

Dispute Rule Updates: Evolution of Compelling Evidence

Global (excluding Brazil) | *Acquirers, Issuers, Processors, Agents*

Visa, Interlink Networks; V PAY; Europe Processing



Overview: Visa will update dispute rules and language to provide additional standardization of data to improve the effectiveness and efficiency of dispute processing.

Accelerated by the global pandemic over the last two years, the payments ecosystem has experienced a seismic shift toward the digital movement of money; VisaNet saw e-commerce growth at 20% per year, while person-to-person (P2P) payments grew to USD 378 billion in 2021.

Data exchange between merchants and issuers to identify trusted customers is key to securing payments in today’s digital commerce environment. There are many options for sharing data available to clients, including 3-D Secure (3DS) authentication, digital wallet and device-bound token provisioning, and Field 34, which carries additional cardholder authentication data in the authorization message.

To further support the benefits of data exchange and help to mitigate fraud for all ecosystem participants, Visa is modifying its dispute rules and creating a card-not-present (CNP) dispute remedy.

Effective for disputes processed on or after 15 April 2023, unless otherwise specified below, Visa will revise the Visa Rules regarding the following dispute-related areas:

- Dispute Condition 10.4: Other Fraud—Card-Absent Environment
- Compelling Evidence
- Dispute Condition 13.2: Cancelled Recurring Transaction

Dispute Remedy for Dispute Condition 10.4: Other Fraud—Card-Absent Environment

To provide for efficient and timely adjudication of fraud disputes, a new dispute remedy will be included for disputes raised under Dispute Condition 10.4: Fraud—Card-Absent Environment.

Effective for pre-arbitration attempts processed on or after 15 April 2023, an acquirer can remedy the issuer’s dispute by providing evidence of **all** of the following:

- Merchandise or services were provided.

Mark Your Calendar:

- Evolution of Compelling Evidence 101 webinars **(28 and 30 June 2022)**
- New dispute rules effective **(15 April 2023)**

- The same payment credential was used in two previous transactions that the issuer had not reported as fraud activity to Visa and that were processed more than 120 calendar days¹ before the dispute processing date.
- The device ID, device fingerprint or the IP address **and** an additional one or more of the following in both of the undisputed transactions are the same as the disputed transaction as applicable:²
 - Customer account / login ID
 - Delivery address
 - Device ID / device fingerprint
 - IP address

¹ The 120 calendar days does not apply if the other undisputed transactions were original credit transactions.

² The same data elements must match across both undisputed transactions and the disputed transaction.

The acquirer can provide any combination of the credentials listed above if at least one of the two credentials is either the device ID, device fingerprint or IP address. For example: The undisputed and disputed transactions have the same device ID and delivery address, the same IP address and login ID or the same device fingerprint and IP address. If proper evidence is provided by the acquirer, the issuer will not be allowed to continue the dispute.

Compelling Evidence Rules: Evidence of a Link to the Cardholder

Currently, acquirers can supply evidence that includes (but is not limited to) photographs or emails to prove a link between the cardholder and the person receiving the merchandise or services, or to prove that the cardholder disputing the transaction is in possession of the merchandise and/or is using the merchandise or services.

In an effort to simplify the dispute process and reduce the amount of unnecessary documentation, **effective for pre-arbitration attempts processed on or after 15 April 2023**, this rule (Visa Rules ID#: 0030221) will be updated to limit acceptable evidence only to photographic or email evidence. If the acquirer is unable to obtain email or photographic evidence to support a link between the cardholder and the person receiving the merchandise, they will no longer be able to select this option on the Visa Resolve Online (VROL) Questionnaire.

Examples of photographic evidence may include photos from the cardholder's social media showing the cardholder using the merchandise or services, snapshots of security footage taken at the merchant location showing the cardholder taking possession of the merchandise, or photos taken during delivery of goods showing the cardholder receiving the merchandise.

Examples of email evidence can include email correspondence from the cardholder indicating the merchandise was received, or asking the merchant how to put the items together, make it work, etc.

Compelling Evidence Rules: Evidence of Prior Undisputed Transactions

As the payments ecosystem continues to see advances in technology, additional tools have been identified across the industry to assist in detecting and identifying trusted customer transactions. One of these tools is the device fingerprint. A device fingerprint is the collection of a large amount of diverse and stable information (e.g., information about the operating system of the device, type and version of web browser being used and the device's IP address) used to recognize connections to users and identify suspicious devices. This information can be compiled into long-term records of an individual's transaction history with a merchant. In addition, when

combined with evidence that the cardholder has not disputed previous transactions using the same device fingerprint, device fingerprint data can significantly decrease the probability of invalid fraud disputes.

