

## Managing Disputes Through COVID-19: Additional Best Practices

**Global** | Acquirers, Issuers, Processors, Agents

Visa, Interlink, Plus Networks; V PAY; Europe Processing



**Overview:** Visa is providing additional information on best practices to manage dispute processing as a result of the COVID-19 outbreak. We will continue to share updates and additional information, as available.

As a follow up to "Managing Disputes Through COVID-19: Additional Information on Programs and Support," published in the 14 April edition of the *Visa Business News*, Visa is providing additional information to support clients with managing and responding to disputes.

As a reminder, Visa has not made any changes to its dispute rules or processing procedures. While there are no changes, this article includes helpful reminders of best practices within the existing rules.

Visa expects clients to act in good faith and make every effort to be flexible when resolving disputed transactions involving cardholders and merchants. Visa's expectation is that cardholders work directly with the merchant to resolve their issue, ahead of initiating a dispute with their issuer.

### Issuer Best Practices

- **Provide a detailed description of the merchandise / services not received by the cardholder.** Issuers must ensure they provide a detailed description of the merchandise / services not received. The description must include additional detail that is not found in the clearing record. Valid examples are provided below by merchant segment.

#### Valid Examples of Merchant Services Not Received

Merchant Segment	Valid Detailed Description Examples
Airline	<ol style="list-style-type: none"> <li>1) Flight from Dubai to New York</li> <li>2) Round trip flight from San Francisco to Tokyo on 1 March 2020 to 15 March 2020</li> </ol>
Lodging	<ol style="list-style-type: none"> <li>1) Hotel stay from 2 May 2020 to 10 May 2020</li> <li>2) Two hotel rooms for three nights with check-in on 3 February 2020</li> </ol>
Transportation	<ol style="list-style-type: none"> <li>1) Japan Rail pass for seven days</li> <li>2) Ride-share from restaurant to home</li> </ol>
Travel Services	<ol style="list-style-type: none"> <li>1) Hotel, car and air transportation for Rome, Italy</li> <li>2) All-inclusive package including hotel, flights and meals to Cancun, Mexico on 5 May 2020</li> </ol>

## Valid Examples of Merchant Services Not Received

Merchant Segment	Valid Detailed Description Examples
Vehicle Rental	1) Five-day car rental in Phoenix, Arizona 2) Compact car rental from Las Vegas to Los Angeles

- **Process valid disputes based on the Visa Rules.** Issuers by law may be required to provide cardholders with credits for disputes where a dispute right does not exist. Issuers should consult with their legal counsel for clarification. Issuers are advised to not use the Visa dispute process unless a valid dispute exists.
- **Evaluate the dispute amount against the cost of processing a dispute.** Review internal dispute write-off limits, which will help manage the volume of disputes. If the dispute process costs more than the actual dispute, re-consider thresholds.
- **Review cardholder automated initiated disputes before submitting.** Issuers should review their internal cardholder-initiated dispute processes prior to initiating the dispute. This will ensure the correct dispute reason is processed on behalf of the cardholder.

## Acquirer Best Practices

- **Advise online merchants to update their websites with their most current information, which should include:**
  - Guidance on how the cardholder can contact them
  - Reminders for cardholders that the merchant is handling large volumes of inquiries and therefore may take longer than usual to respond
  - If the merchants are processing automatic refunds, advise the cardholders of this on the website to prevent unnecessary calls / inquires. For example: Travel between 18 March and 20 March will be automatically refunded within the next 15 days.
- **Uphold government mandates and restrictions.** The acquirer needs to provide documented evidence of the government prohibition or regulation with the dispute response. In addition, include evidence that the merchant offered the cardholder a reasonable alternative credit in line with their terms and conditions. **Note:** an example evidence of a government prohibition would be obtaining the government restriction from the state's website and attaching the document to the dispute response.
- **Proper Disclosure for Online Purchases.** Acquirers are permitted to use standard documents to show that during the booking stage, the limited cancellation policy was properly disclosed and requires a click to accept. Online merchants are permitted to provide sample screenshots (as shown in the example below) to demonstrate that the return, refund or cancellation policy was clearly referenced during the sequence of pages during final checkout.

✓ I accept that I have read & agreed to the [Internet sales conditions](#) and the [sales and cancellation conditions](#) for the rate.

