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Requirements and Best Practices for Purchase Return Authorization Messages for Acquirers

AP, Canada, CEMEA, LAC, U.S. | *Acquirers, Processors, Agents*
Visa Network; V PAY; Europe Processing

Overview: Visa is reminding acquirers and their merchants of the upcoming global requirement for sending purchase return authorization messages and providing best practices.

As announced in the 6 June 2019 edition of the *Visa Business News*, **effective 18 April 2020**, all merchants[1] globally must send credit voucher / merchandise return authorization messages to VisaNet, and issuers globally may initiate Visa Claims Resolution (VCR) "No Authorization" disputes on credit transactions.

[1] Optional for airlines and mass transit merchants

> **Mark Your Calendar:**
> **18 April 2020**
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> - All merchants globally must send purchase return authorization messages
>
> - Issuers may initiate Visa Claims Resolution "No Authorization" disputes on credit transactions

General Best Practices for Merchants and Acquirers

Acquirers and merchants should follow the below best practices for sending purchase return authorization messages:

- The primary account number (PAN) and expiration date are the minimum mandatory data requirements for supporting the authorization request for purchase return transactions. It is a good practice to either have the cardholder re-present the card or confirm that the information on file is still up-to-date to avoid a decline due to account reissue.

- Clients that participate in Visa Account Updater (VAU) should include accounts to be refunded in their VAU inquiry batch file.

- Merchants and acquirers should use the POS entry mode that corresponds to the type of merchandise return transaction. If the credential for return is captured with a different method than the original purchase, the POS entry mode from the original purchase should not be retained. For example, in the scenario where the card is not swiped / dipped, or the device is not tapped, a POS entry mode of 01 / key entered is recommended to ensure the PAN and expiration date are sent to the issuer.

- Any authentication or cryptographic data from the original purchase should not be retained, recalled or replayed in the purchase return authorization messages as this may be seen as a fraudulent use of the original transaction data and may cause the authorization request to be declined.

- Response codes of 00 (approval) or 85 (no reason to decline) must be actioned as an approval response.

- A merchant may process the refund onto a different (alternate) Visa account under the following circumstances:

    - The original account is no longer available or valid (for example, the original card has been replaced due to expiration or being reported lost or stolen, or was a Visa prepaid card that has since been discarded).

    - The authorization request for the refund transaction was declined by the issuer.

For More Information

Merchants and third party agents should contact their acquirer.