

AIBMS Chargeback Handbook



Managing your chargebacks
and minimising your exposure



Merchant Services

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1. Introduction

This guide is aimed at providing AIBMS customers with detailed information regarding the AIBMS Chargeback process to assist you in managing your Chargebacks and minimising your exposure.

AIBMS is here to help, once you acknowledge you have received a Chargeback notification AIBMS will engage with Merchants to support the defence of the Chargeback.

Undefended, or late defences, may result in chargebacks being lost. Engaging with AIBMS will help avoid the loss of the transaction and incurring associated fees.

NB: Please fax all documentation per case and not in bulk and always include the Chargeback ID no. starting with the digits 200. If you are e-mailing please include the Chargeback ID no in the subject line to help your retrieval/chargeback to be worked as quickly as possible.

2. What is a Retrieval Request?

A retrieval request occurs when a Cardholder's bank requests a legible reproduction of the sales draft used in a transaction.

Common reasons for retrieval requests are:

- Point of sale errors
- Cardholder does not recognize the transaction and information is requested from the Merchant
- Required for legal analysis, if a reply is not received the card issuer may send a 2nd request

2.1. Retrieval Request Process

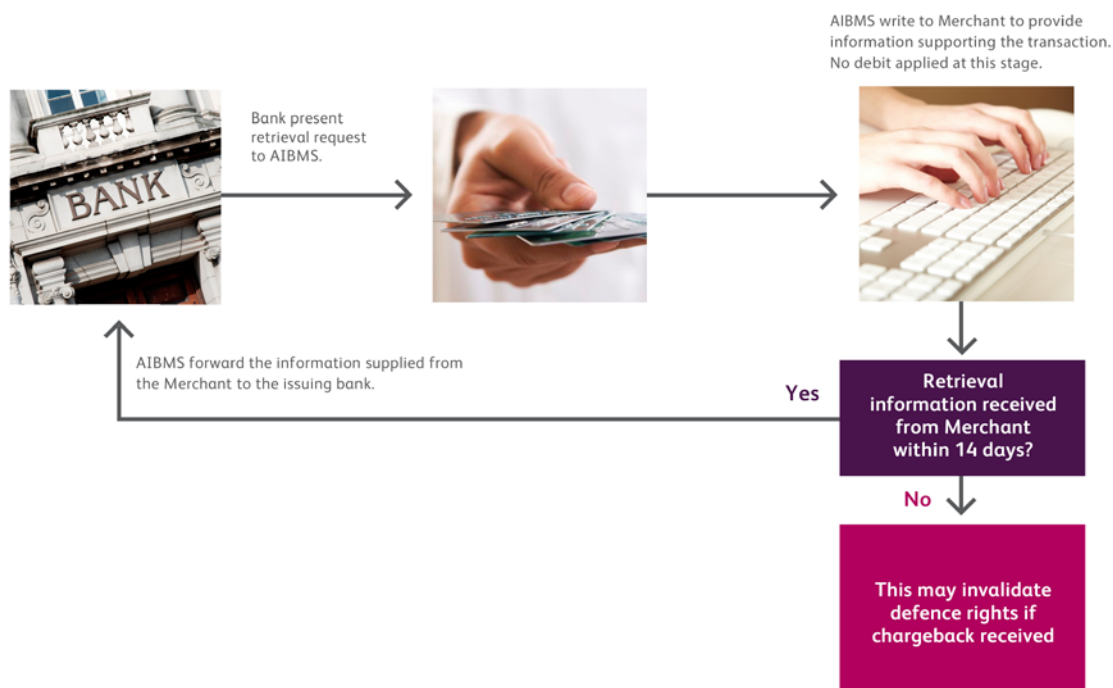
If a Cardholder approaches their card issuer to dispute a transaction on their bank statement the card issuer may raise a Retrieval Request prior to raising a chargeback.

The issuing bank will raise a Retrieval Request with the Merchants Acquirer (AIBMS). The Merchant is then contacted by AIBMS requesting the merchant supply full details of the transaction within 14 days.

A retrieval request is not a Chargeback; it is a request for information to confirm validity of the transaction. When a Merchant engages with AIBMS in a timely manner many retrieval requests never progress to an actual Chargeback.

NB: For some Visa, UKDM and Maestro and most MasterCard Reason Codes non fulfilment of the retrieval request may invalidate your merchant representment rights.

Retrieval Request Process Diagram



3. What is a Chargeback?

A chargeback is initiated by the issuing bank; either at the request of the Cardholder or when the issuing bank sees the need to do so via the schemes. AIBMS are governed by scheme rules and regulations. Any Terms & Conditions you may have already in place with your customer would be overridden by these.

Common reasons for chargebacks / reversals are:

- Fraud enquiries – cardholder denies participating or authorizing a transaction
- Cardholder disputes the sale for reasons such as failure to receive goods or service
- Cardholder disputes the sale for reasons of quality
- Cardholder does not recognise a transaction, It may be the clearing name on the cardholders bank statement differs from the name on the receipt.

All Merchants accepting debit and credit card payments run the risk of being liable for chargebacks. A cardholder or card Issuer has the right to question or dispute a card transaction.

