strongly encouraged to work in good faith to resolve customer disputes in situations where the cardholder is unable to return a car at the agreed-upon time or to the agreed-upon location due to an airport closure.
- Members are reminded that a car rental merchant is prohibited from processing a delayed and amended transaction representing damages to the rented vehicle without the cardholder's permission.

Cruise Lines

Example: A cardholder is unable to reach the embarkation port due to the grounding of his flight, road closure or disruptions in transportation and the merchant refuses to refund or offer a credit toward a future cruise.

Many cruise line merchants will offer cardholders vouchers for future cruises as a goodwill gesture; however, Visa will likely view the issuer as responsible if the cardholder received a disclosure stating that the cruise line is not responsible for passenger transportation delays.



Cancellation of Scheduled Events

Example: A cardholder has tickets for an event such as a sports match, a concert, or a theater performance that was cancelled and rescheduled; however, the cardholder is unable to attend on the alternate date chosen by the merchant.

If the cardholder is unable to attend the rescheduled event on the alternate date, the acquirer is responsible for services not rendered.



Non-delivery or Delayed Goods or Merchandise

Example: A cardholder does not receive goods, services or merchandise ordered, such as flowers, food products, furniture, or clothing within the agreed delivery timeframe due to the merchant's inability to complete its normal delivery process.

- If the cardholder does not receive ordered goods/services/merchandise at the agreed upon time or location, the acquirer is responsible for services not rendered.
- Visa expects that members will act in good faith to resolve disputes. Issuers should attempt to honor the transaction if the merchant and the cardholder can agree on an alternative delivery method and/or timeframe.



Visa will not condone abuse of the dispute resolution process and will closely evaluate each circumstance on a case-by-case basis to ensure that a fair decision is reached.

SECTION 11

EMV Liability Shift and Impact on Other Dispute Types



What's Covered

- How Does a Chip Card Work?
- Cardholder Verification in the Chip Environment
- Offline Versus Online Authorization
- Fallback Transactions
- Who Holds Financial Liability for EMV/Chip-Initiated Transaction Fraud?
- Dealing with EMV/Chip Transactions Fraud Related Chargebacks
- When to Initiate a Chargeback Under the EMV Liability Shift
- Chip Processing and Visa Chargeback Rules

In 1996, the EMV (Europay, MasterCard, Visa) global standard was developed to allow for integrated circuit cards or “chip cards” to be utilized at point-of-sale terminals and ATMs for authenticating credit and debit card transactions. Chip cards were introduced to help combat the growth in card-present fraud, especially counterfeit fraud. The migration to EMV-chip based functionality has taken place across several regions and continues to accelerate to effectively create a more secure environment for transactions within and between each participating Visa region.

Visa encourages chip transactions because a “chip-on-chip” transaction (i.e., a chip card read by a chip terminal) provides dynamic authentication data, which helps to better protect all parties. The EMV liability shift holds the party that has not invested in chip financially responsible for fraud losses that could have been prevented.

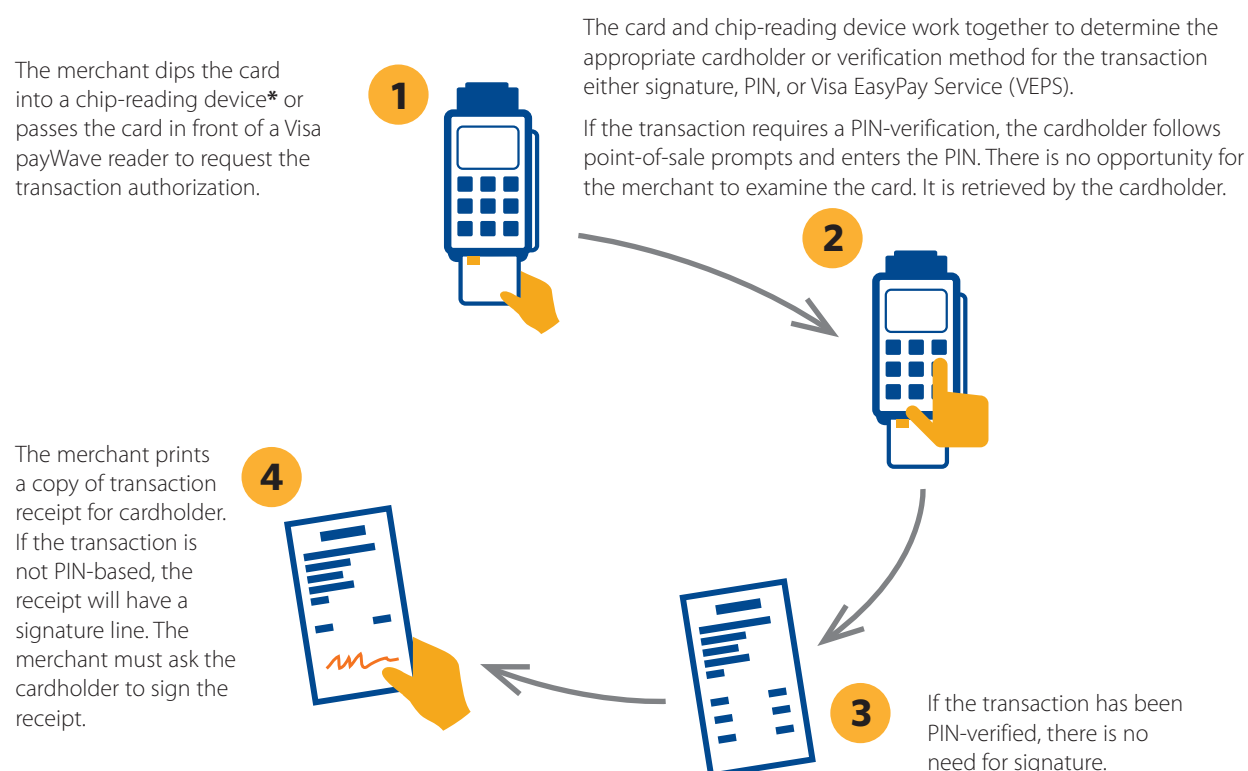
This section covers EMV Liability Shift principles and available chargeback rights, and other dispute rights impacted by chip technology.

How Does a Chip Card Work?

In simple terms, a chip card is a plastic payment card with a microchip that is virtually impossible to duplicate. A chip card offers a variety of benefits, including the following:

- Facilitates enhanced security programs that protect against unauthorized use of a Visa card which provides a greater protection against misuse and fraud.
- Is capable of holding many applications.
- Keeps and updates large amounts of data.
- Has enhanced options to support PIN (replacing signature, in some markets).
- Performs calculations and makes decisions.
- Enhances confidence in the payments system.

Illustration of Card Acceptance (Chip Card Processing)



* Many Visa cards have a chip that communicates information to a point-of-sale terminal with a chip-reading device. If a chip-reading device is available, preference must always be given to chip card processing before attempting to swipe the stripe. The card should remain in the terminal until the transaction is complete.



Cardholder Verification in the Chip Environment

Merchants and cardholders typically understand the methods of verifying a transaction in attended environments through the cardholder signature or PIN entry. In unattended environments, the cardholder is also familiar with not having to sign and whether or not to enter a PIN.

In the chip environment, merchants and cardholders will rely on the chip-reading device and the chip card to agree on which Cardholder Verification Method (CVM) is required to complete the transaction. Merchants must not be able to preempt the option that has been selected.

The terminal and card interactive-design process provides a CVM choice based on a mixture of elements that are specific to that particular transaction, such as amount, domestic or international transaction, offline or online authorized, other transaction parameters, whether the issuer's CVM preference can be met, as well as and the other CVM options available.

CVM Options

- **Signature.** Visa card programs bearing a chip are required to carry a magnetic-stripe and a signature panel on the card. The signature still remains the international default for cardholder verification and is also the default for many domestic card transactions.
- **PIN.** In select markets additional security of PIN entry to verify the cardholder identity can be used for both domestic and international Visa card transactions. Where PIN pads are deployed:
 - The card and terminal interaction determines the appropriate cardholder verification method and whether to prompt for a PIN.
 - Because the card determines whether PIN entry is required on each transaction, the lack of a terminal PIN prompt should not be considered an error. The terminal will prompt for the PIN when the chip card requires a PIN. For POS transactions, the merchant should not request a PIN entry from the cardholder, unless the terminal issues this prompt.
 - Where a cardholder is required to enter a PIN, the secrecy of the PIN entry must be maintained.
 - When a transaction is PIN-based, Visa's best practice is to not print a signature line on the receipt. The receipt should have "PIN verified" or a similar message.



No Cardholder Verification Required

A chip card issuer has the ability to specify that a transaction may be completed, subject to other processing checks, without the need for the cardholder to provide a signature or enter a PIN. “No CVM required” is a valid cardholder verification option where both the terminal and card agree on this as the CVM option.

Note: All Visa chip cards support the “No CVM required” option, however only Visa Easy Payment Service (VEPS) transactions are eligible. Merchants should ensure that their terminals are configured to prompt for a CVM unless the transaction is VEPS eligible.



Offline Versus Online Authorization

In merchant locations where terminals with both offline and online authorization capability are deployed, some transactions may be processed offline, while others will require online authorization.



Fallback Transactions

The term fallback is defined as the acceptance of chip cards via magnetic-stripe processing, key entry, or paper vouchers at chip-capable terminals. This occurs in situations where a normal chip transaction cannot be completed at a chip-capable terminal. Visa policies state that the chip on a chip card must be read unless the chip or chip-reading device is malfunctioning. This means that chip cards may only be accepted via the magnetic-stripe when the chip cannot be read. **An acquirer may have more stringent policies than this for their domestic transactions based on market decisions related to fallback. For example, some markets may not allow fallback under any circumstances. However, this policy should not be applied to international transactions.**

Under normal circumstances, when a magnetic-stripe read is attempted on a chip card at a chip-reading device the device would prompt the card to be inserted into the chip reader so that the stronger security of the chip can be used. However, in the event that a chip card or chip-reading device is not functioning this processing can be overridden by the merchant, enabling a magnetic-stripe read or key-entered transaction to proceed. Merchant staff should be familiarized with how to process fallback transactions on their specific acceptance equipment.

If the magnetic-stripe functionality of the card or terminal is also not working, the merchant may then fall back to key-entered or paper-based transactions.

