

MERCHANT GUIDELINES FOR DISPUTE MANAGEMENT

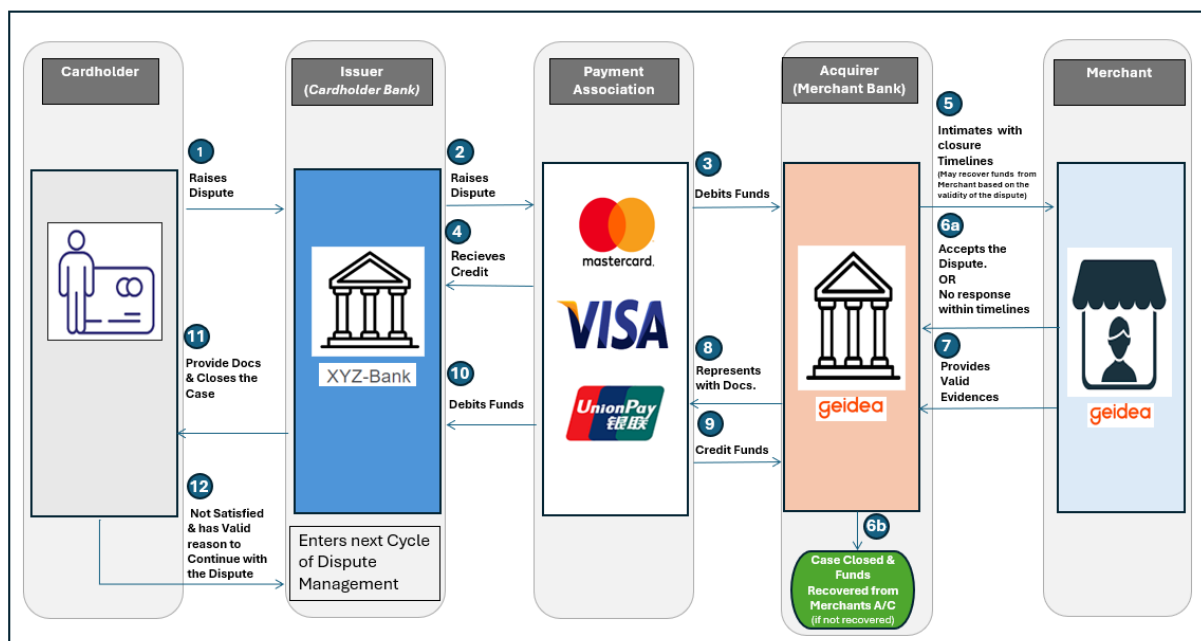
1) What is Transaction Dispute?

Transaction Dispute is non-acceptance of the financial Debit reflected on the cardholder's account. The cardholder is expecting a refund for the financial amount that is being disputed.

2) Who Initiates a Chargeback?

The chargeback is initiated by the customer through the Bank that has issued the card. The Issuing bank facilitates the chargeback process on behalf of the customer.





3) High Level End to End Dispute Flow ?



4) What are the Stages in Dispute Management?

Chargeback	Issuer To Acquirer	An Issuer charges the transaction back to the Acquirer due to Customer Dispute or due to a non-compliance which led to non-recovery of the transaction value. (Issuers have the right to chargeback up to 120 days in general and 540 days for service-related chargeback)
Representation	Acquirer To Issuer	Acquirer presents the merchant documents or returns the transaction to the Issuer which was previously charged back by the Issuer.
Pre-Arbitration Request	Issuer To Acquirer	Issuer makes one last attempt to sort out the dispute directly with the Acquirer before filing the case with Schemes.
Pre-Arbitration Response	Acquirer To Issuer	Acquirers Response to the Issuers Pre-Arbitration Request.
Arbitration Filing	Issuer To Payment Association	When both members are not able to resolve the dispute, a case may be filed to the Dispute Arbitrator Committee of the payment association. Based on the Committee Ruling a \$500.00 filing fee to the losing member.

5) What are the categories of Dispute Codes?