A chargeback can be received up to 120 days after the card transaction was taken. In the case of goods or services being delivered, a chargeback can be raised up to 120 days from agreed date of delivery.

Certain exemptions to the 120 days may apply depending on the Card Scheme¹ and the reason for the dispute.

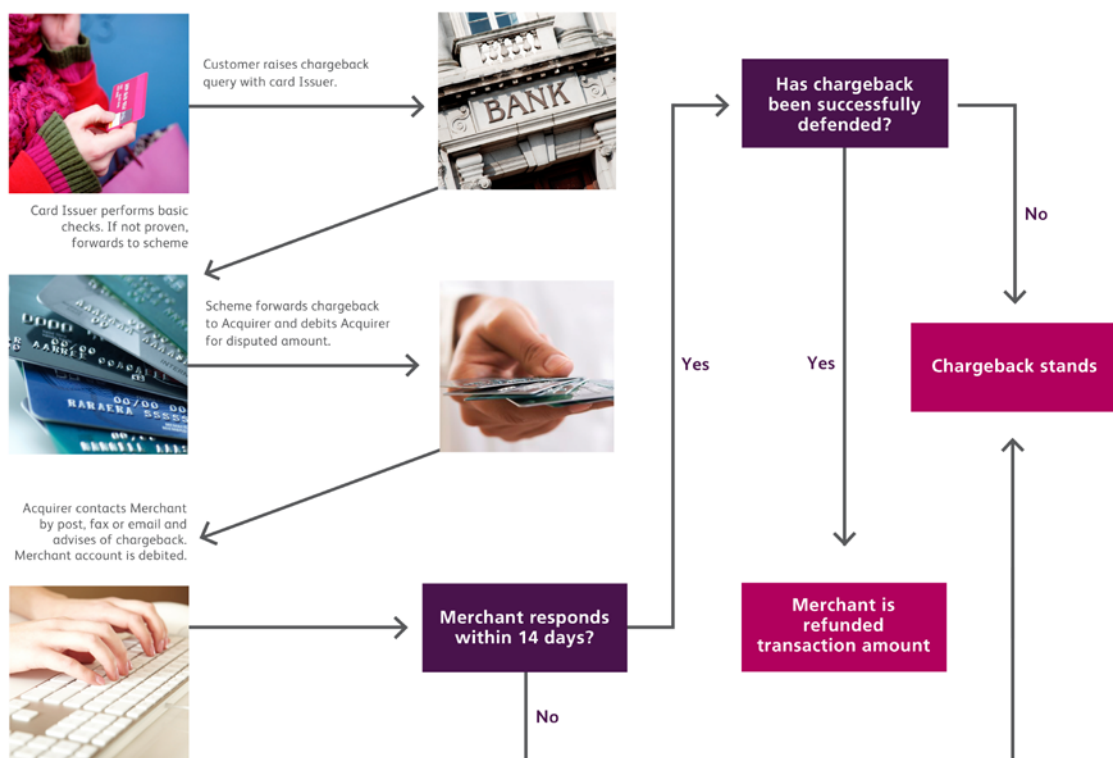
¹ Schemes refer to Mastercard, Visa, Diners and Union Pay.

3.1 Chargeback Process Overview

A chargeback can be received up to 120 days after the card transaction was taken. In the case of goods or services being delivered, a chargeback can be raised up to 120 days from agreed date of delivery.

Certain exemptions to the 120 days may apply depending on the Card Scheme and the reason for the dispute.

The following diagram provides a summary of the chargeback process for all card types – Visa , MasterCard, Visa Debit, UKDM, Union Pay (please refer to Union Pay page 8 for timeframes) and Diners.



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¹ Schemes refer to Mastercard, Visa, Diners and Union Pay.

3.1.1 Chargeback Timeframes for Visa

Note: days are calendar days, not business days

Timeframe	Activity
Day 0	Acquirer processes transaction.
Day 75 – 120	Cardholder can dispute transaction up until day 75 for reason codes 70, 71, 72, 73 and 78 on Visa (see Appendix for details). All other reason codes are up to 120 days from the transaction date. In the case where goods or services are to be delivered, Cardholders can dispute up to 120 days from the date delivery was due.
On receipt of Chargeback	Issuer performs basic checks and if not met, forwards to scheme following Cardholder enquiry.
On receipt of Chargeback	Scheme forwards to Acquirer and debits Acquirer.
On receipt of Chargeback	Acquirer contacts Merchant by post, fax or Insight report advising of transaction and reason code, requesting required documents and informing of latest response date. Merchant account is debited. ³ Chargeback fee is applied.
Within 14 days of notification	Merchant must respond to chargeback within 14 days of initial contact, otherwise the debit stands and case is closed.
Re-presentment within 45 days of receipt of Chargeback by Acquirer	If the Merchant supplies documentation the team then assess the material for adequate defence. Assessment is always completed in accordance with scheme rules and regulations. On represented cases a credit is applied and the Merchant is informed by letter / fax. If unable to represent, a debit stands and a letter / fax is sent.
30 days from representment	The Issuer has 30 days in which to raise the pre-arbitration. The Acquirer then has 30 days to accept or reject.
60 days from representment	The issuing Bank has 60 days in which to raise arbitration.

