

# Chargeback Information



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## Facts about Retrievals and Chargebacks

A cardholder or bankcard issuer may dispute a card transaction for any number of reasons including a billing error, a quality dispute, or for the non-receipt of goods or services. These disputes result in a Retrieval or Chargeback to you.

## Frequently Asked Questions

### What is a Chargeback?

A chargeback is a transaction disputed by the cardholder or issuer. There are many reasons for chargebacks, but the most common are returned goods, terminated services, disputes, errors or fraud. Chargebacks are a costly part of accepting credit cards. However, merchants can minimise the risk of chargebacks at the time of sale by working to achieve maximum customer satisfaction and transaction accuracy.

### What is Arbitration?

Arbitration occurs when a disputed transaction cannot be settled through the chargeback process. The decisioning body is the relevant Card Association. The Merchant bears the cost for all fees, penalties and the transaction value where the case is not successfully defended.

### What is a Retrieval?

This is a request for transaction information e.g. copy of a voucher or proof of card holder signature. The retrieval request code will denote the details required. A retrieval can be requested by the cardholder's bank for up to 13 months from the sale date, therefore it is crucial that you keep your receipts for this time frame. When a copy of the transaction receipt is requested, you will receive a retrieval request notice. If the retrieval request is not acted upon quickly, or you provide an illegible sales draft, it will evolve into a chargeback, at which time your account will be debited for the amount of the disputed transaction.

### What is Compliance?

This is a procedure applicable in case of violation of any rules governing transaction, no chargeback rights available and resulting in financial loss (e.g. transaction amount split, delayed/amended charges processed without cardholders consent or out of timeframe).

### In case of a fraudulent transaction, does Elavon contact the relevant authorities on the merchant's behalf?

No, the onus lies with the merchant to do this.

### What is Good Faith?

The Card Associations lay down timeframes for receipt of documentation. Should the merchant supply requested documents outside these timeframes an attempt can be made to present them to the Card Issuer later. This is also known as Good Will. However, there is no guarantee that the Issuer will consider any documentation if it is presented late.

### What is Duplicate Processing?

This is where the cardholder claims the transaction was processed twice. The onus is on the merchant to provide proof to the contrary, failing which the merchant will be debited for the cost of the duplicate transaction.

### What is meant by "Not as Described"?

This applies when the goods or service ordered were not the same as described on the sales receipt or related documentation. Both cardholder and merchant must prove their case.

### What is Service not Rendered?

The cardholder is claiming that he has not received service stated or they paid by alternative means. The merchant must provide proof that the service was provided (e.g. shipping order).

### Who is liable for a card-not-present transaction?

If the card is not presented to the merchant at the time of the sale, in the event that the cardholder subsequently disputes the transaction the merchant is fully liable for the transaction as it cannot be fully secured. In the event of a Verified by Visa/MasterCard Secure Code activation, there are exceptions to transaction liabilities dependent on the transaction authentication from both a merchant and Card Issuer perspective.

### Can any insurance coverage be obtained for a card-not-present transaction?

Insurance cannot be taken but merchants can reduce their risk by utilising security features such as 3D Secure and the security code. In order to increase safety for card-not-present transactions Visa and MasterCard developed the security standards Verified by Visa and MasterCard Secure Code. Both methods are based on 3D Secure technology and verify online payments with a credit card by the legitimate cardholder through a password interrogation process. An additional safety feature is the security code (CVV2/CVC2) which ensures that the credit card is held by the buyer in order to reduce the usage of stolen or counterfeit cards.

### What is a Declined Transaction?

This indicates that the issuer does not approve the transaction. Please do not continue with the transaction and request an alternative method of payment.

### What is a Fraudulent Transaction?

The cardholder is stating that they were in possession of the card at all times and that they did not authorise or participate in the transaction. The merchant must supply proof that the transaction occurred.

### How to Reduce Chargebacks

1. Keep a record of your sales voucher
2. Ensure sales vouchers are legible
3. Make sure transactions are easy to identify
4. Respond with in the specified timeframe and provide required transaction information

### What is a Multiple Fraudulent Transaction?

The cardholder accepts one transaction but denies knowledge of other transactions. The onus is on the Merchant to provide appropriate proof of transactions.

### What is Not Matching Account Number?

The transaction card details are not on the issuer file. This occurs when a card number is taken incorrectly on a phone transaction or if an account is closed.

### What is Credit not Transferred?

The cardholder has not received the defined refund following return of good or cancellation of service as agreed (reference "refunds" on Top Association Rules).

## Top Retrieval Request Reason Codes

Visa Reason Code	Description	MasterCard Reason Code	Description
28	Request for copy bearing signature	6321	Cardholder does not recognise the transaction
32	Cardholder does not recognise transaction	6341	Fraud Investigation
33	Fraud analysis request		

## Top Chargeback Reason Codes

Visa Reason Code	Description	MasterCard Reason Code	Description
60	Illegible Fulfillment	4840	Fraudulent Processing of Transaction
75	Transaction not recognised	4837	No Cardholder Authorisation
81	Fraud – Card Present Environment	4863	Cardholder does not recognise
83	Fraud – Card Absent Environment	4870	Chip Liability Shift
71	Declined Authorisation	4847	Request Authorisation Not Obtained
72	No Authorisation	4808	Request Required Authorisation Not Obtained
74	Late Presentment	4812	Account number not on file
77	Non-Matching Account Number	4834	Duplicate Processing
80	Incorrect Transaction Amount or Account Number	4842	Late Presentment
82	Duplicate Processing	4860	Credit not Processed
86	Paid by other means	4853	Cardholder dispute – not as described/defective
74	Late Presentment	4855	Non-receipt of Merchandise
53	Not as described or defective merchandise	4859	Service not Rendered
85	Credit not processed		
30	Service not provided or merchandise not received		

## Card Association Definitions

### Hotel Bookings (No Shows):

The affected merchant can charge for one night stay only, the full amount cannot be charged to the cardholder. The onus is on the merchant to prove the Terms and Conditions were accepted by the Cardholder.

### Card not Present (CNP) Transactions:

Merchants are liable for all keyed/order and telephone transactions (MOTO) which are also referred to as card not present transactions. Internet transaction liability will vary depending on the transaction authentication for both the merchant and the Card Issuer perspective when 3D secure (Verified by Visa/MasterCard Secure) is utilised.

### Splitting Transactions:

Processing more than one transaction for a single purchase in order to obtain authorisation is not permitted under the Card Association rules and must not be done under any circumstances (one transaction, one authorisation code).

### Refunds:

A refund can only be processed on the card initially presented for payment. The refund must be equal to or less than the value of the original debit sale. Under no circumstances must a cardholder be given a refund by any other means e.g. cash or cheque.

### Authorisation:

Merchants are required to obtain permission from the cardholder prior to charging the card. The onus is on the merchant to prove permission was obtained. However, authorisation does not guarantee payment.

### Documentation:

This refers to the documentary evidence which the merchant must present within the time frames in response to a retrieval and chargeback notification presented to them by their acquirer. If the evidence is not provided as requested, the acquirer will not be able to defend the chargeback.

### Fees:

The acquirer has the right to charge the compliance or arbitration fee for each case that is filed with the Associations on the merchant's behalf.

### Note:

*To ensure chargeback and retrieval cases are addressed promptly, please ensure all requested documentation supplied to the Elavon Chargeback Team is legible and sets out all requested information. Merchants are contractually obliged to retain transaction documentation for a minimum period of 13 months from processing date.*

More information is available on [www.elavon.com](http://www.elavon.com)