

COVID-19 Update—Policy for Subscription Merchants Offering Free Trials or Discounted Introductory Promotions

Global | Acquirers, Processors, Agents

Visa Network



Overview: Visa is providing an update on planned changes to acceptance and disclosure policies for transactions at merchants that offer free trials or discounted introductory promotions as part of an ongoing subscription service.

As announced in the 20 June 2019, 26 September 2019 and 20 February 2020 editions of the *Visa Business News*, **effective 18 April 2020**, Visa is updating acceptance, disclosure and dispute policies for transactions at merchants that offer free trials or discounted introductory promotions as part of an ongoing subscription service. As a reminder, with these changes, cardholders will be provided clearer information that will enable them to identify and act on subscription transactions, reducing the number of transactions that result in disputes.

As we continue to navigate the evolving impact of the COVID-19 pandemic, it is critical that the payment system remains stable and secure for all stakeholders. Visa recognizes that all our businesses are facing significant operational challenges, with the majority of our workforces operating remotely. Given the situation, Visa is providing an update on these policy changes.

Enhanced Statement Descriptor

The effective date of the requirement to support an enhanced descriptor for the first transaction at the end of a trial or discounted promotional period will be postponed to **17 April 2021**. Acquirers do not need to submit waiver requests for delaying implementation of the enhanced descriptor during this time.

Disclosure, Notification and Cancellation Requirements

A significant number of consumers around the world are sheltering in place / at home, and many of them are utilizing subscription services for the first time, often with a trial or introductory promotional discount (e.g., digital content / streaming, delivery of food or other goods). To that end, the effective date for the additional aspects of the updated policy will **remain 18 April 2020**, including:

- Express cardholder consent for transactions beyond the promotional period, and the requirement for merchants to provide a copy of the accepted terms and conditions to the cardholder at the time of enrollment
- Reminder notification to cardholder before the end of the trial / introductory promotional discount period

- Enhanced transaction receipts disclosing the details of the trial / introductory promotional discount period, including clear disclosure that the cardholder will be charged unless the cardholder takes steps to cancel any subsequent transactions
- Easier online cancellation, regardless of how the cardholder initially interacted with the merchant

Monitoring and Compliance

As announced in the 31 March 2020 edition of the *Visa Business News*, Visa is taking a tailored and pragmatic approach to rule compliance during the COVID-19 pandemic, focusing primarily on situations where payment system integrity is at risk.

As such, Visa will delay proactive enforcement of compliance actions related to this policy.

For More Information

Merchants and third party agents should contact their acquirer.

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