³ For pre-note merchants only, Merchant account is debited on day 17 if a defence has not been received from the merchant.

3.1.2 Chargeback Timeframes for MasterCard

Note: days are calendar days, not business days

Timeframe	Activity
Day 0	Acquirer processes transaction.
Day 90 – 120	Cardholder can dispute transaction up until Day 90 for reason code 4808 on MasterCard (see Appendix for details), Day 60 for reason codes 4801 and 4802 (see Appendix for details). All other reason codes are up to 120 days from the transaction date. In the case where goods or services are to be delivered, Cardholders can dispute up to 120 days from the date delivery was due.
On receipt of Chargeback (Issuer)	Issuer performs basic checks and if not met, forwards to scheme.
On receipt of Chargeback (Card Scheme)	Scheme forwards to Acquirer and debits Acquirer.
On receipt of Chargeback (Acquirer)	Acquirer contacts Merchant by post, fax or Insight report advising of transaction and reason code, requesting required documents and informing of latest response date. Merchant account is debited. ⁴ Chargeback fee is applied.
Within 14 days of notification	Merchant must respond to chargeback within 14 days of initial contact, otherwise the debit stands and case is closed.
Re-presentment within 45 days of receipt of Chargeback by Acquirer	If the Merchant supplies documentation the team then assess the material for adequate defence. Assessment is always completed in accordance with scheme rules and regulations. On represented cases a credit is applied and a chargeback fee is applied. The Merchant is informed by letter/fax. If unable to represent, a debit stands and a letter / fax is sent.
15/45 days from representment	The Issuer has 15 for international and 30 days for domestic transactions in which to raise the 2 nd chargeback. Your account will be debited and notification sent. You will receive a further chargeback fee. Please respond within 14 days with further information.
45/60 days from representment	The issuing Bank has 45 days for international and 60 days for domestic transactions in which to raise arbitration.

⁴ For pre-note merchants only, Merchant account is debited on day 17 if a defence has not been received from the merchant.

3.1.3 Chargeback Timeframes for Union Pay

Note: days are calendar days, not business days

NB: See Appendix for detailed reason codes and associated timeframes.

If a customer disputes an UP transaction we will contact you in writing and will require a response within 5 days from the date of our letter. You can respond by post or send the information we require by email only due to timelines. Or if you prefer you can e-mail your response directly to AIBMSCUP@firstdatacorp.co.uk.

We would always recommend that your response is sent via fax or email. Any response received after the specified timeframe will mean that we are unable to attempt a defence on your behalf.

What we will need from you:

- A legible copy of the transaction receipt from your terminal, or a manually imprinted and signed voucher in the case of hand keyed transaction
- A copy of the chargeback letter (which will help us process this dispute quicker).

Timeframe	Activity
Day 0	Acquirer processes transaction
Day -180	The cardholder can dispute a transaction up until day 180
On receipt of Chargeback	Scheme forwards to Acquirer and debits Acquirer
On receipt of Chargeback	Acquirer contacts Merchant by post, fax or email notification
Within 5 days of notification	Merchant must respond to chargeback within 5 days of initial contact, otherwise the debit stands and case is closed.
Re-presentment within 30 days of receipt of Chargeback by Acquirer	If the Merchant supplies documentation the team then assess the material for adequate defence. Assessment is always completed in accordance with scheme rules and regulations. On represented cases a credit is applied and the Merchant is informed by letter / fax. If unable to represent, a debit stands and a letter / fax is sent.
20 days from representment	The Issuer has 20 days in which to raise the pre-arbitration. The Acquirer then has 60 days to accept or reject.
Within 75 days after the date of the receipt of the Second Chargeback	Arbitration may be raised.

3.1.4 Chargeback Timeframes for Diners

Note: days are calendar days, not business days

If a customer disputes a Diners transaction we will contact you in writing and will require a response within 14 days from the date of our letter. You can respond by post or send the information we require by email/fax to ROI 01 247 6486 / UK 01268 297912. Or if you prefer you can e-mail your response to aibmsdiners@firstdata.co.uk.

We would always recommend that your response is sent via fax or email. Any response received after the specified timeframe will mean that we are unable to attempt a defence on your behalf.

What we will need from you:

- A legible copy of the transaction receipt from your terminal, or a manually imprinted and signed voucher in the case of hand keyed transaction
- A copy of the chargeback letter (which will help us process this dispute quicker)
- Any other relevant documentation to support this enquiry i.e. proof of delivery, any correspondence such as e-mail between you and the customer etc.

3.2 Chargebacks – Common Misunderstandings

Some common misunderstandings in relation to chargebacks include:

- **An authorisation is not a guarantee of payment (very important to note for Card Not Present transactions):**
An authorisation proves the card has sufficient funds available at the time of transaction and / or the card has not been reported stolen at the time of the transaction. It does not vouch for the validity of the person using the card and is not a guarantee of payment.
- **I pay the Merchant Service Charge so I will not get chargebacks:**
Chargebacks are separate to the Merchant Service Charge and are costed accordingly.
- **I should not be charged for the processing of chargebacks:**
Processing chargebacks incurs a fee due to the administrative work required on the part of AIBMS in requesting and providing supporting documentation to the schemes. However, most chargebacks can be avoided by Merchant vigilance and the use of fraud detection measures.
- **Split Sales**
Split Sales are not permitted under card schemes rules.
- **Processing of Refunds**
 - ♦ When processing refunds please remember to process the refund to the same card and where applicable the same acquirer used to process the transaction.
 - ♦ If you take a transaction and believe it is fraudulent it is fine to process a refund within a few days of the transaction, this may stop you receiving a chargeback. Please do not process a refund if you have already received a chargeback.

