



Visa Merchant Dispute Resolution Best Practices



It is up to every Visa merchant to help resolve payment card disputes efficiently and cost effectively while providing the best possible service to customers. The more you know about Visa's dispute resolution rules and key requirements, the more capable you are at responding to an incoming dispute claim and making accurate and timely decisions. This document is designed to help merchants properly handle transactions that have been charged back to their business by their acquiring bank. Here you will find best practices targeted to the needs of both card-present and card-absent merchants.

This information provides industry insights that can help contribute to your back office dispute resolution success. We encourage you to share these best practices with your managers and staff

Best Practices

Acceptance

- **Always follow the basic payment acceptance rules for all Visa transactions.** Careful and consistent adherence to the Visa payment acceptance rules will help you enhance customer satisfaction and operate your business efficiently. Work with your merchant bank to ensure that you have a solid grasp of the policies and procedures that you must follow as a Visa merchant.
- **Accept all types of Visa cards.** To offer the broadest possible range of payment options to cardholder customers, accept all categories of Visa debit, credit, and prepaid cards.

For further information regarding Visa payment acceptance rules, refer to the Visa Core Rules and Visa Product and Service Rules available on www.Visa.com.

Authorization and Transaction Data Quality

- **Process all Visa transactions using the proper authorization and transaction data.** Your authorization request should contain the correct transaction date, Merchant Category Code (MCC), merchant or transaction type indicator, country or state code, Special Condition Indicator, and any other required field data. If you obtained an authorization using invalid or incorrect data, you could end up with a cardholder dispute.

Compelling evidence allows merchants or merchant banks to 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.

Issuing Credits

- **Do not provide a credit after the card issuer has initiated the dispute.** This can result in an overpayment to the cardholder and add unnecessary steps to the dispute resolution process.
- **Always issue credit in the currency originally requested during conversion.**
- **When issuing a credit, use the same merchant business name that was on the original transaction receipt.**
- **Process Visa payment credits immediately to avoid cardholder disputes.**

Refund/Credit Authorization

- **Effective 19 October 2019, obtain an authorization prior to processing a credit transaction.** Be sure to process the credit in accordance with the authorization validity timeframes, just as you do with regular, non-credit transactions.
- **For refunds, make sure your credit message contains the correct data from the credit authorization.** This helps the issuer correctly match the credit to the original purchase transaction.

Compelling Evidence

- **Provide complete and valid compelling evidence when applicable.** Merchants have a right to provide compelling evidence for these two dispute conditions:
 - Condition 10.4 – Other Fraud-Card-Absent Environment
 - Condition 13.1 – Merchandise/Services Not Received
- **Work with your merchant bank to make sure you are submitting valid compelling evidence.**
- **Understand that compelling evidence is not a dispute remedy.** It is, however, a valuable tool to help merchants support their case.

For further information regarding compelling evidence, refer to the Visa Core Rules and Visa Product and Service Rules available on www.Visa.com.

Dispute Reduction

- **Use the Visa Merchant Purchase Inquiry (VMPI) service to reduce the time and resources needed to respond to cardholder disputes.** VMPI gives merchants an opportunity to reduce disputes by providing additional transaction information in real-time to issuers and cardholders before a dispute gets started (i.e., while still in the investigation stage).
- **Determine if your business can benefit by using the VMPI service. Key considerations are as follows:**
 - Merchants with high volumes of Unrecognized, Fraud, or vague descriptors are ideal candidates for VMPI.
 - Merchants and merchant banks that process small value transactions are good candidates for the VMPI service.
 - Merchants with increased disputes involving Digital Goods.

Visa vs. Merchant Bank Requirements

- **Work with your merchant bank to make sure that you have a clear understanding of any additional dispute resolution requirements aside from those stated in the Visa rules.** Merchant banks may have certain requirements in their merchant contracts that are outside of Visa rules, but part of the agreement with merchant bank and merchant.
Example: A merchant bank may require a merchant to respond within 10 days of dispute notification or to provide a sales receipt with every response.
- **Understand that when Visa and merchant bank dispute requirements differ, Visa requirements will prevail.**

Arbitration Case Filings

- Understand your merchant rights before you file an Arbitration case involving a fraud or authorization related disputes.
- Before your merchant bank sends it to Visa arbitration:
 - Make sure your back-office staff is familiar with all dispute rules and they have a clear understanding of what is and what is not a dispute remedy for a specific case.
 - If a case is filed with Visa and the cardholder dispute is valid or if you have not provided a proper remedy, your business may incur filing and review fees.

Visa Dispute Resolution Tools for Merchants

The following merchant resources are available on Visa.com:

- [Visa Online Dispute Guide for Merchants](#) – Designed for smaller merchants who often ask for help responding to transaction disputes.
- [Dispute Management Guidelines for Visa Merchants](#) – Provides merchants and their back-office staff with accurate, up-to-date information to help minimize the risk of loss from fraud and disputes. This document covers dispute requirements and best practices for processing transactions that are charged back to the merchant by their merchant bank.

Visa Dispute Life Cycle at a Glance

