Visa Claims Resolution

Efficient Dispute Processing for Merchants

With the number of disputes rising, and processing time and costs increasing, Visa is excited to introduce the Visa Claims Resolution (VCR) initiative.

For More Information

Contact your merchant bank for more details.

How Visa is Making the Dispute Process Better for Merchants

In recent years, Visa has made many significant changes in chargeback rules to have consistent rules globally for merchants and acquirers. To improve the efficiency of handling chargebacks, Visa is focused on shortening and simplifying the dispute-resolution process while also keeping pace with the needs of the payment industry. As changes are made, sharing them with you is part of our commitment to merchants as we help your payment process run smarter and more efficiently.

New Dispute Process

The VCR initiative seeks to simplify dispute processing by migrating from a litigation-based model to a liability assignment model. Visa will leverage existing data and use the Visa global dispute platform, Visa Resolve Online (VROL), to simplify the processing of disputed transactions. With this enhanced dispute process Visa will proactively eliminate invalid disputes wherever possible, promote automated liability assignment, and reduce the resolution timeframe for disputes.

System Edits Reduce Disputes

With the new enhanced dispute process Visa will identify and block disputes that do not meet the necessary criteria for the selected dispute category. For example: approved authorizations; proper fraud reporting; fraud disputes on new authorized transaction after a fraud dispute or fraud report on the same account. This added layer of information and system edits protects the integrity of the dispute ecosystem and will reduce the number of disputes processed by clients.

© 2016 Visa. All Rights Reserved.

Consolidation of Chargeback Reason Codes

As part of the VCR Initiative, the 22 chargeback reason codes will be consolidated into 4 dispute categories:

Providing merchants with simplified dispute categories reduces the complexity of the dispute process. Visa will continue to provide the same level of data received today and in some cases additional data to help merchants understand the reason for the dispute. In addition, issuers will be required to fill out an enhanced Dispute Questionnaire that will ensure that all the required information is captured before the dispute can be initiated, this allows for a quicker more efficient process.

Visa will be reducing timelines, touchpoints and processes involved in dispute resolution.

Streamlined Processing

Visa will be reducing the timelines, touchpoints and processes involved in dispute resolution by proposing that all disputes follow one of two new processes:

- **Allocation** – For most fraud and authorization disputes, VROL will determine an initial liability assignment in real-time. Acquirers and merchants will have the ability to respond under certain conditions (e.g., compelling evidence, invalid data, credit issued, and evidence of a manual imprint).
- **Collaboration** – While most disputes will fall under the category of allocation, a subset will still require interaction between merchants, acquirers and issuers. Through a concept called collaboration, VCR will reduce the timeframes and simplify this communication through a streamlined workflow.

The Benefits

Reduced Resolution Timeframe

Today, disputes typically take approximately 46 days to resolve, with the more contentious issues taking more than 100 days. The new enhanced dispute process will provide more efficient processing and in some cases less need for multiple cycles of back and forth to exchange information and documentation, which will allow for quicker resolution of the dispute.

Our new expedited resolution process is expected to reduce the time and resources it takes merchants to respond to disputes. We expect most disputes to be resolved within 31 days, a significant reduction to the time it takes today, which will benefit merchants, cardholders and clients.

Process Optimization

The new enhanced dispute process will reduce unnecessary processes by removing invalid disputes from the system that provide limited value to the bottom line of merchants, acquirers and issuers. By becoming more efficient with the dispute resolution process, merchants can focus on value-added tasks and dedicate their time to providing other services to their customers.

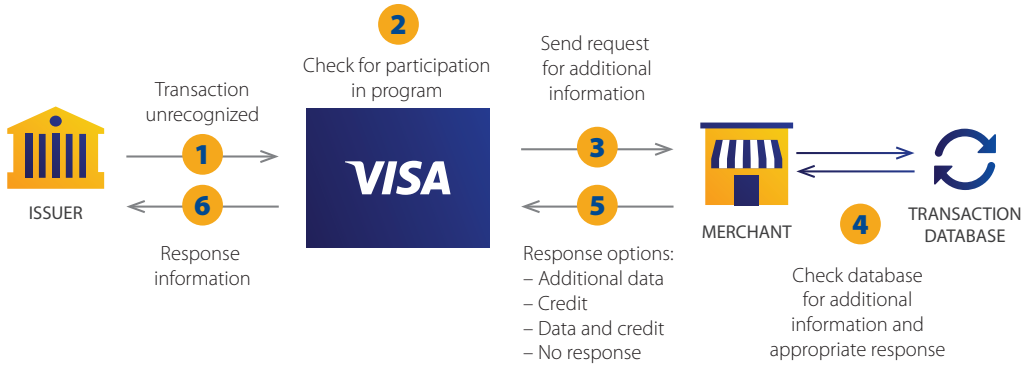
© 2016 Visa. All Rights Reserved.

Merchant Purchase Inquiry

The Integrated Merchant Purchase Inquiry is a simple, easy to implement plug-in to Visa's globally used dispute platform VROL.

This solution allows merchants to avoid disputes through a system-to-system interface, where additional data elements pertinent to decision making are provided to issuers at the beginning of the dispute process. Eliminating a potential dispute from becoming a chargeback will yield significant cost savings for merchants and issuers.

How it Works[1]



1. Issuer tags the request as unrecognized and requests more information
2. Visa confirms merchant participation in Visa's Integrated Merchant Purchase Inquiry solution
3. Visa sends a request to the merchant for additional data
4. Merchant runs internal rules to determine the best response
5. Merchant sends one of the following responses[2]
   - Respond with additional data – provides transaction-specific data such as a description of goods purchased or device used
   - Respond with customer credit – allows you to credit the cardholder prior to receiving a chargeback
   - Respond with additional data and a credit
6. The response is forwarded to the issuer

[1] Features, functionality, implementation details, schedules, and fees, may be subject to cancellation or change at Visa's discretion. Services may not be available in all countries.

[2] This is an optional service, you are not required to respond.

© 2016 Visa. All Rights Reserved. VBS 14.APR.16