4. Avoiding Chargebacks

AIBMS recommend the following guidelines are followed to mitigate the risk of your business being exposed to chargebacks.

Please note that: Once a chargeback has been processed, a credit (i.e. Refund) should not be issues to the card holders' account. If a chargeback has been raised, the chargeback process must be followed.

4.1. Card Not Present

Merchants taking card not present transactions over the phone or internet should always proceed with extreme caution. Merchants assume all liability for card not present Chargebacks in both these scenarios. Merchants transacting card not present sales over the internet can use 3D Secure to minimize their liability.

If a Merchant does agree to a card not present order they can take some steps to protect themselves from participating in a fraud or incurring Chargebacks.

- If Cardholder comes to pick up the goods void original transaction and process as card present. (i.e. Chip and Pin Transaction)

Remember – Card Not Present transactions always leave the liability with the Merchant. Our best advice is not to accept Card Not Present transactions unless it is via an internet site that is using 3D Secure.

- **Declined authorisation** – Do not complete a transaction if the authorisation request was declined. Do not repeat the authorisation request after receiving a decline; ask for another form of payment.
- **Transaction amount** – Do not estimate transaction amounts. For example, restaurant merchants should authorise transactions only for the known amount on the check. Tips can be added to a card transaction only if the Merchant has a Gratuity function added to their facility by their Acquirer.
- **Referrals** – If you receive a “Call” message in response to an authorisation request, do not accept the transaction until you have called your authorisation centre. In such instances, be prepared to answer questions. The operator may ask to speak with the Cardholder. If the transaction is approved, write the authorisation code on the sales receipt. If declined, ask the Cardholder for another form of payment.
- **Expired card** – Do not accept a card after it’s expiry date unless you obtain an authorisation approval for the transaction.
- **Card imprint for key-entered card-present transactions** – If, for any reason, a Merchant must key-enter a transaction to complete a card-present sale, make an imprint of the front of the card on the sales receipt. Even if the transaction is authorised and the Cardholder signs the receipt, the transaction may be charged back to you if the receipt does not have an imprint of the embossed account number and expiration date.
- **Cardholder PIN entry / signature** – The Cardholder’s PIN number / signature is required for all card-present transactions. Failure to obtain these could result in a Chargeback if the Cardholder later denies authorising or participating in the transaction. When checking the signature, always compare the first letter and spelling of the surname on the sales receipt with the signature on the card. If they are not the same, ask for additional identification or make a call to your Acquirer for authorisation. Do not key a card present transaction.
- **Digitised cardholder signature** – Some Visa cards have a digitised Cardholder signature on the front of the card, in addition to the hand-written signature on the signature panel on the back. However, checking the digitised signature is not sufficient for completing a transaction. Sales staff must always compare the Cardholder’s signature on the sales receipt with the hand-written signature in the signature panel.
- **Fraudulent card present transaction** – If the Cardholder is present and has the card number but does not have the physical card in their possession, do not accept the transaction. Even with an authorisation approval, the transaction can be charged back to you if it turns out to be fraudulent.
- **Legibility** – Ensure that the transaction information on the sales receipt is complete, accurate, and clearly visible before completing the sale. An illegible receipt, or a receipt which produces an illegible copy, may be returned because it cannot be processed properly. The growing use of electronic scanning devices for the electronic transmission of copies of sales receipts makes it imperative that the item being scanned be very legible.

- **“No Chargeback” sales receipts** – Some businesses have been selling to merchants “Paper Rolls” bearing a statement near the signature area that the cardholder waives the right to charge the transaction back to the merchant. These receipts are being marketed to merchants with the claim that they can protect businesses against Chargebacks; in fact, they do not. “No chargeback” sales receipts undermine the integrity of the Visa /MasterCard payment system and are prohibited.

Sales-Receipt Processing

- **One entry for each transaction** – Ensure that transactions are entered into point-of-sale terminals only once and are deposited only once. You may get a chargeback for duplicate transactions if you:
 - Enter the same transaction into a terminal more than once.
 - Deposit both the merchant copy and bank copy of a sales receipt with your merchant bank.
 - Deposit the same transaction with more than one bank.
- **Voiding incorrect or duplicate sales receipts** – Ensure that incorrect or duplicate sales receipts are voided and that transactions are processed only once.
- **Depositing sales receipts** – Deposit sales receipts with your merchant bank as quickly as possible, preferably within one to five days of the transaction date; do not hold on to them.
- **Timely deposit of credit transactions** – Deposit credit receipts with your merchant bank as quickly as possible, preferably the same day the credit transaction is generated.
- **Ship merchandise before depositing transaction** – For card-not-present transactions, do not deposit sales receipts with your merchant bank until you have shipped the related merchandise. If customers see a transaction on their monthly Visa/MasterCard statement before they receive the merchandise, they may contact their Issuer to dispute the billing. Similarly, if delivery is delayed on a card-present transaction, do not deposit the sales receipt until the merchandise has been shipped.
- **Requests for cancellation of recurring transactions** – If a customer requests cancellation of a transaction that is billed periodically (monthly, quarterly, or annually), cancel the transaction immediately or as specified by the customer. As a customer service, advise the customer in writing that the service, subscription, or membership has been cancelled and state the effective date of the cancellation. Customers may now cancel directly with their issuing banks any re-curring payment. If you have received a chargeback do not process any new transactions, if a cardholder tells their bank they have cancelled, unless a refund has been processed to the card or we have absolute proof the cardholder **did not** cancel we cannot defend the chargeback.

