

Condition 13.7

Cancelled Merchandise/Services

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 13.7, Cancelled Merchandise/Services**.

Why did I get this notification?

The cardholder's bank received a notice from the cardholder stating that they returned merchandise or cancelled services, but the credit has not appeared on the cardholder's Visa statement.

What caused the dispute?

The most common causes for this dispute are that you:

- Did not issue a credit for the cancelled services or merchandise that was returned.
- Did not issue a credit because you do not accept returns, however you did not properly disclose your return policy.
- Did not process a cancellation for a timeshare within 14 days of the contract or receipt date.
- Did not process a properly cancelled a guaranteed reservation.

How should I respond?

- **You never received, or accepted, the returned merchandise.**
Provide evidence you refused the return of the merchandise.
- **Your policies were properly disclosed.**
Provide documentation to support that your limited return or cancellation policy was properly disclosed and agreed to at the time of sale.
- **The cardholder did not cancel according to your disclosed policy.**
Provide documentation to support that your limited return or cancellation policy was properly disclosed and how the cardholder did not cancel according to the disclosed policy.
- **Cardholder continued to use services.**
Provide evidence to support.
- **The cardholder's complaint is valid.**
Accept the dispute.
- **You have already processed a credit for the transaction.**
Provide documentation of the credit; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

Condition 13.6

Credit Not Processed

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 13.6, Credit Not Processed**.

Why did I get this notification?

The cardholder's bank received a notice from the cardholder claiming that they received a credit or voided transaction receipt that has not been processed.

What caused the dispute?

The most common causes for this dispute are that you:

- Did not issue a credit.
- Issued the credit, but did not deposit the credit with your acquirer in time for it to appear on the cardholder's next statement.
- Have a transaction receipt that should have been voided/cancelled, but was processed.

How should I respond?

- **The sale is valid and credit is not due.**
Provide documentation and refute the validity of the documentation supplied by the cardholder's bank.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

How to avoid this dispute in the future

Ensure that credits/reversals are processed promptly.

Condition 12.6

Duplicate Processing

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 12.6.1, Duplicate Processing**.

Why did I get this notification?

The cardholder claims that a single transaction was processed more than once.

What caused the dispute?

There are four common causes for this type of dispute:

- You entered the same transaction into your terminal more than once.
- You electronically sent the same transaction capture batch to your card processor more than once.
- You deposited both the merchant copy and the acquirer copy of the transaction receipt.
- Two transaction receipts were created for the same purchase.

How should I respond?

- **Transactions receipts are not duplicates.**
Provide information and documentation to show the two transactions are separate and are not for the same item or service.
- **Transaction was duplicated.**
Accept the dispute.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that shows they no longer dispute the transaction.

How to avoid this dispute in the future

- Avoid entering a transaction more than once. If you do enter a transaction twice, credit the duplicate.
- Train your sales staff on the proper procedures for processing transactions, including how to credit duplicate transactions.
- Review transaction receipts before you deposit them.

Condition 10.4 Other Fraud – Card-Absent Environment

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 10.4, Other Fraud – Card-Absent Environment**.

Why did I get this notification?

The cardholder's bank has filed a dispute stating that their cardholder did not authorize or participate in a transaction conducted in a card-absent environment (i.e., internet, mail-order, phone-order, etc.).

What caused the dispute?

The most common causes of this type of dispute are:

You:	<ul style="list-style-type: none">Processed a card-absent transaction from a person who was fraudulently using an account number.
The cardholder:	<ul style="list-style-type: none">Had their account number taken by fraudulent means.Due to an unclear or a confusing merchant name the cardholder believes the transaction to be fraudulent.

How should I respond?

- **The transaction was authenticated with Verified by Visa.**
Advise your card processor that the transaction was Verified by Visa-authenticated at time of authorization.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed. For further details, refer to the Compelling Evidence Chart in *Section 5: Providing Compelling Evidence*.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

How to avoid this dispute in the future.

- For card-absent transactions, consider using all available Visa tools such as Verified by Visa, CVV2 and the Address Verification Service (AVS) to help reduce fraud. Contact your card processor for more information on these important risk-management tools.
- Always request authorization for mail order, telephone order, internet, and recurring transactions, regardless of the dollar amount.
- Always make sure you properly identify card present and card absent transactions.

Condition 12.5

Incorrect Amount

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 12.5, Incorrect Amount**.

Why did I get this notification?

The cardholder submitted a claim to their bank that says one of the following things happened:

- The transaction amount is incorrect.
- An addition or transposition error was made when calculating the transaction amount.
- You altered the transaction amount after the transaction was completed without the consent of the cardholder.

What caused the dispute?

You made a data entry error (i.e., keyed in the wrong amount, handwritten amount differs from printed amount).

How should I respond?