Issuers are liable for fraud stemming from a correctly processed, approved fallback transaction.



Who Holds Financial Liability for EMV/Chip-Initiated Transaction Fraud?

For EMV/chip-initiated transactions, fraud responsibility varies globally, depending on the type of fraud that has occurred.

The Visa client or member who has not upgraded to chip or, in applicable markets, has not enabled support for PIN, may be held liable for card-present fraud that could have been prevented by the use of chip and/or PIN technology. This means that financial liability for fraudulent transactions is allocated as follows:

Counterfeit fraud:

CVM preference of the card or CVM support of the terminal has no bearing on counterfeit fraud liability.

An acquirer is liable when a counterfeit chip card or a counterfeit magnetic-stripe card created from data obtained from a chip card is used at a non-chip-enabled merchant terminal. The presence of a chip-reading device would have prevented the counterfeit fraud.

- **Note:** The acquirer is also liable for the counterfeit fraud if a chip-initiated transaction was authorized online and the acquirer failed to transmit the full chip data in the authorization request. Even though the merchant has the EMV compliant terminal, the acquirer must still provide the full chip data in the authorization request enabling the issuer to verify the transaction. This rule does not apply to transactions involving members in the jurisdiction of Visa Europe.
- An issuer is liable when a counterfeit magnetic-stripe card is used at a chip enabled merchant terminal. The presence of a chip card would have prevented counterfeit fraud.

Note: The issuer is also liable for the counterfeit fraud when they approve an authorization which contained the CVV and the record indicates that the CVV failed verification or verification was not performed. **The issuer is responsible in checking the information provided in the authorization request. If they authorize the transaction when the CVV failed verification, the issuer will remain liable for the counterfeit transaction.**

Lost, Stolen & Not Received fraud:

The following applies only to those regions which participate in the EMV Lost/Stolen Liability Shift.

An acquirer is liable when:

- A PIN-preferring chip card is used at a non-chip-enabled merchant terminal
- A PIN-preferring chip card is used at a chip-enabled merchant terminal that does not support PIN or PIN-Entry Device (PED) was not working. **The presence of a working PED at the terminal would have prevented the fraud from occurring.**
 - **Note:** The acquirer is also liable when a chip-initiated transaction was authorized online and the acquirer failed to transmit the full chip data in the authorization request. Even though the

merchant has the EMV compliant terminal, the acquirer must still provide the full chip data in the authorization request enabling the issuer to verify the transaction. This rule does not apply to transactions involving members in the jurisdiction of Visa Europe

An issuer is liable when a magnetic-stripe card is used at a chip enabled merchant terminal.

- **Note:** The issuer is also liable when a PIN-preferring chip card is used at a chip-enabled merchant terminal that does support PIN but the authorization record indicates that signature was obtained. If the issuer approves an authorization knowing that the PIN was not obtained, they remain liable for the fraud. This situation may occur if the PIN was bypassed or if there was a PIN type capability mismatch between online and offline PIN.



When to Initiate a Chargeback Under the EMV Liability Shift

If a chip card transaction is card-present and fraudulent, dispute staff members must determine the following in order to properly determine whether or not to initiate a chargeback under the rules for the EMV Liability Shift:

1. If the issuer's region and the acquirer's region participates in the EMV Counterfeit Liability Shift, the EMV Lost/Stolen Liability Shift, or both.

Regions Participating in the EMV Liability Shift

Counterfeit Liability Shift (Reason Code 62)		Lost / Stolen & Not Received Liability Shift (Reason Code 81)
POS Transactions	ATM Transactions	POS Transactions
Currently		
AP LAC CEMEA Canada Visa Europe	AP (Australia and New Zealand Only) LAC CEMEA Canada Visa Europe	LAC CEMEA Canada Visa Europe
1 October 2015		
US - excluding Transactions at Automated Fuel Dispensers (AFD)	AP (Excluding China, India, Japan and Thailand)	
1 October 2017		
US - including Transactions at Automated Fuel Dispensers (AFD)	AP US	

Note: Refer to the Visa Core Rules for domestic exceptions.

Examples

1. A POS transaction is processed by a merchant in Brazil (LAC) to a cardholder in Singapore (AP). Under the liability shift the issuer would only be able to utilize Reason Code 62 as AP region participates only in the Counterfeit liability shift.
2. A POS transaction is processed by a merchant in Brazil (LAC) to a cardholder in the United Kingdom (VE). Under the liability shift the issuer would be able to utilize both Reason Codes 62 (for counterfeit fraud) and 81 (for lost/stolen & NRI fraud) as both parties participate in the Counterfeit liability shift and Lost / Stolen liability shift.
3. An ATM Transaction is processed by an acquirer in the US to a cardholder in Egypt (CEMEA). The issuer would not be able to chargeback this transaction under the liability shift as both regions are not currently participating in the liability shift for ATM Transactions.

2. Determine if transaction was “Chip-on-Chip”.

(For Counterfeit Liability, and a component for Lost/Stolen Liability)

To determine:	You look at this data element:	Base I Field:	Example Result:
Was it a chip card?	Service Code (first digit)	35	1 – International Magnetic-stripe Card 2 – International Chip Card 6 – Domestic Chip Card
Did the terminal support chip?	Terminal Entry Capability	60	2 – Magstripe Terminal 5 – Chip Terminal

3. Determine if PIN supported by card/terminal.

(For Lost/Stolen Liability, as well as item 2, you should look at the following)

To determine:	You look at this data element:	Base I Field:	Example Result:
Was the card PIN-preferring?	Identified on issuer's internal system		
Did the terminal have a PIN-pad?	Terminal PIN Entry Capability or Terminal Capability Profile	22.3 130 Byte 2, Bit 1 130 Byte 2, Bit 2 130, Byte 2, Bit 4	1 - Terminal can accept and capture PINs 1 - Offline Plaintext PIN supported 1 - Online PIN supported 1 - Offline Enciphered PIN Supported
Was PIN taken?	Cardholder ID Method	131 byte 3 52	- Cardholder Verification was not successful - Unrecognized CVM - Offline PIN Try Limit Exceeded - PIN required but PIN pad not working or not present - PIN required but not entered - Online PIN entered



Chip Processing and Visa Chargeback Rules

The following chart highlights the impact of chip transaction processing and Visa chargeback rules. For qualifying transactions and effective dates, refer to the table listed in the *Visa Core Rules and Visa Service and Product Rules* under in rule ID 8190, "EMV Liability Shift Participation."

For Reason Code:	The chargeback is:
Reason Code 62 – Counterfeit transactions	Valid for Condition 2, card present transaction did not take place at a chip reading device Invalid for Condition 2, where the transaction was a fallback transaction
70 – Card Recovery Bulletin or Exception File	Invalid for Condition 1, transactions occurred at a chip-reading device
81 Fraud – Card-Present Environment Note: This reason code is only available for the regions participating in the Chip and PIN liability shift (Canada, CEMEA, LAC and Visa Europe)	Valid for Condition 3, PIN preferring card was used in a card present transaction and either: • Did not take place at a chip reading device, or • Chip-initiated transaction took place at a device that was not EMV PIN-compliant Invalid for Condition 3, where the transaction was a fallback transaction

Impacts on Other Disputes Types

Note: The following impacts are effective now and are not dependent on regional participation in the EMV liability shift.

For Reason Code:	The chargeback is:
57 – Fraudulent Multiple Transactions	Invalid for EMV PIN transactions.
62 – Counterfeit transactions	Invalid for chip-initiated, offline-authorized transactions (under Condition 1).
71 – Declined Authorization	Valid when: • A chip-enabled terminal transmitted all chip data elements, • Referral response received, • Subsequent authorization for same amount obtained by means other than voice authorization, and • Approved transaction was fraudulent.
72 – No Authorization	Valid for POS fallback transactions where the appropriate values identifying the transaction as a fallback transaction are not included in the authorization message.
73 – Expired Card	• Invalid for chip-initiated transactions.
75 – Transaction Not Recognized	• For transactions not involving issuers or acquirers in Visa Europe, acquirer provided evidence of an imprint. • Effective for chargebacks processed on or after 20 April 2013, for transactions involving issuers or acquirers in Visa Europe, acquirer provided evidence of an imprint and either signature, PIN, or CDCVM.
80 – Incorrect Transaction Amount or Account Number	Invalid for: • Chargeback Condition 1 and 3, chip-initiated transactions containing a valid cryptogram. • Chargeback Condition 2, EMV PIN transactions containing a valid cryptogram.

SECTION 12

Arbitration Management



What's Covered

- How Arbitration Works
- Arbitration/Pre-Arbitration Management: Best Practices for Issuers
- Arbitration/Pre-Arbitration Management: Best Practices for Acquirers
- Arbitration Settlement
- Arbitration Case Ruling Appeal Rights

The Visa arbitration process is reserved for those instances when a member has not resolved a dispute via the chargeback and representment process. Arbitration is available only after all dispute cycles have been completed. Both members had an opportunity to present all documentation/information to support their position prior to arbitration. A *well-documented case* directly affects the final decision. This section offers a detailed description of the Visa arbitration process and recommended best practices for proper arbitration management.

* Please refer to the *Visa Core Rules and Visa Product and Service Rules* for regional chargeback and representment differences.



How Arbitration Works

When to File?

A member may exercise their right to file an arbitration case under any of the following conditions, such as:

- An invalid chargeback/representment.
- Documentation/information was not received within five calendar days to support the chargeback/representment or was illegible.
- Member wishes to continue the dispute on behalf of their client.

Pre-Arbitration

A requesting member must send a pre-arbitration notification in an attempt to resolve the dispute with the opposing member when:

- New information is to be considered in the case filing
- Compelling information was supplied at representment
- The chargeback reason code is being changed
- Evidence that the cardholder is no longer disputing the transaction

The pre-arbitration notification must be sent through Visa Resolve Online within the required time period. The notification must include all of the following:

- Planned arbitration filing date
- Dispute reason and identification of new information
- All pertinent documentation/information

Pre-arbitration notification through Visa Resolve Online must be a full 30 calendar days prior to the arbitration filing date.

If a member is not required to send a pre-arbitration notification, but elects to do so, the member must still provide the opposing member full 30 calendar days for a response and the notification must include the field information listed above.



All arbitration case filings must be submitted via Visa Resolve Online.

