

Online Merchant Payment Processing

Chargeback Management

Merchant Chargeback Guide

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Introduction

In the payment processing space, situations arise in which a customer wishes to dispute a transaction. This can happen for a multitude of reasons, e.g., card misuse or dissatisfaction with the services provided.

When such a transaction is disputed, the Issuing Bank and the Acquiring Bank operate according to well-established guidelines in order to resolve the dispute. These procedures are designed to establish whether the merchant should retain the disputed payment or whether the funds should be transferred back to the cardholder. This process is known as a Chargeback.

It is the merchant's responsibility to carefully monitor Chargebacks; if a merchant receives a large percentage of disputed transactions they may face fines from card associations.

The Chargeback process can be long due to the processes and procedures of the different parties involved (Issuing Banks, card associations, and merchant banks). Those parts of the process that are under the control of Paysafe are fully automated and are as speedy and efficient as possible.

This document provides a lot of information on the chargeback process. If you have any questions please don't hesitate to contact the support team. It's important to note that Paysafe is not responsible for the chargebacks that are issued and is not responsible for reviewing dispute packages. The merchant has to ensure they follow the chargeback guideline set forth by the card associations.

Chargebacks and Retrieval Requests

A Chargeback is the reversal of a credit card purchase transaction that arises from a processing technicality, a customer dispute, or fraudulent activity. Most Chargebacks are violations of the rules and regulations established by a payment brand such as Visa® or Mastercard® or by a debit network. Chargebacks are something every business wants to avoid, as they can result in lost revenue.

A Retrieval Request procedure is initiated when a cardholder or an Issuing Bank questions a transaction. They usually require a copy of the sales draft. A Retrieval Request is also known as a Copy Request, Sub-draft, First Request, or a Request for Information (RFI). For card-not-present transactions, Paysafe auto-responds to Retrieval Requests on the merchant's behalf. For card-present transactions, the merchant must provide additional information on the transaction. Issuers have the right to initiate a Chargeback if the response to a Retrieval Request is not timely, legible, or valid. Paysafe ensures all Retrieval Requests are provided in a timely manner.

Note: Chargebacks will be posted to merchant's online statement as debits to the Account. Retrievals will also be posted to the statement but have no financial impact. An administrative fee may be charged for each of these items.

Why do Chargebacks and Retrieval Requests Occur?

These are a few reasons why you might receive Chargebacks or Retrieval Requests:

- Fraud
- Product quality
- Customer service problems
- Refund problems
- Processing problems

Fraud

A cardholder may have had their card information stolen and used in a fraudulent purchase. In such circumstances, the reason for the Chargeback could be one of the following:

- The cardholder states that they did not authorize or participate in the transaction.
- One of these errors occurred:
 - Invalid card
 - Fictitious account number
 - Unassigned cardholder account number
 - Incorrect card member account number
- A warning bulletin was issued where a card is reported lost/stolen after an authorization.
- A counterfeit transaction was processed.
- After a Retrieval Request has been responded to by the merchant:
 - The signature is missing or invalid;
 - Secondary identification is not recorded or does not reflect the cardholder;
 - The cardholder name is incorrect.

Product Quality

A cardholder may have purchased a product/service and one or more of the following occurred:

- It was delivered in poor condition.
- It did not work, or it broke soon after purchase.
- The product was not as described in the sales literature.

Customer Service Problems

A cardholder may have purchased a product/service and one or more of the following occurred:

- It was not delivered.
- They were charged incorrectly for it, or they were charged more than once.
- They were charged in the wrong currency (not the currency on their receipt).
- They were charged in a currency different from their bank currency and were not in agreement with the converted amount that appeared on their bank statement.
- There were errors in the addition of the total amount billed to them.
- A Retrieval Request/RFI has not been responded to, or the information provided is insufficient to justify the debit to the cardholder.
- The cardholder paid by other means or methods.
- The merchant has not supplied sufficient proof that the goods were dispatched. It is important that merchants provide as much information as possible when receiving a Chargeback/RFI and that all documentation is legible and given within the time frame stipulated.
- The cardholder is in a legal dispute with the merchant.