Currently, an acquirer may supply the following compelling evidence in response to a dispute under Dispute Condition 10.4: Fraud—Card-Absent Environment:

- “For a Card-Absent Environment Transaction, evidence that the Transaction used an IP address, email address, physical address, and telephone number that had been used in a previous, undisputed Transaction” (Visa Rules ID#: 0030221)

To meet this requirement, the acquirer would need to provide evidence that **all** of the above elements matched with prior undisputed transactions.

To maintain the equitable balance of the dispute ecosystem, this rule will be updated. **Effective for pre-arbitration attempts processed on or after 15 April 2023** under Dispute Condition 10.4: Fraud—Card-Absent Environment, the acquirer may supply evidence that **three or more** of the following elements had been used in a previous undisputed transaction:

- Customer account / login ID
- Delivery address
- Device ID / device fingerprint
- Email address
- IP address
- Telephone number

Dispute Condition 13.2: Cancelled Recurring Transaction

Visa has seen an increase in the use of Dispute Condition 13.2: Cancelled Recurring Transaction with growth in the digital realm and subscription services. Dispute Condition 13.2 must be used only when a cardholder has cancelled the payment method (i.e., they have advised the merchant to stop charging the payment credential). It is not to be used when the cardholder has cancelled the services / merchandise with the merchant. Therefore, it is important for an issuer to understand the cardholder’s intent before processing a dispute for a recurring transaction.

The issuer will now be required to provide additional details of when and how the cardholder advised the merchant to stop charging the payment credential and, if applicable, provide details of the other payment method provided to the merchant. This update will better assist issuers in aligning the dispute purpose with the correct use of this dispute condition.

Effective for disputes processed on or after 15 April 2023, the issuer must provide the following certifications to support Dispute Condition 13.2: Cancelled Recurring Transaction:

- The cardholder withdrew permission to charge the payment credential **and** all of the following:
 - The date the cardholder withdrew permission
 - Details used to contact the merchant, such as an email address, telephone number or physical address

- Details of the other form of payment provided to the merchant (if applicable)

No changes have been made for instances when the issuer notifies the merchant that the payment credential was closed or to dispute processing requirements in the Europe region.

Informational Resources: Webinars and Frequently Asked Questions

Resources for Issuing Clients, Processors and Agents

Clients, processors and agents can access the following resources in the [Visa Dispute Resolution](#) section at Visa Online:

- [Webinar](#):³ Evolution of Compelling Evidence 101 (Targeted for issuers; see next section for acquirer webinars.)
 - There will be three options available across different regions / time zones. The webinars are free of charge, and registration is required.

Webinar	Date / Time (Pacific Time)	Registration
Evolution of Compelling Evidence 101—NA / LAC Issuance	28 June 2022 , 10 a.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company
Evolution of Compelling Evidence 101—AP / CEMEA Issuance	28 June 2022 , 7 p.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company
Evolution of Compelling Evidence 101—Europe Issuance	30 June 2022 , 7 a.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company

- [Evolution of Compelling Evidence FAQs](#)

³ These webinars will be available on-demand at Visa Online afterward for those unable to attend live.

Resources for Merchants and Acquirers

Visa will host an Evolution of Compelling Evidence 101 webinar for merchants and acquirers in June 2022. There will be three options available across different regions / time zones. The webinars are free of charge, and registration is required.

Webinar	Date / Time (Pacific Time)	Registration
Evolution of Compelling Evidence 101—NA / LAC Acceptance	28 June 2022 , 10 a.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company
Evolution of Compelling Evidence 101—AP / CEMEA Acceptance	28 June 2022 , 7 p.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company
Evolution of Compelling Evidence 101—Europe Acceptance	30 June 2022 , 7 a.m. PT	Click the registration link <ul style="list-style-type: none"> • Enter your name, email and company

Merchants will be able to access the Frequently Asked Questions document in the Disputes section of the Visa Merchant Business News Digest at [visa.com](https://www.visa.com).

For More Information

Merchants and third party agents should contact their acquirer.

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