Arbitration Filing Logistics for Issuers

If the issuer disputes a representment from the acquirer, it may file for **arbitration** with Visa within 30 calendar days from the Processing Date of the representment. Should the issuer opt to send a pre-arbitration notification to the acquirer, the issuer must provide the acquirer with a full 30 calendar days to respond and file with Visa within 60 calendar days of the Processing Date of the representment. In arbitration, Visa decides which party is responsible for the disputed transaction. Visa's decision is final and must be accepted by both the issuer and the acquirer. During arbitration, Visa reviews all documentation/information submitted by both members to determine who has final liability for the transaction.

All filings must include the following:

- All documentation/information necessary for Visa to make a fair decision. Members should **not** include any documentation/information not previously provided in the case filing. **All documentation should be complete and legible.**
- If there are multiple cases filed in Visa Resolve Online for the same dispute, all Visa Resolve Online case numbers must be linked or included in the "Comments" section of the *Visa Resolve Online Dispute Resolution Questionnaire*. **Failure to link or provide related Visa Resolve Online case number(s) in the case filing comments can lead to technical penalties or result in an unfavorable ruling. If the acquirer responds to the case filing with the additional case numbers, Visa will link the cases and make the ruling based on all the documents.**
- If there are non-English documents, translation is required.

Prior to pursuing arbitration, members should carefully consider the nature of the dispute to ensure they are confident in their case filing. This precautionary action can help unnecessary filing and review fees.



Arbitration/Pre-Arbitration Management: Best Practices for Issuers

Pre-Arbitration

- **Make sure all of the acquirer's/merchant's claims have been addressed.**
- **Supply all required documentation/information to remedy the acquirer's/merchant's rebuttal** (e.g., neutral third-party opinion, proof of delivery, authorization log, etc.)
- **Allow the acquirer a full 30 days to respond.** Clearly indicate a file date, failure to allow a full 30 days will result in an unfavorable ruling.
- **Do not send a pre-arbitration notification to an acquirer if you cannot provide the acquirer with a full 30 calendar days to respond.** Issuers must initiate a pre-arbitration within 29 days of the representment to allow for a full 30 days and to file by day 60.
- **Work with the acquirers as much as possible to establish a rapport with them.** Try to work out cases before you have to file. Keep a list of established contact names from each acquirer.
- **Do not accept verbal replies from the acquirer.** Require all responses be sent through Visa Resolve Online.
- **When the acquirer states that they are crediting you, monitor incoming credits closely.** If they do not credit you, you may file arbitration, but you are still subject to the filing time frames.
- **Stay alert to weekend or holiday time frames that affect your last day to file a case with Visa.** If the arbitration case filing date falls on a holiday or weekend and you file on a Friday, you could lose the arbitration case because you did not allow the acquirer a full 30 days to respond. Should you find yourself in this situation, consider working during the weekend/holiday, or consider not sending a pre-arbitration (unless absolutely required). Another option is to initiate the pre-arbitration on the day you receive the representment from the acquirer, provided you have the documentation/information needed to support the pre-arbitration.
- **If the acquirer provides more information than just a statement that a credit has been or will be issued (e.g., item purchased, signed proof of delivery, etc.), present this information to your cardholder.** Be sure to change your reason code to the true nature of the dispute at pre-arbitration, if applicable.
- **Do not change from fraud to a non-fraud reason code unless the representment documentation supports a new available dispute right (e.g., the cardholder claimed fraud, but after reviewing representment documentation realized he did in fact participate, but did not receive the merchandise).**

- **If the new documentation/information is compelling, send a pre-arbitration notification to inform the acquirer that you will be filing a case with Visa.** You do not need to send pre-arbitration notification if the acquirer failed to provide compelling evidence.
- **Keep in mind that an updated letter or updated issuer certification is considered “new information.”** In this case, you are required to send a pre-arbitration to the acquirer prior to filing the case with Visa.
- **If you are the filing member, ensure that the correct amount is recorded in the Visa Resolve Online Pre-arbitration and arbitration questionnaires.** The representment amount must be converted in USD using the exchange rate from the processing date of the representment. If the opposing member disputes the converted amount, they must respond to the Pre-arbitration/Arbitration and provide an explanation on what the correct amount should be.

Arbitration



If you dispute a representment or invalid second chargeback, you may file for arbitration with Visa. In arbitration, Visa decides which party is responsible for the disputed transaction. The decision by Visa is final, except for any right of appeal permitted, and must be accepted by both the issuer and acquirer. During arbitration, Visa reviews all documentation/information submitted by both members to determine who has final liability for the transaction. The filing member is liable for any difference due to currency fluctuation between the amount originally presented and the chargeback or representment amount.

- **Always weigh the risks of low value case filings.** A high percentage of the arbitration and compliance cases that are filed with Visa are valued at less than US \$500. Members are encouraged to consider the value of a disputed transaction when deciding to file an arbitration or compliance case for review. For lower value disputes, the risk of fees and penalties may far exceed the value of the case.
- **Check for credits, (both a merchant and miscellaneous credit) before filing for Arbitration.**
- **If the acquirer accepts a partial amount, but rejects a portion, file for the remaining balance.** All cases must be filed in U.S. dollars.
- **Always respond when Visa requests additional documentation/information from you for their arbitration ruling.**



Arbitration/Pre-Arbitration Management: Best Practices for Acquirers

Pre-Arbitration

- **Accept liability for valid disputes prior to case filing.** Acquirer's withdraw a high percentage of arbitration cases with disputed amounts less than US \$250 and are assessed a US \$250 filing fee for each case. This can negatively impact acquirers financially. To avoid unnecessary fees, Visa recommends that acquirers accept the chargeback or pre-arbitration prior to the case filing.
- **Make sure all of the issuer's/cardholder's claims have been addressed.**
- **Always send responses to pre-arbitration through Visa Resolve Online.** Respond to all valid pre-arbitration requests whether accepting or declining them.
- **If accepting a pre-arbitration, send the credit to the issuer within the 30-day pre-arbitration time frame.** Failure to send credit within 30 days could result in the issuer filing an arbitration case.
- **When sending a credit for the acceptance of pre-arbitration, notify the issuer immediately through Visa Resolve Online that the credit has been sent.**
- **Be sure your response includes any related Visa Resolve Online case number(s).**

Arbitration Best Practice for Issuers and Acquirers

Visa cautions members that throughout the dispute cycle if the information listed in the Member Message Text or Comments section is not clear, it may result in an unfavorable ruling. Visa recommends that information provided in these, and all other sections of the Dispute Resolution Questionnaires, should be clear and concise.

- **Avoid quoting the Visa Rules.** The Comments section should be used to provide a brief explanation/recap of the dispute.
- **Avoid abbreviations or words not universally understood.**
- **Do not use acronyms.**

Arbitration

- Respond to the arbitration case filing through Visa Resolve Online.
- Always respond when Visa requests additional documentation/information from you for their arbitration ruling. Failure to do so could result in an unfavorable ruling.
- Be sure your response includes any related Visa Resolve Online case number(s).

Invalid case filings

If Visa determines that a request is invalid, it may reject the case and retain the filing fee in circumstances, such as one of the following:

- Requesting Member did not file the request within the required time limits
- Multiple Acquirers, Issuers, Account Numbers, Merchants and filing reasons are involved
- A bundled case filing, containing more than 10 Chargebacks, was submitted



Arbitration Settlement

For U.S. Only:

- Visa will collect all fees associated with the case filing through the Global Member Billing Solution and transfer the financial liability for the transaction between members

For All Regions (Excluding U.S. domestic transactions):

- Visa will collect all fees associated with the case filing. The member who prevailed in the arbitration case is authorized to collect the disputed amount from the member who has the liability for the transaction.



Arbitration Case Ruling Appeal Rights

The dollar amount of the dispute determines whether the adversely affected member may appeal the decision.

- The opposing member may appeal an arbitration case ruling if the disputed amount is US \$5,000 or greater, but only if the member can provide new evidence or information that was not previously available to the member at the time of the original filing.
- The adversely affected member must file any appeal within 60 calendar days of the decision notification date and will be assessed a filing fee as specified in the applicable regional pricing guide.

Visa bases its decision on new information provided by the requesting member. Each member may submit arguments supporting its position. All decisions are final and are not subject to challenge. The case may be declined if the new information is insufficient to support a change in Visa's decision; however Visa will retain the appeal fee.

SECTION 13

Compliance Management



What's Covered

- Common Compliance Violations
- How Compliance Works
- Member Compliance Filing Steps
- Pre-Compliance and Compliance Best Practices for Issuers and Acquirers
- Fraud Credits/Clearing Reversals—Compliance Options

Sometimes, a problem between members is not covered under Visa's chargeback rights. To help resolve these kinds of rule violations, Visa has established the compliance process, which offers members another dispute resolution option. This section discusses the Visa compliance process and member filing actions.*

* Please refer to the *Visa Core Rules and Visa Product and Service Rules* for regional chargeback and representment differences.



Common Compliance Violations

There are many different violations that can be classified as a compliance issue. The list below highlights some of the compliance violations most commonly cited.

Compliance Codes

Region	ROL Code	Title	Description
All	C021	Transaction Receipt Retention	A retrieval request is initiated beyond the chargeback timeframes (but within the required retention period) and the acquirer has failed to provide a transaction receipt fulfillment.
US	C025	Credit Refunds	The cardholder has a Visa credit voucher that has not posted because it bears a different card number than the original posted transaction.
All	C028	Refinancing of an Existing Debt	The merchant accepts a Visa card to collect or refinance an existing debt that has been deemed uncollectable by the merchant providing the goods or services. Note: The transaction that represents the payment of an existing obligation must be identified by the appropriate indicator in the authorization request and clearing records.
All	C030	Delayed or Amended Charges	The T&E or retail merchant bills the cardholder for an invalid amended charge such as loss, theft, or damage without the cardholder's consent. Note: Transactions for room, tax, food or beverage, mileage, fuel and traffic violation are permitted; however, the cardholder must have consented to be liable for such charges.
All	C031	Sold Paper	The issuer claims that the merchant deposited a transaction receipt from a Card-Present transaction that occurred between the cardholder and a different entity. The cardholder disputes the transaction as fraudulent.
All	C034	Merchant Processed Credit without a Previous Debit	A merchant processes a credit to the cardholder account when an original sale never posted to the same account. The merchant processes a credit transaction without a previous sale transaction. The issuer provides evidence that a previous debit did not occur. The cardholder removes funds and the merchant re-debits the cardholder's account, leaving a negative balance. The issuer certifies that it is unable to collect the balance from the cardholder.