5. 3D Secure for Online Payments

5.1. What is 3D Secure?

3D Secure is the payments industry authentication standard for internet / ecommerce purchases and has been developed as a joint venture by the major card schemes. Visa has called their version “Verified by Visa” and MasterCard have called their equivalent initiative “MasterCard Secure Code”. Collectively, these are referred to as 3D Secure.

3D Secure authentication requires the cardholder to register their card the first time they try to purchase goods and services from an enrolled merchant and will then be used to authenticate any future purchase at all enrolled member merchants. In order to register the cardholder must answer several questions to which only the cardholder and card issuer will know the answer. The cardholder then selects a password and a secret phrase which will be required during each online transaction with 3D Secure merchants in order to validate the authenticity of the person using the card. Cardholders are strongly encouraged by card issuers to only shop online with 3D Secure registered Merchants.

3D secure is effectively the online version of “Chip & PIN” technology and used in the same way on checkout of the online sale.

5.2. Why Should a Merchant Use 3D Secure?

- When a merchant registers their online sales business with the 3D Secure program, all cardholders must either be existing registered users of the 3D Secure program, or must register there and then to complete the purchase. Once the cardholder successfully validates their identity and completes the sale any chargeback liability shifts from the merchant to the cardholders' issuing bank.
- Increased cardholder confidence in the merchant, leading to potential for increased sales and repeat business.
- 3D Secure is the online payments industry's leading security system. It provides cardholders peace of mind that the merchant is concerned with their security as 3D Secure protects merchants and their customer from being left out of pocket by becoming victims of fraud.

5.3. Are There any Limitations to 3D Secure?

Ultimately, each Merchant is responsible for protecting themselves against fraudulent activity, however 3D Secure is a vital tool to allow Merchants to reduce their exposure to fraud, chargebacks and their associated costs.

- 3D Secure authentication should not be used as a Merchants only fraud prevention tool, but should be used in conjunction with existing fraud checks such as AVS and CVV2 to further minimise risk of fraud.
- 3D Secure fully protects Merchants from chargebacks arising from attempts at card fraud but a chargeback may still occur when a customer initiates a chargeback for failure to deliver goods or services but is not happy with the goods or services received.

5.4. Which Cards are Checked by 3D Secure?



Verified by Visa & MasterCard Secure code (known collectively as 3D Secure) will benefit the merchant in liability shift for fraudulent E-Commerce transactions on the following cards:

- Many UK and Europe issued consumer and commercial Visa & MasterCard's are covered under 3DS whether merchant attempted or fully authenticated.
- Internationally issued consumer cards are covered whether merchant attempted or fully authenticated.

Note: Most internationally issued commercial cards (both Visa & MasterCard) are now covered if fully authenticated (i.e. cardholder is enrolled and participates), although there may still be a few exceptions, in these cases the merchant may not be covered. Please see the ECI details in 6.7 below.

5.5. If we Join 3D Secure Can we Choose When to Use it?

Once a Merchant enrolls in 3D Secure it is mandatory to use it for all transactions involving cards from Issuers enrolled in the scheme, i.e. Visa, Visa Electron, Visa Delta, MasterCard, Maestro / Switch and solo. This affords all Merchants maximum protection.

5.6. Will it Increase the Time our Customers Spend at Check Out?

3D Secure smoothly integrates into a websites checkout process and will usually only add a few seconds onto the usual transaction time. A small price to pay for increased protection for both Merchant and Cardholder. It will also reassure the Cardholder that you are a reputable Merchant and are protecting them against fraud.

5.7. Processing of pre Arbitrations / 2nd Chargebacks

If you receive a fraudulent related chargeback and you believe the transaction was processed 3D secure and it shows on your insight report as either ECI 6 or 211 please send the MPI log or the Pares/Pareq, Veres/Vereq pairs, these are available from your payment service provider.

ECI 5 (Visa) or 212 (MasterCard) – transaction fully authenticated 3D secure

ECI 6 Visa or 211 (MasterCard) – transaction not fully authenticated – we would require details as above

ECI 7 (Visa) or 210 (MasterCard) – transaction not processed using 3D secure

Pre-Arbitrations Visa (MasterCard equivalent is a 2nd chargeback)

The cardholder/issuer continues to dispute the chargeback, unlike the MasterCard 2nd chargeback this will not show on your Insight report. You will be notified by letter or fax depending on your merchant set up. Where possible please supply all the information requested in the letter.