It is important for a merchant to provide as much information as possible and that all documentation, such as proof that the genuine cardholder received all the goods or services ordered in perfect condition, documentation is legible and given within the time frame provided. This includes proof of delivery signed by the cardholder.

Refund Problems

A cardholder may have purchased a product or service and one or more of the following occurred:

- They were promised a refund and did not receive one.
- The transaction was an advance booking where the cardholder cancelled prior to the date of the event.
- The cardholder has returned the goods to the merchant.
- The transaction was part of a recurring billing authority that has been cancelled.

- The cardholder paid a deposit but has since cancelled the order.
- The cardholder was promised a refund but was instead charged again (i.e., a credit was posted as a sale).

Processing Problems

A transaction may have been processed where one of the following occurred:

- The card had expired.
- The total amount of the sale was split into two or more parts to achieve full authorization (split sale).
- The cardholder was debited more than once.
- There was a mis-post (i.e., the wrong card was debited).
- The card was accepted before it was valid.
- The card number was incorrect and could not be applied to an existing account.

Chargeback Time Frames

How Long Does a Chargeback/Retrieval Request Take?

Paysafe has established internal procedures for response deadlines based on the life cycle of a Chargeback and time allotments. Each entity (Issuing Bank, Acquiring Bank, etc.) takes a segment of time to perform tasks related to receiving notifications, preparing and dispersing information to the next entity, and then allotting time to receive the information back for processing as well as the next required steps.

While fund settlements flow efficiently, the process for disputes is manually intensive when gathering and sending support documentation across the same channel flows.

Once a dispute starts, the life cycle averages 20-30 days from start to finish. This allows information to flow through each entity and allows for processing and research, with each entity taking time to process and review.

Retrieval Requests (10 days)

Cardholder	Issuer	Card Association	Acquirer	Card Association	Issuer	Cardholder	Total Days
	+1	+1	+6	+1	+1		≈10

Chargeback (20-30 days)

Cardholder*	Issuer	Card Association	Acquirer	Card Association	Issuer	Cardholder	Total Days
	+5	+2	+10	+2	+3		≈22