**CONFIRM**

## Credit and Refund Best Practices

- **Provide merchants time to issue a credit and process a refund before initiating the dispute process.** Due to the expected high volume of cancellations and refund requests related to COVID-19, it is recommended that issuers give merchants ample time to issue a credit before initiating the dispute process. The existing Visa Rules state that issuers need to adhere to the 15 day time-limit prior to submitting a dispute. Issuers should consider providing merchants an extension of time to issue credit to prevent unnecessary processing of a dispute.
- **Check for merchant credits prior to initiating a dispute and/or filing a case for arbitration.** Due to the high volume of merchant credits, identifying credits, adjustments and reversals before processing a dispute will help stop invalid disputes, saving issuers time and money.
- **Provide proper documentation for Credit Not Processed Disputes.** Issuers must ensure that they have a copy of the credit transaction receipt or voided transaction receipt when processing disputes relating to Dispute Condition 13.6: Credit Not Processed. This will help avoid taking losses for failing to provide required documentation.
- **Receive and respond to authorizations on credit transactions in a timely manner.** Issuers should not decline any valid credit authorizations if the cardholders account is in good status. Posting credit transactions to the cardholder account in a timely manner will avoid cardholders raising a dispute. In all regions (except U.S.), an issuer must post a credit to the cardholders account within five days from the settlement date. In the U.S., for credit cards, it is three days from the settlement date, and one day for debit and prepaid cards (unless circumstances or account history warrant a delay).
- **Check for invalid disputes and if credit was already processed.** It is important that acquirers review all disputes to ensure the issuer has processed a valid dispute. Also, check to see if the merchant issued credit. **Note:** if a valid dispute has been processed by the issuer, accept the dispute and do not issue a credit.
- **Process merchandise returns and credits within a timely manner.** Acquirers must process merchandise returns and credit transactions within five calendar days from the transaction date.

## Visa Resolve Online (VROL) Best Practices

- **Do not associate all credits that are returned to a dispute in VROL.** When a credit is included in the Associated Transaction Results list in VROL a subsequent dispute will be blocked. The practice of associating all credits that are returned is not recommended.
- **Use the VROL user interface to help find the correct transaction.** If using the VROL user interface, users have the ability to filter, sort and export the Transaction Inquiry results to help find the correct transaction.

## Verifi Best Practices

- **Prevent disputes with Order Insight (formerly Visa Merchant Purchase Inquiry [VMPI]).** Order Insight can help prevent disputes by delivering enhanced data about the transaction to the issuer. This is available through VROL Transaction Inquiry.
- **Take advantage of dispute mitigation services such as Verifi.** Last year, Visa acquired Verifi, a leader in technology solutions that reduce chargebacks. With the addition of Verifi, Visa extends chargeback and dispute resolution capabilities to support a broad range of payments brands and partners across the

ecosystem. If clients have specific questions on the Verifi services, clients can contact their Visa representative.

- **Look up merchants' responses to COVID-19 using the Verifi online directory.** The Verifi online directory links to merchant-specific Terms and Conditions, Refund Policies, COVID-19 statements and Frequently Asked Questions (FAQs). This directory can currently be found at [www.Verifi.com/Covid](http://www.Verifi.com/Covid). In the coming weeks, access to this directory will also be available through VROL.

## General

- **Prioritize your internal work queue.** Visa recommends clients prioritize their disputes by dollar value and disputes that are nearing expiration of timeframes.
- **Use the VROL "accept" functionality to accept valid responses quickly wherever possible.** Accepting the case between 0 – 20 days will also help avoid unnecessary fees.
- **Continue to encourage cardholders to resolve issues directly before initiating the dispute process.** Many disputes can be managed directly with the merchant.
- **Supply all available detail to support the case at time of dispute or dispute response.** By providing all of the specific detail in the initial dispute or dispute response, it will help ensure the opposing party can better understand the request.
- **Provide all supporting documentation and legible images in English.** To avoid unnecessary delays, help ensure supporting documents are in English and legible.
- **Update cardholder-facing staff with materials that incorporate dispute best practices and FAQs.** Visa recommends issuers and acquirers update their cardholder-facing staff support documentation to include the disputes support best practices and FAQs.

### For More Information

Merchants and third party agents should contact their acquirer.

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