Region	ROL Code	Title	Description
All	C035	Merchant Must Process a Reversal If Sale Processed in Error	The merchant processed a transaction in error and processed a credit instead of a reversal. (Issuer may file for difference between transaction and credit.) Note: A merchant must process a reversal if a transaction was processed in error.
All Excludes US Domestic	C036	Electronic Commerce Transaction	The cardholder requires additional information about an Electronic Commerce transaction coded with ECI "6" and both of the following: - Cardholder requires more information about the transaction (no assertion of fraud) - Acquirer responds to the retrieval request with a fulfillment, or responds with a nonfulfillment message 03 or 04
All	C037	Hotel Reservation Service	Any of the following conditions exist: - Merchant's cancellation policy exceeds 72 hours - A merchant type other than a T&E Merchant (or its third party booking agent) billed a No-Show - The T&E merchant or third party booking agent failed to send confirmation of a reservation and the cardholder did not attempt to check in since they did not receive the confirmation. - Cardholder was billed a cancellation fee upon cancelling the reservation Note: Disputes over whether or not the cardholder was advised of the cancellation policy of an Advance Deposit merchant are handled under Reason Code 85, not Compliance.
All	C038	T&E Advance Deposit Service	The cardholder is billed for an advance deposit and the deposit amount is not applied toward the balance of the stay.
All	C045	Transaction Violation – Chargeback Reduction Service Return (Invalid Data)	A member processes invalid transaction data which causes VisaNet to reject a valid chargeback or representment. The requesting member must provide evidence to prove the data was invalid and documentation/information to support the valid chargeback/representment which has been, or would have been, rejected.
All	C047	Unauthorized Signature	The merchant fails to compare the cardholder's signature panel on the back of the Visa card to the sales draft, which contains a signature that has a different spelling. The cardholder states the charge is unauthorized and the card used in the transaction has been recovered.
All	C048	Split Transaction	A merchant tries to avoid obtaining a single authorization for a transaction by preparing two or more transaction receipts (splitting the transaction) following a declined authorization attempt for the total amount.

Region	ROL Code	Title	Description
US	C071	Prohibitions	- The merchant adds a surcharge for using a credit card as a means of payment - The merchant bills the cardholder for an uncollectable amount, or for the collection of a dishonored checkThe merchant reposts a charge after the issuer initiated a chargeback
All	C081	Limits of Fee Collection	A member receives a third submission of a fee collection.
All	C123	Cardholder Letter Required for Legal Purposes	Acquirer or Merchant requires a signed cardholder letter for legal proceedings. Note: For disputes involving Visa Europe, applies only to transactions above \$25.00 USD.
All	C130	Copy of Tran Receipt for Legal, Law or Issuer Investigation	A copy of the signed transaction receipt is requested through the retrieval process to respond to a cardholder's escalation request, a law enforcement investigation, or legal proceeding and is not received (or receives an unsigned receipt), or issuer investigation. Note: Cardholder escalation/issuer investigation is not available for disputes involving Visa Europe.
All	C135	Improperly Assessed Surcharge	The merchant improperly added a surcharge to a transaction. This compliance right is limited to the amount of the surcharge.



How Compliance Works

Compliance Requirements

The Visa compliance process can be used when all of the following conditions are met:

- A violation of the Visa Rules has occurred.
- The violation is not covered by a specific chargeback or representment right.
- The member has incurred a financial loss as a direct result of the violation.
- The member would not have incurred the financial loss if the regulation had been followed.

Compliance Processing

During compliance, the filing member must give the violating member an opportunity to resolve the issue. This is referred to as “pre-compliance.” If the dispute remains unsolved, and compliance is filed Visa will review the information presented and determine which member has final responsibility for the transaction.



Member Compliance Filing Steps

Pre-Compliance

Before filing a compliance case with Visa, the requesting member must attempt to resolve the issue by sending a pre-compliance notification to the opposing member a full 30 days prior to the compliance filing date. Allowing less than 30 days for the opposing member to respond to a pre-compliance attempt will result in a loss of compliance rights.

The pre-compliance notification gives the opposing member a chance to address the problem and settle the dispute before a case is officially filed. This notification must be clearly identified to distinguish it from a collection letter, and must be sent to the opposing member through Visa Resolve Online. The notification must include all of the following:

- Pre-compliance attempt date.
- Clear identification as a pre-compliance attempt.
- Planned compliance filing date.
- Disputed violation from the Visa Rules.



Be sure to select the correct pre-compliance drop-down rule violation in Visa Resolve Online, User Interface or System Interface. Members should not be hard-coding their system to select the category of "Other." Failure to use the correct drop-down rule violation when it is available will result in a technical penalty and/or possible loss of the case.**

- All pertinent documentation/information.

Note: All documentation must be transmitted through Visa Resolve Online at the same time as the pre-compliance attempt.)

- The financial loss and how it occurred.
- If applicable, the date of discovery support information.*

Examples of when Date of Discovery* support information may be used:

- Date of the cardholder letter,
- Date of the RFC fulfillment, **or**
- For some violations, the date that the chargeback rejected.



The date of discovery must be clearly identified on the case filing questionnaire or attached documentation. The member must be able to substantiate the date of discovery, which cannot exceed two years from the transaction date.

If the opposing member does not accept the pre-compliance settlement within a 30-calendar day period, the requesting member can then go forward and file a compliance case.

* Refer to the *Visa Core Rules and Visa Product and Service Rules* for specific documentation requirements.

** Refer to the *Visa Core Rules and Visa Product and Service Rules* for specific documentation requirements.

Compliance Case Filing

Members must file their compliance cases via Visa Resolve Online. All cases must meet one of the following time frames:

- A member may file compliance within 90 (calendar days from the Processing Date of the transaction or rule violation (the Processing Date is not counted as a day).
- If evidence of the violation was previously unavailable to the member, the compliance filing time frame is 90 calendar days following the date the member discovered that a violation has occurred, not to exceed two years from the transaction date.**

A compliance filing must include:

- A complete and legible Pre-Compliance and Compliance Visa Resolve Online Dispute Resolution Questionnaire on Visa Resolve Online.
- All documentation/information necessary for Visa to make a fair decision including substantiation of the financial loss and date of discovery. All documents must be submitted through Visa Resolve Online.
- If there are multiple cases filed in Visa Resolve Online for the same dispute, all Visa Resolve Online case numbers must be linked or included in the "Comments" section of the Visa Resolve Online Dispute Resolution Questionnaire. Failure to link or provide related Visa Resolve Online case number(s) in the case filing comments can lead to technical penalties. If the acquirer responds to the case filing with the additional case numbers, Visa will link the cases and make the ruling based on all the documents.
- If there are non-English documents, translation is required.

Prior to pursuing compliance, members should carefully consider:

- The nature of the dispute to ensure they are confident in their case filing. This precautionary action can help unnecessary filing and review fees.
- The risks of low value compliance filings. For lower value disputes, the risk of fees and penalties may far exceed the value of the case.

Decision Criteria

Visa determines which member has the final financial liability for the transaction. The decision is made by weighing the technical merits of the case. Visa considers the following:

- Whether there was a rule violation and a resulting financial loss;
- Whether the complaint was reasonable; and
- Whether the disputed amount should be allocated between the requesting and opposing members.

* The right to file with Date of Discovery does not apply to Fraudulent Credit (e.g., Credit Without a Previous Debt).

** Date of discovery does not apply to credit without previous debit.



Pre-Compliance and Compliance Best Practices for Issuers and Acquirers

It is important to identify a pre-compliance case correctly as it helps everyone involved know what violation is being cited, and that the case is a pre-compliance that needs immediate attention, rather than a good-faith collection request.

- **Properly prepare and process your pre-compliance cases. To do this:**
 - Specify the rule violation being cited.
 - Allow a full 30 calendar days for opposing member to respond, and clearly identify your filing date.
 - Provide the contact name and phone number of someone who is easily accessible.
 - Specify financial loss and how it occurred.
- **Do not send a pre-compliance notification to an acquirer if you cannot provide the acquirer with a full 30 calendar days to respond.** Issuers must initiate a pre-compliance within 59 days to allow for a full 30 days and to file by day 90.
- **Prior to filing a compliance case, validate that:**
 - Time frames have been met and a chargeback or representment right is not available.
 - There are no merchant credits or miscellaneous credits from the acquirer.
- **When filing a compliance case with Visa:**
 - Make sure that the rule violation cited is correct and that all relevant documentation has been provided.
 - If documentation is in a separate case, link the related cases or provide the case numbers in the Comments section.
 - New documentation or information must not be included in the case filing and will not be considered in the final ruling.
- **Always weigh the risk of low value case filings.** A high percentage of compliance cases are filed with Visa are valued at less than US \$500. Members are encouraged to evaluate the dollar value of the transaction versus the filing, review, and potential technical fees before filing the compliance case (e.g., the case involves delayed or amended dispute for US \$150.00, but the filing and review fees will be US \$500 if an unfavorable ruling is received).



Fraud Credits/Clearing and Reversals—Compliance Options

Visa has noticed an increase in fraudulent credits posted by criminals who take over the credentials of a merchant account. These credits are subsequently reversed by the acquirer or merchant after the funds have been depleted. This activity leaves the issuer at a significant financial loss.

Merchant Requirements

Visa prohibits a merchant from processing a credit transaction receipt without completing a previous retail transaction with the same cardholder. In addition, a clearing reversal may only be processed to correct either inadvertent processing errors or individual transactions that are transmitted twice or contain erroneous data.



The Visa Original Credit Transaction (OCT) is different from a merchant credit (refund) transaction receipt. The OCT does not have an associated retail transaction and can be uniquely identified through its unique processing code, its allowed Merchant Category Codes (MCCs) and its business application identifiers. OCTs should not be included in the calculation of fraudulent credits posted without an associated retail transaction.