 <p>Consumer Disputes</p> <p>These are the transactions that are deemed unauthorized or fraudulent by the cardholder. This includes cases where the cardholder claims they did not authorize the transaction or were a victim of identity theft or card theft.</p>	 <p>Fraudulent</p> <p>These are the transactions that are deemed unauthorized or fraudulent by the cardholder. This includes cases where the cardholder claims they did not authorize the transaction or were a victim of identity theft or card theft.</p>
 <p>Processing Error</p> <p>Chargebacks in this category occur as a result of error encountered during transaction processing. Examples include occasions where the cardholder was charged incorrectly, charged multiple times, or due to an currency difference.</p>	 <p>Authorization</p> <p>These are the transactions that are deemed unauthorized or fraudulent by the cardholder. This includes cases where the cardholder claims they did not authorize the transaction or were a victim of identity theft or card theft.</p>

6) What are the Best Practices to be followed by Merchants to Reduce Chargebacks & Losses?

A) Responding to a Dispute

Provide your Acquirer with Correct information and relevant documents about the disputed transaction in a timely manner.

General documents required for a dispute are,

- Retails Merchants: POS slip, Invoices & Signed Delivery receipt.
- E-Commerce Transaction: Online Invoices details of transaction, Signed Delivery receipt, T&C on Cancellation policy acknowledged by the cardholder.
- Car Rental Merchants: Signed Rental Agreement with vehicle check-in & out Inspection report, Invoices, POS receipt, signed estimated cost for repair, Traffic fine invoice from civil authority.
- Hotel Merchants: Guest registration, Hotel Invoice, Cancellation policy acknowledged by the cardholder.
- Airline Merchants: Ticket Copy, Invoice with Terms & Condition / Cancellation policy, Passenger manifest.

B) Refund Processing

- Do not process Refund after the card issuer has initiated the dispute.
- Always issue credit in the currency originally requested during conversion.
- Always issue credit in the original Card that was used to debit.
- When issuing a credit, use the same merchant business name that was on the original transaction receipt.
- Process payment credits immediately to avoid cardholder disputes.

C) Delivery of Goods / Services

Goods and services must be delivered to the customer by the committed time at the agreed location described at the time of purchase. Its advisable to obtain acknowledgement / proof of the receipt of goods and services.

D) Display of Returns, Exchanges and Cancellations Policies

Display of all the customer policies should be displays on the Merchant Website, this will help in reduction customer enquiry, Complaints & Disputes.

E) Pre-Authorization

Merchant should realistically estimate the Pre-Authorization amount & initiate services to customer only on receipt of a valid approval. On completion the merchant must ensure that valid authorization has been obtained and does not exceed the authorized amount, and completion should be processed in accordance with card scheme guidelines.

F) DCC Transaction

If the Cardholder has chosen to opt in for DCC service, the Cardholder must be provided with a Transaction receipt that discloses,

- The total Transaction amount in the local currency
- The total Transaction amount in the converted currency as agreed to by the cardholder.
- The currency symbol or code of each
- The currency conversion rate used.

G) Processing Error

Merchant must process terminal End of Day functions daily to avoid any Reconciliation & Pending Processing Errors. Transaction Voids can be performed only before the Z-Report on same day.

H) Pre-Authorization

Merchant should realistically estimate the Pre-Authorization amount & initiate services to customer only on receipt of a valid approval. On completion the merchant must ensure that valid authorization has been obtained and does not exceed the authorized amount, and completion should be processed in accordance with card scheme guidelines.

I)_DCC Transaction

Merchant should check with the cardholder if he wants to Opt in or Opt out of the DCC service.

If the Cardholder has chosen to opt in for DCC service, the Cardholder must be provided with a Transaction receipt that discloses,

- The total Transaction amount in the local currency
- The total Transaction amount in the converted currency as agreed to by the cardholder.
- The currency symbol or code of each
- The currency conversion rate used.

J) Processing Error

Merchant must process terminal End of Day functions daily to avoid any Reconciliation & Pending Processing Errors. Transaction Voids can be performed only before the Z-Report on same day.

K) No Show, Charges for Loss, Theft, or Damage

These Charges must be processed as a separate transaction from rental, lodging, or other transactions. The merchant must send out a communication & provide a reason for the charge and a reasonable estimate of the cost of repairs to the cardholder and attempt to obtain the cardholder's authorization.

L) Traffic Violation charges

The merchant may charge the cardholder for any violations, provided that they were incurred while the cardholder was in possession of the vehicle and the following conditions were met,

- The merchant must obtain an Online Approval for the charges on the same card that was signed up for in the cardholder contract with the Merchant.
- Traffic invoices from civil authority with complete details of the violation License number Time and location of the violation Statute violated Amount of the penalty.
- Always adhere to the scheme Timelines & guidelines for processing these transactions.

For any chargeback/ dispute related queries, please email us @ DisputeMgt@geidea.net
