
Compelling Evidence 3.0 Acquirer Readiness

March 2023

Overview:

Visa is continuing to refine and improve the rules for addressing friendly fraud or first party misuse within the payment ecosystem. This document is designed to help acquirers and merchants prepare for the 15 April 2023 10.4 reason code changes to Compelling Evidence, known as Compelling Evidence 3.0 (CE3.0). Acquirers and merchants should begin educating their internal teams about the criteria that can qualify transactions for CE3.0, and importance of proper merchant set up for transaction matching criteria. This document includes a brief overview of the data needed to meet these criteria as well as the validation process for post-dispute participation. For further education please reference Business Enhancement Releases (BER) announcements and links below for webinars.

During the pre-dispute phase of the dispute processing, merchants can leverage Verifi's Order Insight® service to respond with the required criteria in real-time prior to the creation and processing of the dispute within Visa Resolve Online (VROL). The same required information can be delivered during the post-dispute, pre-arbitration response process via acquirers.

What criteria is used for dispute code 10.4 response?

The updated rules for CE3.0 state that merchants must share data that helps establish a historical footprint of previous purchase history by sharing two previous transactions that meet certain criteria, including:

- The transactions must be at least 120 days old but no older than 365 days (calculated from the dispute date).
- The transaction must have no active fraud report.
- The transaction must have no active fraud dispute. Note: Fraud reported under codes C and D will not be classed as a fraud dispute.
- At least two of the core data elements (User ID, IP Address, Shipping Address, Device ID / Fingerprint) match between prior transactions and the disputed transaction, and one of the two must be either the IP address or Device ID / Fingerprint.
- Transactions must be from the same merchant.

Important CE3.0 preparation considerations for merchant setup within acquirers' systems

Visa will apply merchant matching logic to identify 2 transactions that map to the same merchant to develop a historical footprint. To maximize transaction match rate, acquirers should become fully briefed on merchant matching criteria and best practices for merchant identifiers (i.e., merchant descriptors). Effective management of merchant matching will be critical to locating criteria and a merchants benefit from the CE3.0 update. (Please reference Merchant Matching Best Practices on Merchant Business News Digest or Visa Online)

Ensure that each transaction has a unique ARN. To find historical transactions, you must ensure there is no fraud activity on the transaction being used for historical footprint.

Note: Fraud reported under codes C and D will not be classed as a fraud dispute.

How should acquirers respond to pre-arbitration 10.4 fraud condition with the new qualifying data?

To respond to a 10.4 dispute under the updated rules, an acquirer will submit a VROL pre-arbitration questionnaire with all the required data elements (e.g., Device ID, IP Address, etc.) You will only be able to attempt submission of these criteria once. Carefully compile your response before submission. If acquirers attempt responses that are incorrect or incomplete, they will be declined.

VROL will validate the data elements provided in the pre-arbitration; if the elements are validated, the pre-arbitration will be sent to the issuer for their review. If the elements are not validated, the acquirer/merchant will not qualify for the compelling evidence remedy. Acquirers could, however, attempt a pre-arbitration for a different reason. As part of Visa's pre-dispute process, Issuers still need to accept the pre-arbitration or let it expire. As a reminder the pre-arbitration response process timeframe is 30 days. Issuers will have the option to decline pre-arbitration and pursue arbitration if they have proper evidence to disprove the CE3.0 qualification. Merchant and acquirers, like today have the option to file arbitration. (Note: fees apply)

Visa Resources available on Visa Online:

- Compelling Evidence 3.0 Merchant Matching Best Practices
- Test Scenario Document- Chapter 6
- VBN's re: rule changes June 22 & Sept 22
- Visa Net Business Enhancements Technical Letter - Section 2.2 VROL Mandatory Changes

Recorded Acceptance Webinars for Merchants and Acquirers:

Webinar	Registration
Evolution of Compelling Evidence 301— Acceptance (NA/LAC)	Registration link - NA/LAC acceptance registration link
Evolution of Compelling Evidence 301— Acceptance (AP)	Registration link - AP acceptance registration link
Evolution of Compelling Evidence 301— Acceptance (EU and CEMEA)	Registration link - EU/CEMEA acceptance registration link

Available resources:

- [CE3.0 101 recorded presentation - Acceptance](#) (please register to view the broadcast)
- [CE3.0 201 recorded presentation - Acceptance](#) (please register to view the broadcast)

Questions? Contact your regional Visa Resolve Online Help Desk:

- **AP:** APVROLSupport@visa.com
- **CEMEA:** CEMEAVROLSupport@visa.com
- **Europe:** customersupport@visa.com
- **North America:** rolsupport@visa.com
- **LAC:** Open a Visa Client Support Application (VCSA) case.

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