- **Transaction amount is correct.**
Provide supporting documentation (i.e., copy of transaction receipt).
- **The transaction amount was incorrect.**
Accept the dispute.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

How to avoid this dispute in the future

Train your sales staff on the proper procedures for processing transactions, including the recommendation that all transactions be swiped, or chip read.

Condition 13.3

Not as Described or Defective Merchandise/Services

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 13.3, Not as Described or Defective Merchandise/Services**.

Why did I get this notification?

The cardholder's bank received a notice from the cardholder claiming that the goods or services were one or more of these:

- Merchandise or services did not match the description on the transaction receipt or other documentation presented at the time of purchase.
- Merchandise or services are not the same as your verbal description (for a telephone transaction⁶).
- The merchandise was received damaged or defective.
- The cardholder disputes the quality of the merchandise or services.

What caused the dispute?

There are several common causes for this type of dispute:

- You sent the wrong merchandise to the cardholder.
- You sent the merchandise, but it was damaged during shipment.
- You inaccurately described the merchandise or services.
- You did not perform the services as described.

How should I respond?

- **The merchandise or service was as described.**
Provide specific information (invoice, contract, etc.) to refute the cardholder's claims. Quality disputes are where the customer does not agree with the condition of merchandise or service received (e.g., a car repair situation or quality of a hotel room). There may be instances where you will need to obtain a neutral third-party opinion to help corroborate your claim against the cardholder. Provide as much specific information and documentation as possible to refute the cardholder's claims. It is recommended that you address each point that the cardholder has made.
- **Returned merchandise was not received or services were not cancelled.**
Advise that you have not received the returned merchandise and the cardholder never attempted to return or cardholder has not cancelled services. However, double check your incoming shipping records to verify prior to response.

⁶ This only applies for US Domestic, Canada Domestic and Interregional between Canada and US Regions.

Condition 11.3 No Authorization

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 11.3, No Authorization**.

Why did I get this notification?

You processed a transaction where an authorization was required, but not obtained.

What caused the dispute?

The most common causes for this type of dispute is you did not obtain any authorization or a sufficient authorization to cover the amount of the transaction.

How should I respond?

- **You obtained an authorization.**
Notify your card processor and provide documentation.
- **You agree the transaction was not authorized.**
Accept the dispute.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

How to avoid this dispute in the future

Always authorize every transaction in accordance with the Visa Rules. Train your staff on the proper procedures for handling terminal issues.

Condition 13.1

Merchandise/Services Not Received

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 13.1, Merchandise/Services Not Received**.

Why did I get this notification?

The cardholder claims that merchandise or services that they ordered were not received or that the cardholder cancelled the order as the result of not receiving the merchandise or services by the expected delivery date (or merchandise was unavailable for pick-up).

What caused the dispute?

There are several common causes for this type of dispute:

- You did not provide the services.
- You did not send the merchandise by the agreed-upon delivery date, time or to the agreed upon location.
- You billed for the transaction before shipping the merchandise.
- You did not make merchandise available for pick-up.

How should I respond?

- **You delivered the merchandise or made it available for pickup by the agreed-upon date or agreed upon location.**
Provide documentation to prove that the cardholder or authorized person received the merchandise or services as agreed.
- **Specified delivery date has not yet passed.**
Provide documentation to support the expected delivery date.
- **Cardholder cancelled prior to expected date.**
Provide documentation to support you were able to provide merchandise or service and that the cardholder cancelled prior to the delivery date.
- **Transaction represents a partial payment with balance due.**
Provide documentation to support additional payments due.
- **You did not deliver the merchandise or provide the service as agreed.**
Notify your card processor that you accept the dispute.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed. For further details, refer to the Compelling Evidence Chart in the *Dispute Management Guidelines for Visa Merchants*.

Condition 12.6

Paid by Other Means

Your card processor has notified you that a cardholder is disputing a transaction that you processed. The dispute falls under **Condition 12.6.2, Paid by Other Means**.

Why did I get this notification?

The cardholder claims that they paid for the merchandise or service by other means (i.e. cash, check, other card, etc.).

What caused the dispute?

The cardholder initially gave you a Visa card as payment, but then decided to use cash, check, or another card after you completed the transaction.

How should I respond?

- **Visa card was the only form of payment used.**
Provide the sales records or other documentation that shows no other form of payment was used.
- **The cardholder did use another form of payment.**
Accept the dispute.
- **You have already processed a credit or reversal for the transaction.**
Provide documentation of the credit or reversal; include the amount and the date it was processed.
- **The cardholder no longer disputes the transaction.**
Provide a letter or email from the cardholder that states they no longer dispute the transaction.

How to avoid this dispute in the future

- If a customer asks to use another form of payment after you have processed the Visa card transaction, credit the Visa card transaction.
- Train your sales staff on the proper procedures for handling credits.