

CHANGES TO VISA DISPUTE PROCESS

In April 2018, Visa will introduce a new dispute process called Visa Claims Resolution (VCR) for all regions. VCR is a Visa regulatory mandate designed to streamline the dispute process and move from a 'litigation-based' approach to a 'liability assignment-based' approach. The chargeback cycle is currently 45 days. With this new process, the response timeframe will decrease to 30 days.

With the decreased response timeframes, if you currently receive notifications via mail, your ability to respond in a timely manner could be impacted. If you would like to change your distribution method, the following options are available and listed in order of efficiency: Online Case Management (most efficient), Email, or Fax.

VISA will consolidate 22 different chargeback reason codes into 2 groups with 4 dispute categories: ALLOCATION OR COLLABORATION



TIPS FOR PROCESSING TRANSACTIONS AND REDUCING CHARGEBACK EXPOSURE

For all transactions

- Merchants may avoid disputes by responding to copy requests for drafts. In addition, the transaction date listed on the retrieval request may not be exact, therefore, you should always check for the transaction receipt at least three days prior and three days after the date listed on the letter.
- Obtain authorization for the full amount of the sale. Do not split a declined transaction into smaller increments to obtain an authorization. If an authorization request is declined, request another form of payment. An authorization code does not guarantee that a transaction will not be disputed later.
- The issuer is required to supply only the date, transaction amount and the card number on all retrieval or dispute requests. They are not required to provide the cardholder's name.
- Quality disputes can best be resolved directly with the cardholder as the information provided as rebuttal is considered to be compelling evidence and not a true remedy.
- If you wish to process a refund for a transaction, refunds should be issued to the card that was previously charged, not via cash, check or another card.
- Do not issue credit if you have already received a dispute and been debited. Funds may not be able to be recovered.
- Do not store CVV codes or make copies of credit cards.

For EMV transactions

- To avoid EMV disputes, ensure you have an EMV enabled terminal to accept chip cards. EMV cards must be dipped or inserted into the terminal.
- If you accept chip enabled cards at a non EMV device, you will be financially liable for the dispute.

Face to Face Transactions

- If you have a special policy regarding returns or refunds, be sure it is printed on the sales receipt in letters approximately 1/4 inch high and in close proximity to the card holder's signature line.

For MO/TO & E-Commerce (Where card is not Present) Transactions

- Verify the card holder's identity by obtaining phone number and address by using the address verification system (AVS). Verify the card verification value (CVV2) printed on the back of the card. Use of CVV2 and AVS can lessen a MO/TO/Internet merchant's risk of chargebacks by providing better information on which the merchant can make better business decisions..
- Charge the account at the time the merchandise is shipped.
- If you have a special policy regarding returns or refunds, the terms and conditions should be displayed on the 'check out' screen of the transaction and that the appropriate click to accept rules have been followed.
- To validate a shipment to a foreign country, utilize the Code 10 system by calling into your Voice Authorization center.