Issuer Compliance Options

Issuers that face financial loss due to a violation of the following rules may use the compliance process to recover their losses:

- Credit and refund restrictions
- Original adjustment through VisaNet
- Permitted use of clearing reversals

Issuer Vigilance

In addition to their compliance options, issuers should monitor for:

- Credits that don't have an offsetting debit
- Multiple credits to the same account
- Large dollar credits
- Credits originating from merchants/acquirers outside the country of the issuer

Acquirer Vigilance

In addition to underwriting safeguards to identify fraudulent merchants, acquirers can protect themselves by paying particular attention to the following credit scenarios (which often result in losses to the acquirer):

- Credits without offsetting sales (excluding OCTs)
- US \$0.00 net batches
- Multiple even-dollar or like-amount credits
- High-dollar credits
- Credit count or amount totals outside established norms for the merchant
- Multiple credits against the same account number or numbers within an obvious range
- Credit count/amount to sale count/amount ratios

SECTION 14

Back-Office Operations and Functional Issues



What's Covered

- Back-Office Best Practices for Issuers and Acquirers
- Dispute Resolution Staff Cardholder Questions Quick Reference
- Dispute Case Review Checklist

A strong back-office chargeback operation is key to Visa dispute resolution success. It's up to management to:

- Prepare and set up the back-office operations to support changes and ensure optimum staffing configuration.
- Diagnose chargeback performance issues and identify the potential for improvement.
- Train staff and give them the tools and resources needed to do the job.
- Properly communicate requirements to processors, vendors, and merchants.

This section contains some basic guidelines on how to assess the unique characteristics of your back-office operations and take appropriate action.



Back-Office Best Practices for Issuers and Acquirers

Staffing

- Consider using an Automated Response Unit (ARU) option that transfers incoming disputed questions/concerns to a dedicated Dispute by Phone Unit.
- Train the Dispute by Phone Unit representatives to ask customers specific questions to assist them in identifying transaction(s) or in completing the *Visa Resolve Online Dispute Resolution Questionnaires*.
- Prepare scripts for the Dispute by Phone Unit representatives. A script can help your representatives:
 - Better assist customers with disputes.
 - Correctly differentiate between customer disputes and the fraudulent use of customers' accounts.
 - Eliminate the need to re-contact customers.
- Make sure the Dispute by Phone Unit representatives use the Transaction Inquiry to search and review the customer's account for the transaction history and merchant-issued credit reversal prior to handling the claim.
- Empower/enable Dispute by Phone Unit representatives to initiate a chargeback and credit at the time of a dispute.



Visa Resolve Online allows Dispute by Phone Unit representatives to create a Visa Resolve Online Dispute Resolution Questionnaire and "pend it" for back-office senior representative review.

Training

- **Make sure the *Visa Dispute Resolution – Frequently Asked Questions and Case Studies* is available for training and for use as an on-the-job reference tool.** (See *Resources and Materials* on page 133 for details.)
- **Train new hires together.** The most effective way to train newly hired staff members is to have them start work on the same date. A minimum of a three-week formal training schedule should be provided to encompass internal systems and the Visa Rules. The course should include training on all of the chargeback reason codes. Keep in mind, there is a three-to-six month learning curve for this type of job.
- **When new hires/trainees start processing disputes, make sure a "coach" is readily available to answer any questions.** This coach could be the trainer, the supervisor, or your most experienced chargeback analyst. He/she should be made available to your new hires during their first two weeks on the job.

- **Consider assigning “easier” disputes to new hires/trainees.** This could be work that involves unauthorized claims or processing errors. Every couple of days, a new dispute type should be added to the new hire’s queue until he or she is working all types of claims.
- **Make sure your Training Department has access to the Visa Publication Center through Visa Online to receive the Visa Rules.** This information should be used to update internal training materials. It is recommended a member delegate a staff representative to distribute up-to-date training information to staff on a regular basis.
- **Use the Visa Dispute Analysis and Support Hotline as a key resource for chargeback change updates.**

Problem Solving

- **Consider establishing an internal committee to discuss escalated issues, unique cases, and recurring issues with specific merchants, etc.** This committee should include someone from each team (from staff member to supervisor).
- **Post committee results/decisions so everyone can benefit.**
- **Hold a forum for staff to ask questions.** Make sure questions and answers are distributed afterward to all staff members.



Visa Resolve Online allows you to designate a review queue so that managers can check Visa Resolve Online Dispute Resolution Questionnaires prior to submission.*

Quality Assurance

- **Make sure your Quality Assurance staff members are well-versed in the entire dispute resolution process.** They should be “subject matter experts” on all phases of chargeback representations, arbitration, and compliance. They should also be well-versed in the content of the Visa Rules.
- **Review the work.** Divide the representatives’ team leads’ and, supervisors’ work into “processed” versus “denied claims.” Establish dollar thresholds for all cases (e.g., supervisors review cases over US \$5,000). Approximately 25 percent of every staff member’s work should be reviewed. This includes chargebacks, write-offs, and denied claims. Use your discretion regarding the percentage of work actually reviewed. This will depend on daily workloads. Check 100 percent of the work performed by new hires for a period of time.

* Refer to the Visa Resolve Online User’s Guide for additional information.

Merchant Education

On the acquiring side, communicate operational changes and requirements to merchants. Ensure that the following information is clearly and consistently communicated:

- Best practices for their business type.
- Contact number for questions.
- Training opportunities for merchants/staff.
- Training materials.
- Time frames for sales draft and/or documentation/information processing.
- Support documentation/information changes and requirements.

Resources and Materials

Use the following Visa communication tools and resources to keep your back-office operations up-to-date on any dispute resolution and operational regulation changes.

- **Visa Publication Center**

This online publishing service brings together news and publications from across Visa businesses and delivers it to you in the format you need. With its robust search capability, flexible publishing formats, and real-time updates, the Visa Publication Center gives you the ability to get targeted information quickly and easily – anytime on Visa Online.

- ***Visa Dispute Resolution—Frequently Asked Questions and Case Studies***

This document provides a globally aligned version of frequently asked questions and case studies for members. It is provided in conjunction with the *Visa Core Rules and Visa Product and Service Rules – Dispute Resolution Rules*. Visa is committed to providing updated dispute-related information; and hopes you find this information useful in operating your back-office processes. This publication is available on the Visa Publication Center.

- ***Visa Business News — Quarterly Global Arbitration and Compliance (GAC) Hot Topics Dispute Articles.***

The Visa Business News – GAC Dispute Related Hot Topics edition publishes a series of articles on a quarterly basis. It provides information regarding current day-to-day back-office issues faced by members. Visa is committed to providing updated dispute-related information; we hope you find these articles useful in operating your back-office processes. Available on the Visa Publication Center.

- **Visa Chargeback/Representment Calculator**

This wheel-shaped calculator is used to identify chargeback and representment time frames used in the dispute resolution process. To order your wheel, contact Visa Fulfillment at 1-800-235-3580 or email visafulfillment@merrillcorp.com.

- ***Visa Core Rules and Visa Product and Service Rules — Dispute Resolution Rules***

The Visa Rules—Dispute Resolution Rules are published twice a year to keep members apprised of the changes in the operating requirements, rules, and policies. Available on the Visa Publication Center.

- **Visa Business School Online Learning Center**

This valuable Visa resource offers online and facilitator-led training in various aspects of dispute resolution, as well as a number of other tools. To participate in an online or facilitated course, explore the Learning Center on Visa Online at www.us.visaonline.com; look for Visa Business School in the “Resources” drop-down menu. Courses are priced individually. To learn about flat-fee, volume pricing, contact the Visa Business School department at www.visabusinessschool.com.

- **Dispute Resolution Services Available at Visa Online**

Visa Online offers the most up-to-date dispute resolution and operating regulations resources for back-office operations. Members are encouraged to visit the Visa Dispute Resolution Services web page to access the Visa Publication Center and review the *Visa Dispute Resolution Frequently Asked Questions and Case Studies*, Visa Rules and other dispute-related resources.



Dispute Resolution Staff Cardholder Questions – Quick Reference

Dispute resolution analysts are responsible for gathering as much information as possible to determine the conditions that occurred during the transaction in question. By asking the right questions at the start of a dispute claim, an analyst can complete the correct forms and document all necessary details prior to initiating the dispute.

Start-up Questions

The following questions should be asked first to determine the type of reason code that is being pursued.

- Did the cardholder participate in the transaction?
 - If **no**, go to the Fraud/Transaction Not Recognized reason category for a list of further questions.
 - If **yes**, find out what the dispute is about.
- Was an authorization obtained?
 - If **no**, see the *Visa Core Rules and Visa Product and Service Rules* for authorization-related chargeback rights.
 - If **yes**, identify the reason category given the dispute details gathered so far. Continue to probe using the appropriate questions charted below.

Questions by Reason Category

Reason:	Related Questions	
Non-Receipt of Services or Merchandise	- What was the expected merchandise or service? - What was the expected date? - Did the merchandise arrive after the expected date; if so was it returned? - Did you attempt to resolve with the merchant or can you provide evidence an attempt to resolve is not required due to local law? - Was the merchandise to be picked up or delivered? - If it was to be picked up, why was it unavailable? - Was part of the merchandise, service or cash received? If so, what or how much?	Refer to Chargeback Reason Code 30 or Reason Code 90 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Fraud/ Transaction Not Recognized	Card-Present: - Do you recognize any part of the transaction? - Looking at the POS type, ask: "I see this is a card-present transaction. Is the card in your possession?" - Look at MCC, ask: "Have you done business with this type of merchant around this date?" - Have you given anyone else permission to use your card? - If there is a second card on the account, have you checked to make sure the person with this card did not make the purchase? - Have you attended a trade show, craft fair, event or seminar where the merchant may have been operating under a different name?	Refer to Chargeback Reason Code 57, Reason Code 62, Reason Code 75, or Reason Code 81 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
	Card-Not-Present: - Do you recognize any part of the transaction? - Look at the POS type, ask: "I see this is a card not present transaction. Is the card in your possession?" - Look at MCC, ask: "Have you done business with this type of online/ telephone/mail order merchant around this date?" - Have you given anyone else permission to use your card? - If there is a second card on the account, have you checked to make sure the person with this card did not make the purchase? - Do you have any charges that bill regularly to your account? (e.g., gym membership, insurance, etc.)	
Quality of Goods or Services, Not As Described Services or Merchandise or Defective Merchandise	- Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? - What is wrong with the merchandise or services that were received? - If merchandise; was it shipped to you? - What was received and what was expected? - When was the merchandise or service received? - Do you have documentation to support what was ordered/ expected? - Have you returned the goods? - If so, when and how? - If not, why and what is the disposition of the merchandise?	Refer to Chargeback Reason Code 53 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements

Reason:	Related Questions	
Returned Merchandise or Cancelled Services	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was returned or cancelled? • When was it returned or cancelled? • If you returned merchandise, how was it returned? • Did the merchant accept your return or cancellation? If no, why? • Were you advised a refund or cancellation policy at the time of sale? • Did the merchant provide you a credit slip? • Did the merchant provide a cancellation number? If so, what is it?	Refer to Chargeback Reason Code 41 or 85 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Wrong Amount Disputes	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was the amount in which you should have been billed? • Do you have a copy of the sales draft or other documents reflecting the error? • Is the extra charge a tip? • Is the extra charge from a hotel, rental car, or cruise line? • Is the extra amount a currency conversion difference?	Refer to Chargeback Reason Code 76 or 80 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Paid by Alternate Means	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was the other means of payment? • Do you have documentation to support payment by other means (i.e., cash receipt, front and back copy of cancelled check, or other bankcard statement)?	Refer to Chargeback Reason Code 86 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Duplicate Processing	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What is the date and the amount of the original transaction? • Do you know how the duplication may have occurred (e.g. discount at register, tip, etc.)?	Refer to Chargeback Reason Code 82 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements



A copy of the *Dispute Resolution Staff Cardholder Questions – Quick Reference* is available in *Appendix C* of this guide.