5.8. Benefit of undertaking 3D Secure

Benefits for Merchants:

- The cardholder is certified as being genuine by their Issuer
- Provides the retailer with additional protection from fraudulent payments on-line
- Minimal impact on merchant's interaction with consumer
- Increased sales by enhancing consumer confidence
- Reduced risk & cost of fraudulent transactions
- Decrease in disputed transactions

Benefits for Cardholder:

- The retailer is certified as being genuine
- Easy to use
- No special software is needed by the cardholder
- Enhances cardholder confidence and spending on-line'

6. AIBMS Online Chargeback Reporting

AIBMS make Chargeback reports available to our merchants via our online portal, Insight. If you do not already have access to Insight and would like to request access, if you are a merchant with large volumes of chargebacks we have reporting available please contact your AIBMS Relationship Manager to arrange this.

7. Defending Chargebacks

Every Merchant is contacted at the earliest opportunity as soon as the Card Scheme notifies the acquirer that a Cardholder has disputed a transaction with their card issuer.

When a dispute has been raised merchants are contacted by their preferred method i.e. Fax, insight report email or letter. Merchants are contacted in writing giving notice that a dispute has been raised and details of the transaction are included in the letter. In order to defend a chargeback the following steps should be taken by the Merchant:

7.1 Chargeback Handling Guidelines

The purpose of this document is to set out the documentation required to defend a chargeback, based on the relevant reason code.

In order to ensure that your response is handled as effectively as possible and to maximise the chance of a successful defence, please only provide the required information as set out below. Duplicates and excessive information simply delay the process.

To further assist you, we have also included a list headed 'What not to send' outlining the most commonly submitted documentation that is not required.

Our aim is to do everything possible within the allotted timeframes to ensure we represent your case successfully to the card schemes. We appreciate your assistance in helping us achieve this on your behalf.

7.2 What NOT to send

The following items are not accepted in defence of a chargeback so please do not send the following:

- Documentation in languages other than English
- Bidding history of automatic bids (e.g. for auction sites) – provide the earliest and latest bid history only.
- Photographs of websites
- Anything with an unknown password not previously agreed with the AIBMS Chargebacks team
- Generic sample payment page
- Duplications of information in several different formats – please only send information once, in black and white, in A4 size
- Terms and conditions unless signed by the cardholder.

7.3 Necessary Documentation

Information required by Chargeback type	Reason Codes Visa	Reason Codes MasterCard	Documentation Required
Refund not processed Chargeback	85	4860	Evidence that a refund has been processed. Or proof to substantiate the refund was not valid.
All Fraud-related Chargebacks	57,75,83,93,81	4863,4837, 4840,4847	If the transaction was processed as 3D secure please provide MPI log. Customer details including delivery address and a description of what the service/goods were provided. Specifically for gaming merchants – If you can provide evidence of a long trading history or credits being paid to this same card please send through details which may enable us to defend the transaction.
All 'Goods not received' Chargebacks	30	4855	Provide signed Proof of Delivery or proof that the service has been provided
All Cancelled re-occurring, Credit not processed and cancelled subscriptions/orders	41	4841	Due to rules changes there is no valid defence to this chargeback.
All Airline Chargebacks	41	41	Due to rules changes there is no valid defence to this chargeback.
All Authorisation Code Chargebacks	71,72,73 77	4808 ,4812, 4835	Provided a valid authorisation code
All Duplication Chargebacks	82,86	4859,4834	If more than one transaction has been processed proof that all of the transactions are valid and authorised by your customer. Or details of a refund which may have been processed to correct if the duplication was an error.
All Not as Described/ Defective damaged Chargebacks	53	4853	This should include descriptions of the goods, and any subsequent cardholder contact.
Late Presentment	74	4842	Proof of the transaction date and processing dates.
Non Transaction processed through VisaNet/ processing error.	76,80	4850	Proof the cardholder was aware of the dynamic currency conversion. Receipt to show cardholder's authority to process transaction.

8. Appendix Maestro Reason Codes

Reason Code	Description
01	Requested transaction information not received
02	Requested / required information illegible or missing
03	Warning bulletin file
04	Requested / required authorisation not obtained
05	Account number not on file
06	Transaction amount differs
07	Duplicate processing
08	Expired card
09	Fraudulent transaction – No Cardholder authorisation
16	Credit posted as debit
17	Defective/Not as Described
18	Cardholder Dispute (US only)
19	Non receipt of merchandise

Reason Code	Description
20	Missing signature
21	Violated card
22	Cardholder not present transaction not initiated by a bona fide Cardholder
23	(Not used)
24	Secondary identification not recorded / not Cardholder's
25	Old transaction
27	Pre-valid S2 card standard card
28	Old transaction
29	Pre-valid S2 card standard card
30	Fraudulent magnetic stripe
31	Fraudulent mobile phone pre-payment
32	Invalid IIN
33	Fraudulent transaction at excessive counterfeit fraud outlet

