

# MERCHANTS SHOULD PROVIDE COMPELLING EVIDENCE



## Visa is Making the Dispute-Resolution Process Better for Merchants

In recent years, Visa® has made many significant changes in chargeback rules. We're always looking to better align and simplify the dispute-resolution process while also keeping pace with the needs of the payment industry.

## Upcoming Changes to Representation Rights

Visa is continuing to refine its dispute-resolution process for merchants by adding new representation processing requirements for compelling evidence. Compelling evidence will allow merchants to provide additional types of evidence to try and prove the cardholder participated in the transaction, received the goods or services, or benefited from the transaction. This revision will be added to several chargeback reason codes.

Below is a brief overview of what's ahead in **April 2013**.

## Compelling Evidence Reason Codes

Effective for representations processed on or after **20 April 2013**, merchants will have a representation 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 81	Fraud - Card-Present Environment
Reason Code 83	Fraud - Card-Absent Environment

For merchants, it's important to remember that this is only a new representation right and not a remedy for the chargeback.

## Issuers Must Address Compelling Evidence

With new compelling evidence representation rights for merchants comes the need to ensure issuers provide this information to their cardholders. Effective for representations processed on or after **20 April 2013**, if compelling evidence is provided by the acquirer with the representation issuers must attempt to contact their cardholder with this new information. Issuers will be required to provide certification through Visa Resolve Online that an attempt to contact the cardholder with the compelling evidence has been made.

## Pre-Arbitration Requirement for Issuers

Prior to filing an arbitration case with Visa, if the issuer refutes the compelling evidence provided with the representation by the acquirer effective on or after **20 April 2013** 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.



**Compelling Evidence is providing proof the cardholder participated in the transaction, received the goods or services, or benefited from the transaction.**

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 e-mails, 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
30, 81, 83	For a Card-Absent Environment Transaction in which the merchandise is picked up at the Merchant location, any of the following: <ul style="list-style-type: none"> <li>Cardholder signature on the pick-up form</li> <li>Copy of identification presented by the Cardholder</li> <li>Details of identification presented by the Cardholder</li> </ul>
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 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.
30, 81, 83	For Electronic Commerce Transactions representing the sale of digital goods downloaded from a Website, one or more of the following: <ul style="list-style-type: none"> <li>Purchaser's IP address</li> <li>Purchaser's e-mail address</li> <li>Description of the goods downloaded</li> <li>Date and time goods were downloaded</li> <li>Proof that the Merchant's Website was accessed for services after the Transaction Date</li> </ul>
30, 81, 83	For Transactions 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 an employee of the company at that address (e.g., confirmation that the Cardholder was listed in the company directory or had an e-mail address with the company's domain name). A signature is not required as evidence of delivery
30, 81, 83	For a Mail/Telephone Order transaction, a signed order form
30, 81, 83	For passenger transport transactions, any of the following: <ul style="list-style-type: none"> <li>Proof that the ticket was received at the Cardholder's billing address</li> <li>Evidence that the boarding pass was scanned at the gate</li> <li>Details of frequent flyer miles claimed, including address and telephone number, that establish a link to the Cardholder</li> <li>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</li> </ul>
81, 83	For Card-Absent Environment Transactions, evidence that the Transaction uses data, such as IP address, e-mail 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

 **Resources**

Visa offers a number of risk and chargeback management materials as part of its merchant education program. To download these publications visit [www.visa.com/merchants](http://www.visa.com/merchants).

**KEY-ENTERED**

**Simplified Procedures for Magnetic Stripes That Cannot Be Read (U.S. domestic only)**

U.S. merchants in the face-to-face sales environment may include CVV2 in the authorization request for U.S. domestic key-entered transactions in lieu of taking a manual card imprint.



**CHARGEBACKS**

**Chargeback Management Guidelines for Visa Merchants**

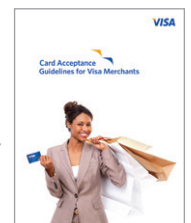
covers chargeback requirements and best practices for processing transactions that are charged back to the merchant.



**ACCEPTANCE**

**Card Acceptance Guidelines for Visa Merchants**

provides merchants and their sales staff with accurate, up-to-date information and best practices for processing Visa transactions.



**For more information, contact your acquiring bank, processor or Visa representative today.**