Dispute Case Review Checklist

As a general rule of thumb, staff members should review each dispute case for quality assurance purposes before initiating a chargeback, representment, pre-arbitration, or arbitration. The same rule applies to compliance filings. The following checklist has been included to assist members in this effort.

Chargeback

- ☐ Has a credit or reversal been processed?
- ☐ Does the chargeback meet the processing time limit?
- ☐ Have you determined the chargeback jurisdiction (e.g. US, Canada Domestic, Intraregional, etc.)?
- ☐ Does chargeback meet required conditions, rights, and limitations?
- ☐ Is there a chargeback minimum?
- ☐ Is documentation required?
- ☐ Has Member Message Text been verified?

Representment

- ☐ Has a credit or reversal been processed?
- ☐ Does the representment meet the processing time limit?
- ☐ Is the chargeback valid?
- ☐ Were documentation/information requirements met?
- ☐ Was Member Message Text required? If so, is it correct?
- ☐ Can you remedy the chargeback?
- ☐ Was documentation sent within 5 days? (If required)

Pre-Arbitration

- ☐ Is pre-arbitration required?
- ☐ If changing reason code, have the conditions/limitations of the new reason code been met?
- ☐ Did you wait a full 30 days for the acquirer to respond?
- ☐ If new information was provided, was it addressed?
- ☐ Was compelling evidence supplied?

Arbitration

- ☐ Has a credit or reversal been processed?
- ☐ Have all chargeback processing time limits been met?
- ☐ Have you verified the jurisdiction in which the case should be filed.
- ☐ Is the filing amount correct?
- ☐ Have all related cases been linked to the case or referenced in the case filing questionnaire?

Compliance

- ☐ Has a credit or reversal been processed?
- ☐ Does the compliance case meet required timeframes?
- ☐ Have you verified the jurisdiction in which the case should be filed.
- ☐ If date of discovery has been used; is it supported?
- ☐ Did a rule violation occur?
- ☐ Do any chargeback or representment rights exist?
- ☐ Is there a financial loss?



Appendix D contains a copy of the *Dispute Case Review Checklist* for reproduction and distribution in your back-office operation.

SECTION 15

Visa Dispute Monitoring Program



What's Covered

- Improving Issuer Chargeback Performance
- Ensuring Compliance
- Chargeback Performance Improvement Best Practices for Issuers
- Key Resources

The Visa Dispute Monitoring Program has been implemented to protect and monitor the integrity of the chargeback dispute process. The program ensures that fraud rules are properly followed and monitors unusual spikes in dispute activity. In addition, the program ensures chargeback rule changes and updates do not have a negative effect on acquirers and merchants.

The section explains how the Visa Dispute Monitoring Program works and why it is so important.



Improving Issuer Chargeback Performance

The Visa Dispute Monitoring Program tracks issuer chargeback performance on a monthly basis and provides non-compliant issuers with an opportunity to research their practices or systems and make adjustments as needed. The following highlights the process of the program:

- Visa notifies issuers that have been identified as processing chargebacks that do not meet the technical requirements of the chargeback reason code. All non-complying issuers receive a Non-Compliance Notification/Acknowledgement that asks them to review their situation and submit a remedial plan of action.
- If the issuer fails to take corrective action or does not respond to the Non-Compliance Notification/Acknowledgement during the agreed upon timeframe, the case is escalated to the enforcement process.
- Visa will notify the non-compliant issuer through the enforcement process, and if applicable, assess non-compliance fees, as specified in the *Visa Core Rules* (1.12.3.2 General Non-Compliance Assessment Schedule).



Ensuring Compliance

To help issuers stay on track and comply with chargeback rule changes (or any past dispute rule changes), the Visa Dispute Monitoring Program regularly reviews the following reason codes to make certain that all chargeback conditions have been met:

- Reason Code 30: Services Not Provided or Merchandise Not Received
- Reason Code 62: Counterfeit Transactions
- Reason Code 75: Transaction Not Recognized
- Reason Code 81: Fraud – Card-Present Environment
- Reason Code 83: Fraud – Card-Absent Environment
- Reason Code 90: Non-Receipt of Cash or Load Transaction Value at ATM or Load Device

The program is designed to spot and correct any issuer chargeback practices that may be contributing to the following outcomes:

- Accounts being placed on the Exception File with an incorrect pickup response code
- Accounts not being closed prior to processing a fraud-related chargeback
- Accounts not being placed on the Exception File for fraud-related chargebacks
- Improper fraud-reporting of a transaction through VisaNet
- Use of a non-fraud chargeback reason code when the account number was previously reported as fraud



Chargeback Performance Improvement

Best Practices for Issuers

The best approach to issuer dispute management is one that involves careful chargeback analysis and informed decision-making. The following practices have been included to help issuers better understand and address some of the major Dispute Monitoring Program non-compliance areas of concern.

- **Always adhere to the requirements of the *Visa Core Rules and Visa Product and Service Rules* when processing any chargeback associated with any type of Visa card (i.e., prepaid cards, contactless cards, Electron cards, etc.).** Remember, conditions of the *Visa Core Rules and Visa Product and Service Rules* and apply to all Visa cards.
- **Properly process fraud-related chargebacks under Reason Codes 62, 81, , and 83.** Chargeback staff should review Visa Rules requirements to determine if the following requirements should be met.
 - Close the cardholder account.
 - Place the account number on the Exception File with the correct pickup* response code.
 - Properly report the fraud activity through VisaNet.
- **Do not use Reason Codes 30, 41, 53, 85 and 90 for fraudulent transaction disputes.** These reason codes should only be used when a cardholder is disputing a transaction in which he or she has participated. Reason Codes 30, 41, 53, 85, and 90 should never be applied for chargebacks involving “unauthorized use” transactions.
- **If your back-office chargeback functions have been outsourced to a Third Party Agent, make sure you have teamed up with an experienced processor that is up-to-date on all requirements of the *Visa Core Rules and Visa Product and Service Rules*.** Third Party Agents without a clear understanding of chargeback rights can increase an issuer’s risk of exposure when there are excessive non-compliance issues. Issuers are ultimately responsible for Visa Dispute Monitoring non-compliance and related fines, regardless of their processor’s actions.
- **Train new and current staff members on requirements of the *Visa Core Rules and Visa Product and Service Rules*, conditions and dispute rule changes as soon as possible.** Try to hold staff meetings on a regular basis to review updates and answer any outstanding questions. Ongoing training and support is essential to successful dispute resolution performance. Review the Visa Publication Center or Visa Online for the latest dispute publications.



Key Resources

Visa offers three key resources that can help issuers stay up-to-date on the latest dispute resolution requirements and dispute rule changes.

- **The Dispute Monitoring Program Team** provides support to issuers that want to remedy any incorrect chargeback practices and offers any further information regarding the program, if necessary. To contact the Dispute Monitoring Program team, please email DisputeMonitoring@visa.com.
- **The Dispute Analysis and Support Team** has analysts to answer general questions related to the dispute resolution process. With improved service levels and streamlined processes, experienced analysts are available to assist issuers Monday through Friday from 6:00 a.m. to 4:30 p.m. Pacific Time. To reach the Dispute Analysis and Support team, please call (866) 270-9602 or email DisputeSupport@visa.com.
- **The Global Arbitration and Compliance Team** provides members with swift and impartial determination of liability. In addition, the final case filing decisions made by the arbitration and compliance subject matter experts provide Visa clients with the information they need to potentially avoid future case filings of a similar nature, as well as reduce back-office operating expenses. If you have questions regarding an arbitration or compliance case filing decision, please email DisputeSupport@visa.com.

Appendices



- Appendix A: Important Contacts
- Appendix B: Merchant Ceasing Operations—Questions and Answers
- Appendix C: Dispute Resolution Staff Cardholder Questions—Quick Reference
- Appendix D: Dispute Case Review Checklist
- Appendix E: Visa Europe Territory
- Appendix F: Glossary



Appendix A: Important Contacts

Visa Account Support Center: • Transaction Research • Authorization Questions • Card Recovery Bulletin • Exception Item Rejects • Integrated Billing Statements • Visa Extras Program	(888) 847-2488 esupport@visa.com
Exchange Rate Hotline	(866) 299-3671
Visa Assistance Center Emergency Card Replacement: • U.S. • International	(800) VISA-911 (410) 581-9994
International Automated Referral Service	(888) 317-1573
Case Filing Inquiries	GlobalArbandCompl@visa.com
Visa Business School Online Learning Center	www.visabusinessschool.com
Visa Interchange Directory (VID) Data Maintenance Support: • Current BIN Information • Requests to Change BIN Information	(650) 432-1006 Fax: (650) 554-6958 memberdirectories@visa.com
Global Dispute Rules Assistance • For U.S., LAC, Canada — Dispute Analysis and Support • For CEMEA, U.S., LAC, Canada	(866) 270-9602 (U.S., LAC, CEMEA) (416) 860-8600 (Canada) DisputeSupport@visa.com
• For AP	DisputeSupport@visa.com or your local Visa Representative
Visa Online Enrollment, Password Issues, Visa Online Connection Issues	Visa Online Help Desk 1-800-597-8479 USVOL@visa.com (U.S., LAC, Canada) VOLAP@visa.com (AP) VOLCEMEA@visa.com (CEMEA)
Visa Resolve Online Organization Setup, Connection Issues, and/or Questions	Client Specialized Product Support (CSPS) 1-877-847-2765 ROLSupport@visa.com (U.S., LAC, Canada) APVROLSupport@visa.com (AP) CEMEAVROL@visa.com (CEMEA)

Appendix B: Merchant Ceasing Operations— Questions and Answers

Q1. A traveler purchased a travel package from a merchant that has since ceased operations. What should a traveler do if he used his Visa card to purchase the package and is now stranded at his destination and is unable to get back?