9. Appendix Chargeback Reason Codes

Code	Title	Description	Chargeback time limit	Retrieval required
1	Split Sale	In an effort to avoid the authorisation process, the Retailer splits one transaction into two or more individual sales, on the same day, that in total add up to the complete single sale value	30 days (from central processing date)	No
2	Account holder did not perform the transaction which had been PAN-key entered	Bona fide Cardholder did not carry out transaction. Card number was pan-key entered without the Cardholder being present and without the Cardholder's authorisation	120 days (from central processing date)	No
3	Transaction exceeds floor limits	When the transaction amount is higher than the Retailer's floor limit and the Retailer did not obtain authorisation for the transaction	70 days (from central processing date)	No
4	Expired Card	When a transaction takes place on a Card that was expired at the time	30 days (from central processing date)	No
5	Late Presentment	When the central processing date is more than 30 calendar days after the transaction date and only when the Cardholder disputes the delayed posting	30 days (from central processing date)	No
6	Duplicate Processing	When there are two or more transactions on an Account that exhibit the same card number, retailer number, transaction amount, transaction type and transaction date, processing date	120 days (from central processing date)	No
7	Refund Not Processed	When the Cardholder has proof that a Retailer was due to refund their Account but the refund has not yet been credited to their account (the Issuer must wait 15 calendar days from the refund date for the credit to be credited to the Cardholder's Account before raising this Chargeback)	120 days (from central processing date)	No

8	Transaction Amount Differs	The Cardholder admits to performing a transaction but when the transaction is debited to the Account the Cardholder believes that he or she was charged an incorrect amount in relation to the transaction. The Issuer charges back the difference	120 days (from central processing date)	Yes
9	Non-receipt of Copy Voucher	Following a retrieval request, the Issuer can raise a Chargeback if the Acquirer did not respond within 45 days with a copy of the transaction receipt	Issuer must wait 45 calendar days from the retrieval request date and then process the Chargeback within 55 calendar days of the retrieval request date. (A Chargeback can only be raised if the retrieval was sent within 120 calendar days of the central processing date)	Yes
10	Requested Receipt Illegible	The Acquirer provided an illegible copy of the requested receipt	10 days from the date of receipt of illegible voucher and within 120 days from the central processing date.	Yes
11	Unauthorised Multiple Processing	When the Cardholder admits to at least one transaction at a Retailer but subsequent transactions at the same Retailer on the same day on that Card were not authorised by the Cardholder	120 days (from central processing date)	No
12	Non-matching Account number/ Card number. Account number/ Card number not on file	When a transaction is processed on a Card that does not match any account number/card number on file	30 days (from central processing date)	No
13	Requested Authorisation Declined	A Retailer processed a transaction after receiving a Declined Authorisation response	30 days (from central processing date)	No
14	Invalid or No signature	The Cardholder denies participating in a transaction where the signature on the voucher is missing or completely different to the Cardholder's	30 days from receipt of retrieval fulfillment	Yes

15	Non-compliance with Rule 12.4	A transaction is processed without compliance with Rule 12.4 which describes the required capability of all POS terminals	120 days (from central processing date)	No
16	Cancelled Required Transaction	Where a Cardholder notifies the Issuer that either a Recurring Transaction was cancelled but the Retailer is still charging the Cardholder or the Retailer was supposed to notify the Cardholder prior to processing each Recurring Transaction but has not done so.	120 days (from central processing date)	No

VISA Chargeback Reason Codes

Reason Code	Description
30	Services Not Provided or Merchandise Not Received
41	Cancelled Recurring
53	Not as Described or Defective Merchandise
57	Fraudulent Multiple Transactions = cardholder agrees to one transaction but no more.
62	Magnetic Stripe Counterfeit Transaction
70	Card Recovery Bulletin
71	Declined Authorisation = Merchant received a decline response on a sale, but still processed transaction
72	No Authorisation = Transaction has not been authorised by merchant or maybe above the merchants floor limit
73	Expired Card
74	Late Presentment
75	Transaction Not Recognised
76	Non Transaction Currency Through Visa Net = Cardholder agreed to transaction in another currency other than the one processed. i.e agreed Euros but put through in sterling. The whole amount can be charged back.
77	Non Matching Account Number = incorrect/invalid card number
78	Service Code Violation = mag stripe or chip indicated that the card was invalid for the transaction & merchant did not obtain authorisation. Generally used on electron cards where cards can only be used electronically & must be authorised.
80	Processing Error = incorrect transaction amount, account number, altered voucher.
81	Fraud - Card Present Environment = Applies when merchant did not process as a chip & pin transaction or on imprint & signature (fall back) in a card present environment. Cardholder denies participating in this transaction.
82	Duplicate Processing

83	Fraud - Card Absent Environment = Cardholder did not authorise or participate in transaction
85	Non Receipt of Credit Transaction Receipt
86	Paid By Other Means
90	Non receipt of Cash
93	Risk Identification Service
96	Transaction exceeds limited amount.