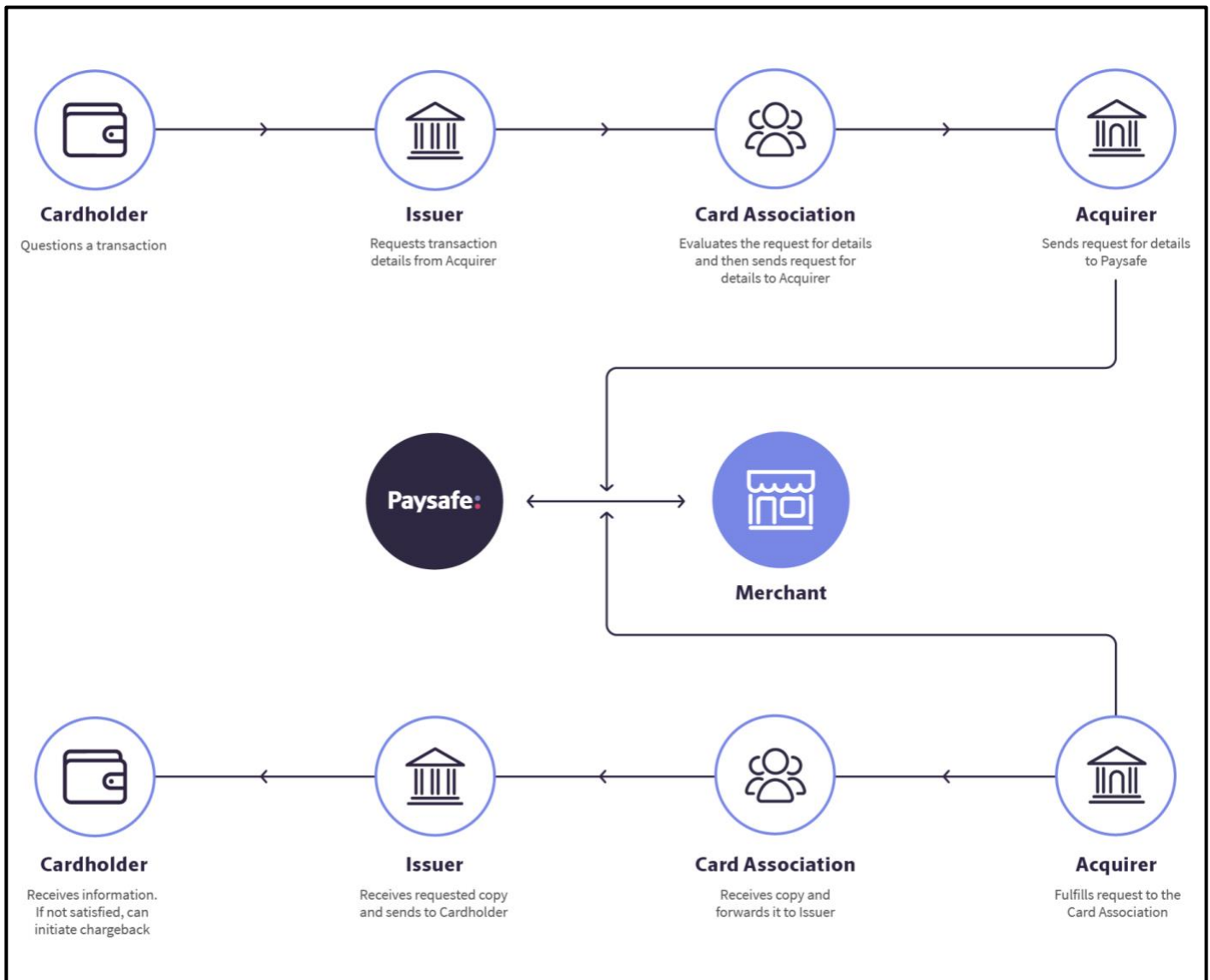
* Cardholder has 75 - 180 days to dispute a transaction.
 (Note: This varies by Card Association and reason for chargeback.)

Merchants have **five (5) business days** from the date the Retrieval Request or Chargeback appears on the account. If the merchant fails to respond and provide supporting documentation within these five days, they will forfeit the right of dispute.

Note: For card-not-present transactions, Paysafe auto-responds to Retrieval Requests on the merchant's behalf. For card-present transactions, merchant must provide additional information on the transaction.

The Chargeback and Retrieval Request Process

Life Cycle of the Retrieval Request



Retrieval Requests occur as follows:

1. The cardholder queries the transaction on their debit or credit card statement with their Card Issuing Bank.
2. The Card Issuer requests information about the cardholder's transaction from the Acquiring Bank (this information request is also known as a *Retrieval Request, Sub-draft, Copy Request or Request for Information*).

If the cardholder denies involvement with the transaction, the Card Issuer may require a Retrieval Request as a first stage of the chargeback process but may raise a notification of Chargeback immediately, without prior notice.

3. The Issuing Bank approaches Paysafe for a copy of the transaction receipt with limited information relating to the transaction. The cardholder's name is not quoted. Paysafe receives only the date, truncated card number, and the transaction amount.

Paysafe's role is to fulfil the Retrieval Request on the behalf of the merchant for card-not-present transactions within the specified time frame.

4. Paysafe responds to all card-not-present Retrieval Requests on behalf of the merchant. Below is an example of a Retrieval Request response.