A1. Travelers who used a Visa card to purchase travel services should contact the financial institution that issued their card.

Q2. Many travelers purchase their travel packages in advance. What will happen to unused travel packages purchased using a Visa card?

A2. In the event that prepaid travel arrangements are cancelled or the merchant is unable or unwilling to render the contracted services, issuers should reassure their cardholders that chargeback rights may be available.

The *Visa Core Rules and Visa Product and Service Rules* provides issuers with protection when a merchant ceases operations. Depending on individual circumstances, issuers may use the “Services Not Rendered or Merchandise Not Received” (Reason Code 30) or “Credit Not Processed” (Reason Code 85) chargeback rights to obtain credit for cardholders holding unused travel packages.

Q3. Do cardholders need to request their refund within a certain period of time?

A3. To request information about refund policies, cardholders should contact their financial institution (by calling the number on the back of their card) or their travel agent.

Q4. What chargeback options are available to issuers for “Services Not Rendered?”

A4. The “Services Not Rendered or Merchandise Not Received” (Reason Code 30) chargeback right covers situations including merchant flight cancellations and non-receipt of travel packages. A letter from the cardholder or a properly completed Visa Resolve Online Dispute Resolution Questionnaire must support the chargeback, along with a statement that the cardholder attempted to resolve the dispute with the merchant or merchant’s liquidator.

This chargeback may be processed within 120 calendar days of the Central Processing Date of the transaction or from the expected date of the service. Chargebacks representing future travel dates are valid when the merchant has announced that it has filed for bankruptcy and ceased operations. In such instances, the expected travel date is used when completing the “expected date of receipt for the merchandise/services” field on the applicable Visa Resolve Online Dispute Resolution Questionnaire.

If the expected travel date is prior to the date the merchant ceased operations, this chargeback reason code should not be used. Issuers are reminded that they may chargeback only the portion of the services not received. For example, if a cardholder uses half of a round-trip ticket prior to the airline ceasing operations, only the unused portion of the ticket may be charged back for this reason.

Q5. When can issuers use the “Credit Not Processed” chargeback option?

- A5. The “Credit Not Processed” (Reason Code 85) chargeback may be used when a credit voucher/refund has not posted to the cardholder’s account.

Prior to exercising this chargeback, issuers must wait 15 calendar days from the date on the credit voucher/refund. Issuers are reminded that “lost ticket applications” or “applications for refund” are not considered to be credit vouchers under the Visa Rules. A copy of the credit transaction receipt or acknowledgement and/or a properly completed Visa Resolve Online Dispute Resolution Questionnaire must support the chargeback, and a copy of the credit transaction receipt must be provided for International chargebacks. The issuer must also certify that the cardholder attempted to resolve the dispute with the merchant.

Q6. What, if any, chargeback rights are available if tickets are honored by another airline?

- A6. A cardholder is not required to accept a flight offered by another carrier willing to honor the unused ticket. If, however, the cardholder accepts this option and the ticket is used, a chargeback right is available only if an additional fee was assessed by the alternate carrier. In such instances, the issuer may chargeback the initial transaction for the amount of the additional fee using the “Services Not Rendered or Merchandise Not Received” (Reason Code 30) chargeback right (if over the travel and entertainment (T&E) transaction minimum amount of US \$25). Although not required, including documentation to support the chargeback, such as a copy of the receipt for the additional fee, will expedite the dispute process.

Q7. Are agent fees subject to chargebacks?

- A7. Agent fees billed by travel agencies for booking flights prior to an airline’s bankruptcy are considered valid and should not be charged back because the cardholder has received the service of booking the flight.

Q8. Are fees for date changes subject to issuer dispute?

- A8. If a cardholder purchases a ticket prior to the bankruptcy and is charged a fee for changing the date of the original ticket, the issuer may not dispute this charge because the service of changing the dates was provided.

Q9. How should unused paper tickets be disposed?

- A9. Although most tickets are issued electronically, issuers are reminded that unused paper tickets are negotiable documents. Whenever these tickets are returned by mail, the sender should use a mailing method that provides proof of delivery. While proof of return of unused paper tickets is not a condition of any chargeback, issuers should verify the disposition of the paper tickets with the cardholder. This will minimize the chances that the cardholder will receive credit twice (once through the chargeback process and again from the merchant or its agent).

Q10. How can an acquirer resolve a dispute involving tickets that may or may not have been honored by another airline?

A10. For disputes involving tickets that may or may not have been honored by another airline, acquirers may represent the transaction with specific information, such as:

- Flight date
- Flight number
- Carrier used
- Point of origin
- Destination

When presented with this information, issuers are encouraged to work with their cardholders to determine if the tickets were used.



Appendix C: Dispute Resolution Staff Cardholder Questions—Quick Reference

Start-up Questions

The following questions should be asked first to determine the type of reason code that is being pursued.

- Did the cardholder participate in the transaction?
 - If no, go to the Fraud/Transaction Not Recognized reason category for a list of further questions.
 - If yes, find out what the dispute is about.
- Was an authorization obtained?
 - If no, see the Visa Rules for authorization-related chargeback rights.
 - If yes, identify the reason category given the dispute details gathered so far. Continue to probe using the appropriate questions charted below.

Questions by Reason Category

Reason	Related Questions	
Non-Receipt of Services or Merchandise	- What was the expected merchandise or service? - What was the expected date? - Did the merchandise arrive after the expected date; if so was it returned? - Did you attempt to resolve with the merchant or can you provide evidence an attempt to resolve is not required due to local law? - Was the merchandise to be picked up or delivered? - If it was to be picked up, why was it unavailable? - Was part of the merchandise, service or cash received? If so, what or how much?	Refer to Chargeback Reason Code 30 or Reason Code 90 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Fraud/ Transaction Not Recognized	Card-Present: - Do you recognize any part of the transaction? - Looking at the POS type, ask: "I see this is a card-present transaction. Is the card in your possession?" - Look at MCC, ask: "Have you done business with this type of merchant around this date?" - Have you given anyone else permission to use your card? - If there is a second card on the account, have you checked to make sure the person with this card did not make the purchase? - Have you attended a trade show, craft fair, event or seminar where the merchant may have been operating under a different name?	Refer to Chargeback Reason Code 57, Reason Code 62, Reason Code 75, or Reason Code 81 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
	Card-Not-Present: - Do you recognize any part of the transaction? - Look at the POS type, ask: "I see this is a card not present transaction. Is the card in your possession?" - Look at MCC, ask: "Have you done business with this type of online/ telephone/mail order merchant around this date?" - Have you given anyone else permission to use your card? - If there is a second card on the account, have you checked to make sure the person with this card did not make the purchase? - Do you have any charges that bill regularly to your account? (e.g., gym membership, insurance, etc.)	Refer to Chargeback Reason Code 57, Reason Code 75, or Reason Code 83 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Quality of Goods or Services, Not As Described Services or Merchandise or Defective Merchandise	- Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? - What is wrong with the merchandise or services that were received? - If merchandise; was it shipped to you? - What was received and what was expected? - When was the merchandise or service received? - Do you have documentation to support what was ordered/ expected? - Have you returned the goods? - If so, when and how? - If not, why and what is the disposition of the merchandise?	Refer to Chargeback Reason Code 53 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements

Reason	Related Questions	
Returned Merchandise or Cancelled Services	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was returned or cancelled? • When was it returned or cancelled? • If you returned merchandise, how was it returned? • Did the merchant accept your return or cancellation? If no, why? • Were you advised a refund or cancellation policy at the time of sale? • Did the merchant provide you a credit slip? • Did the merchant provide a cancellation number? If so, what is it?	Refer to Chargeback Reason Code 41 or 85 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Wrong Amount Disputes	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was the amount in which you should have been billed? • Do you have a copy of the sales draft or other documents reflecting the error? • Is the extra charge a tip? • Is the extra charge from a hotel, rental car, or cruise line? • Is the extra amount a currency conversion difference?	Refer to Chargeback Reason Code 76 or 80 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Paid by Alternate Means	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What was the other means of payment? • Do you have documentation to support payment by other means (i.e., cash receipt, front and back copy of cancelled check, or other bankcard statement)?	Refer to Chargeback Reason Code 86 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements
Duplicate Processing	• Did you attempt to resolve the dispute with the merchant or can you provide evidence an attempt to resolve is not required due to local law? • What is the date and the amount of the original transaction? • Do you know how the duplication may have occurred (e.g. discount at register, tip, etc.)?	Refer to Chargeback Reason Code 82 in the <i>Visa Core Rules and Visa Product and Service Rules</i> for technical requirements



Appendix D: Dispute Case Review Checklist

As a general rule of thumb, staff members should review each dispute case for quality assurance purposes before initiating a chargeback, representment, pre-arbitration, or arbitration. The same rule applies to compliance filings. The following checklist has been included to assist members in this effort.

Chargeback

- ☐ Has a credit or reversal been processed?
- ☐ Does the chargeback meet the processing time limit?
- ☐ Have you determined the chargeback jurisdiction (e.g. US, Canada Domestic, Intraregional, etc.)?
- ☐ Does chargeback meet required conditions, rights, and limitations?
- ☐ Is there a chargeback minimum?
- ☐ Is documentation required?
- ☐ Has Member Message Text been verified?