MasterCard Reason Codes	
Reason Code	Description
4802	Requested/ required item illegible or missing
4807	Warning Bulletin File
4808	Required/requested authorisation not obtained
4812	Account number not on file
4831	Transaction amount differs/ Paid by other means
4834	Duplicate Processing
4837	Fraudulent Processing of transactions
4840	Fraudulent Processing of transactions
4841	Cancelled recurring transaction
4842	Late Presentment
4846	Correct Currency code not provided
4849	Questionable merchant activity
4850	Instalment Billing Dispute

4853	Defective/ not as described
4855	Non Receipt of merchandise
4859	Addendum, no show or ATM dispute
4860	Credit not processed
4863	Cardholder not recognised
4870	Chip Liability shift
4871	Chip/ Pin liability shift

10. Appendix Chargeback Timeframes

Note: days are calendar days, not business days

NB: See Appendix 9 for detailed reason codes and associated timeframes

Timeframe	Activity
Day 0	Split Sale
Day 120	Issuer can raise a retrieval request up to 120 calendar days after the central processing date of the transaction. In the case where goods or services are to be delivered, cardholders can dispute up to 120 days from the date delivery was due.
Within 45 days of Retrieval request	Acquirer can raise a retrieval fulfillment up to 45 days from date of Retrieval Request
Dependant on Reason Code – see Appendix	First Chargeback
On receipt of Chargeback	Issuer performs basic checks and if not met, forwards to Acquirer and debits Acquirer.
On receipt of Chargeback	Acquirer contacts merchant by post, fax or email advising of transaction and reason code, requesting required documents and informing of latest response date. Merchant account is debited. ⁵
Within 14 days of notification	Merchant must respond to Chargeback within 14 days of initial contact, otherwise the debit stands and case is closed.
Re-presentment within 30 days of receipt of Chargeback by Acquirer where Representment related to the supply of an Advice Slip or the supply of supporting documentation	If the merchant supplies documentation the team then assess the material for adequate defence. Assessment is always completed in accordance with scheme rules and regulations. On represented cases a credit is applied and the merchant is informed by letter/fax. If unable to represent a debit stands letter/fax is sent.
Re-presentment within 60 days of receipt of Chargeback by Acquirer in other cases than those outlined above	If the merchant supplies documentation the team then assess the material for adequate defence. Assessment is always completed in accordance with scheme rules and regulations. On represented cases a credit is applied and the merchant is informed by letter/fax. If unable to represent a debit stands letter/fax is sent.
Up to 30 days from date of the Representment (if no supporting documentation received) or up to 60 days from the date of the Representment (in any other case)	Second Chargeback can be raised.
Within 75 days after the date of receipt of the Second Chargeback	Arbitration may be raised.

10.1 Retrieval Reason Codes

Reason Code	Description
VISA Request for Photocopy	
28	Request for copy bearing signature
29	Request for fax draft or vehicle leasing or airline transaction
30	Cardholder/seller dispute -
31	Chargeback documentation
32	Original lost in transit
33	Legal process or fraud
34	Repeat request for copy
VISA Request for Original	
35	Written cardholder/seller demand for copy
36	Legal process specifies original
37	Copy previously sent illegible
38	Required for paper/handwriting analysis or suspected counterfeit travel voucher
39	Repeat request for copy/original
40	Required for arbitration
MasterCard MasterCard Retrieval Codes	
05	Cardholder does not agree with billed amount
21	Cardholder does not recognise transaction
23	Transaction information needed for cardholders personal records
41	Fraud investigation
42	Potential chageback or compliance documentation

Union Pay Retrieval Codes

Retrieval Code	Description
4501	Non-Disbursement or Partial Disbursement of Cash at ATM
4502	Purchase Not Completed
4507	Dispute on Debit Adjustment
4508	Cardholder Dispute-Transaction Amount Differs
4512	Exceeds Limited or Authorized Amount
4514	Duplicate Processing
4515	Fraudulent Multiple Transactions
4522	Transaction Not Recognized
4527	Declined Authorization
4528	Cancelled Pre-Authorization
4531	Questionable Transaction Receipt
4532	Refund Not Processed
4544	Cancelled Transaction
4557	Transaction was settled but goods or services were not received
4558	Verification for Transaction Certificate (TC) Fails
4559	Transaction Certificate (TC) and Relevant Calculation Data cannot be Provided
4562	Counterfeit Card
4752	Fees Refund for Unsuccessful Balance Inquiry
4803	Prohibited Merchant

Diners Retrieval Reason Codes

Retrieval Code	Description
A02	Authorization Processing Errors
A06	Unissued Account Number
B24	Charge Older than Thirty Days
B25	Duplicate Charge
B26	Alternate Settlement Currency Incorrect Exchange Rates
B27	Incorrect Currency
C41	Fraud - Card Present Transaction
C42	Fraud - Card Not Present Transaction
C46	Multiple Charges at Service Establishment Fraudulent Transaction
4501	Non-Disbursement or Partial Disbursement of Cash at ATM
4502	Purchase Not Completed
4507	Dispute on Debit Adjustment
4508	Cardholder Dispute-Transaction Amount Differs
4512	Exceeds Limited or Authorized Amount
4514	Duplicate Processing
4515	Fraudulent Multiple Transactions
4522	Transaction Not Recognized
4527	Declined Authorization
4528	Cancelled Pre-Authorization
4531	Questionable Transaction Receipt

11 Hints & Tips

Merchants to be aware of brightly coloured websites. There can be issues when these are used as a proof of payment as they don't copy well. Terms & Conditions page and voucher websites.

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Merchant Services