Representment

- ☐ Has a credit or reversal been processed?
- ☐ Does the representment meet the processing time limit?
- ☐ Is the chargeback valid?
- ☐ Were documentation/information requirements met?
- ☐ Was Member Message Text required? If so, is it correct?
- ☐ Can you remedy the chargeback?
- ☐ Was documentation sent within 5 days? (If required)

Pre-Arbitration

- ☐ Is pre-arbitration required?
- ☐ If changing reason code, have the conditions/limitations of the new reason code been met?
- ☐ Did you wait a full 30 days for the acquirer to respond?
- ☐ If new information was provided, was it addressed?
- ☐ Was compelling evidence supplied?

Arbitration

- ☐ Has a credit or reversal been processed?
- ☐ Have all chargeback processing time limits been met?
- ☐ Have you verified the jurisdiction in which the case should be filed.
- ☐ Is the filing amount correct?
- ☐ Have all related cases been linked to the case or referenced in the case filing questionnaire?

Compliance

- ☐ Has a credit or reversal been processed?
- ☐ Does the compliance case meet required timeframes?
- ☐ Have you verified the jurisdiction in which the case should be filed.
- ☐ If date of discovery has been used; is it supported?
- ☐ Did a rule violation occur?
- ☐ Do any chargeback or representment rights exist?
- ☐ Is there a financial loss?



Appendix E: Visa Europe Territory

The following is a list of European economic area's where participation in the Visa payment system is governed by the *Visa Europe Operating Regulations*, as of the date of this publication.

Andorra	Latvia
Austria	Liechtenstein
Belgium	Lithuania
Bulgaria	Luxembourg
Croatia	Malta
Cyprus	Monaco
Czech Republic	Netherlands
Denmark	Norway
Estonia	Poland
Faeroe Islands	Portugal
Finland	Romania
France	San Marino
France, Metropolitan	Slovakia
Germany	Slovenia
Gibraltar	Spain
Greece	Svalbard & Jan Mayen Is.
Greenland	Sweden
Hungary	Switzerland
Iceland	Turkey
Ireland	United Kingdom
Israel	Vatican City State
Italy	



Appendix F: Glossary

Acquirer

A member that credits merchants for cardholder purchases. An acquirer may also be a member which disburses currency in a cash disbursement, directly or indirectly enters transactions, both into the clearing and settlement system.

Adjustment

A message from an Acquirer Center to an Issuer Center informing the issuer that something about a previously processed financial transaction has changed or was wrong. A merchandise return by the customer is one example. Adjustments are supported for Visa's Single Message System (SMS) processing only.

Advice

A message created by VisaNet and sent to both parties involved in the dispute after an exception transaction has cleared. It is an indication to the recipient of a chargeback, representment, or request for copy.

Arbitration

A process by which Visa, at the request of one of the members involved, decides responsibility for the transaction if the chargeback processing cycles and attempts to settle are unsuccessful.

Authorization

The approval or guarantee given by the card issuer to the acquirer.

Bank Identification Number (BIN)

A unique six-digit number assigned by Visa to identify a member or Processor for Authorization, Clearing, or Settlement processing.

Bulk Mail

A feature of Visa Resolve Online that allows the user to locate Dispute Resolution Questionnaires and files within a specific date range that could not be electronically delivered. Once retrieved, bulk mail can be downloaded to a specific location.

Cardholder

A person to whom a Visa card has been issued or someone authorized by the cardholder to use the Visa card.

Case Folder

In Visa Resolve Online, all related elements of a dispute are captured and managed in a “case folder” that may contain the original transaction, transaction research queries, supporting documentation/information (e.g., images), Visa Resolve Online Dispute Resolution Questionnaire, and case rulings. The case folder keeps all relevant information organized and makes it easy to pass information on to others within the organization who may be working on the dispute.

Central Processing Date (CPD)

The date (based on Greenwich Mean Time) on which data is input by the clearing member and accepted by Visa. For debit system transactions, however, the CPD is the settlement date.

Chargeback

A transaction found to be improper and sent back to the Acquirer Center with other outgoing interchange.

Chargeback Reversal

The cancellation of a chargeback sent in error to the Acquirer Center.

Chip

An integrated microchip that is embedded into a plastic credit or debit card. It is virtually impossible to copy, facilitates the evolution of security methods and processes, and is capable of holding many applications.

Chip Card

A plastic credit card with an embedded computer chip that communicates information to a chip-reading device during the transaction process.

Chip-Initiated Transaction

An EMV and VIS-compliant chip card transaction which is processed at a chip-reading device using full-chip data, and limited to Visa and Visa Electron Smart Payment Applications, or EMV and VIS-compliant Plus applications.

Copy Request

A request for a copy of an original transaction from the Issuer Center to the Acquirer Center. See also Request for Copy (RFC) or ‘Original Transaction’.

Credit Transaction

A merchant refund or price adjustment credited to the cardholder.

Customer

Visa’s customers are issuers and their cardholders; and acquirers and their merchants. Issuers’ customers are cardholders; and acquirers’ customers are merchants.

Direct Exchange

A Visa U.S. payment network for member and VisaNet processing endpoints, which uses open and secure Internet technologies and commercially available software to access the VisaNet systems.

Dispute Resolution Questionnaire

A series of exhibits designed for each chargeback category to facilitate the exchange of information. The Visa Resolve Online Dispute Resolution Questionnaire is referred to as the Visa Dispute Resolution Exhibit in the *Visa Core Rules and Visa Product and Service Rules*.

Documentation

Correspondence, drafts, receipts, or any other information that contributes to the dispute resolution process.

Download

Transferring programs or data from a computer to a connected device such as a workstation or microcomputer.

Fraud

Fraud occurs when an individual who is not the cardholder or designee uses a card or its account number to obtain goods or services without the cardholder's consent. Fraud also occurs when a card is obtained through misrepresentation of identification or financial status.

Host System

The computer system used at the processing center to process authorization-related messages.

Images

Supporting documentation/information attached to a case such as a sales draft, correspondence, etc. Contributes additional information to the dispute resolution process.

Issuer

A member who has a direct relationship with, and issues Visa cards to, cardholders. The issuer is the entity ultimately responsible for approval or denial of any use of a card for purchases and cash withdrawals advances.

Member Message Text

Standardized text used to explain to the receiving member why a chargeback or representment is being processed. Certain chargebacks and representments are not valid without the Member Message Text.

Member Site Administrator

The Member Site Administrator has access to administration pages and functions. These functions are limited to user maintenance and not member set-up. The member Site Administrator also runs reports.

Merchant

An entity that contracts with an acquirer to accept Visa transactions.

Merchant Category Code (MCC)

A four-digit number assigned to describe a merchant's primary business. In addition, some MCCs identify specific merchants and types of transactions.

Original

Refers to the original sales draft (or electronic transaction detail) of a purchase or cash advance transaction.

Original Transaction

In the VisaNet System, the first presentation of a purchase, credit, or cash advance submitted into interchange.

Preauthorized Payment Cancellation Service (PPCS)

Enables Visa card issuers to stop payment on preauthorized electronic funds transfers, such as automatic bill payments and installment payments. Issuers can use the PPCS to inform acquirers and their merchants—via an authorization response—that a cardholder has requested a stop payment for either one specific payment or all subsequent payments.

POS

POS stands for either "point of service" or "point-of-sale". The intent of both phrases is the same: the place where the customer and card acceptor are located at the time a card (or check) is used for purchase or cash. The term "point of transaction" is also used for this location.

Representment

A term used in lieu of subsequent or second presentment. By processing a representment, the acquirer states the transaction being sent to the issuer for payment is in compliance with the *Visa Core Rules and Visa Product and Service Rules*.

Request for Copy (RFC) or Original Transaction

A transaction generated when an issuer requests the original or a copy of the original transaction, followed by a confirmation that records the sending of the original or copy. Also known as a documentation or media request.

Retrieval Request

See "Request for Copy (RFC)".

Single Message System (SMS)

The Single Message System (SMS) is an online facility that provides authorization, clearing, and settlement services. It is used for transactions that require online processing, such as Interlink and PLUS transactions. It can also be used to process debit card transactions.

Stand-In Processing Service (STIP)

A Visa service that provides authorization processing services for an issuer or authorizing member. The Visa STIP may authorize a transaction because a member is unavailable or because the member has requested that Visa authorize low-risk transactions on the member's behalf.

Substitute Draft

Specific transaction information queried through Visa Resolve Online and sent to the inquiring member user on behalf of a cardholder or merchant. Additionally, substitute drafts can be sent to the appropriate cardholder or merchant.

Third Party Agent

An entity that provides payment related services, directly or indirectly, to a member and/or stores, processes, or transmits cardholder data. A Third Party Agent must be registered by all Visa members utilizing their services, directly or indirectly.

Transaction

The act between a cardholder and a merchant, or a cardholder and a member, which results in the origination of a transaction receipt.

Transaction Inquiry

Visa Resolve Online enables an inquiry of transaction information (authorization and settlement) using a Transaction Inquiry. This tool can be used while a cardholder or merchant is on the phone with bank customer support staff. It can also be used to verify some chargeback rights.

Upload

Method of transmitting data, files, or images from your computer to Visa Resolve Online.

Visa Assistance Center (VAC)

A 24-hours-a-day, 7 days-a-week Center accessed through either a toll-free or collect telephone number where a cardholder can obtain:

- Information and certain types of emergency assistance while traveling.
- Emergency Cash Disbursements and Emergency Replacement Cards.

Visa Electron Card

A debit or prepaid card that is issued in countries around the world. The card is currently not issued in the U.S., but is accepted at many U.S. merchant locations. Electron cards have slightly different security features than other Visa cards: the front of the card contains an Electron rather than a dove hologram, and the 16-digit account number is printed, not embossed.

Visa Fraud Reporting System (FRS)

A simple process that allows members to electronically report all of their fraudulent transactions through VisaNet.

VisaNet

The data processing systems, networks, and operations that are used to support and deliver authorization services, exception file services, clearing and settlement services, etc.

VisaNet Copy Request and Fulfillment Service (VCRFS)

An automated Visa process for transmitting and fulfilling copy requests, available through Visa Resolve Online.

Visa Online (VOL)

A secured web site that is part of Visa's ongoing efforts to build successful relationships by facilitating the rapid exchange of information with members. Using a computer with Internet access, members can quickly obtain the information they need through Visa Online.

Visa Resolve Online

A web-based tool that enables electronic exchange of information to expedite dispute resolution. Participants have real time access to transaction data, which enables them to request information, create substitute drafts, and respond quickly to customer inquiries at the first contact.