Response to Retrieval Request

Consumer Information:

Cardholder Name: [REDACTED]
Address: [REDACTED]
City: Ironton – Province: – Country:
Phone: [REDACTED]
Email Address: [REDACTED]@GMAIL.COM
IP Address: 76.177.183.108

Transaction Details:

1. Bank Name: Tsys Acquiring / Merrick
2. Chargeback Acquirer's Merchant ID: [REDACTED]
3. Consumer Credit Card: 523914*****8993 – Card Brand: MC
4. Credit Card Expiry Date: 04/21
5. Card acceptor Name, URL: wunder2.com
6. Transaction Date: 07-10-18
7. Transaction currency: USD
8. Original Transaction Amount: 39.95
9. Authorization Code: 00918B
10. Merchant: [REDACTED]
11. Merchant Category Code: 5977 COSMETIC STORES
12. Bank ARN: 85176738191900010542920
13. Case ID/Bank Control Number: 2018221004482 – Record ID: 26241072
14. AVS Response Code: Y
15. Ecommerce Type: Ecommerce Encryption
16. ECI Code:
17. CAVV Response:
18. XID Response:
19. Transaction ID: 1002313220-6918218552-2 – Merchant transaction ID: 6706137
20. Batch Date: 07-10-18
21. Date of Chargeback: 08-08-18
22. Retrieval Amount: 39.95

Note: The transaction cited above was not keyed in error.

Dispute Reason(s):

5. If the Issuing Bank does not receive a copy of the transaction receipt within the required time frame, it has the right to charge the transaction back due to non-receipt of documentation.
6. Where necessary, the merchant provides Paysafe with the required information (refer to the [Common Chargeback Reason Codes table](#) to see what information is required).
7. The Card Issuer considers the information in liaison with the cardholder and determines whether the information was returned in the correct time frame and whether it satisfies the cardholder's query. If the transaction is no longer disputed, the process stops here.

Chargeback Disputes

It is important that you log into the Paysafe Merchant Back Office regularly to view new Chargeback entries in your current account. Alternatively, you can request for a report to be emailed to you daily.

From the date that the Chargeback appears in your current account, you have 5 business days to formally dispute it and provide supporting documentation for the dispute. If you fail to do so within 5 business days, you will forfeit the right of dispute.

In order for a dispute case to be considered for bank submission, the following is required:

- A document (referred to as a “sub draft”) showing the cardholder’s information (name, address, truncated card number, expiry date, CVV response, phone number, email address, IP number, etc.) and a description of the goods or services provided for this transaction. For example, you can use the transaction details page from Activity Reports in our Merchant Back Office to provide some of these details.

NETBANX.
[20180807-0930]
Help | Sign Out

Messages (42) | Account Statement | Virtual Terminal | Batch Upload | **Reports** | Settings

Activity Report | Batch Report | Chargeback History | Scheduled Reports

Settlement Completed

Txn ID: 5202545390 Account: 1001182361 OptimalWorld-GBP TEST ACCOUNT (S: GBP | P: GBP)

Consumer Information

Name NEIL TEST
Email address SUPPORT@OPTIMALPAYMENTS.CO.UK
Phone number 01223238078
IP Address --

Billing Details

Address 2
Address (cont'd) test
City Cambridge
Region CA
Country GB
Postal code CB249AD

Authorization Information (OPN)

Merchant Trans. ID Preauth Test	Frequency One Time
Date 2016-03-16 06:54:19	Auth Code 025641
Auth. Conf. No. 5151232150	Auth Mode Authorization
Amount 0.99 GBP	Auth Type Pre-Auth
Remaining to Settle 0.00 GBP	AVS Response B
Card Details MC Credit 518652 xxxxx 4116 (Exp. 0716)	CVD Response M
Txn ID 5202545390	Pay Proc Response Approved
Apple Pay	ECI Code Failed authentication or not a 3D Secure transaction - no liability shift
Pay with Google	
CP	
Terminal S/N	IP Address 62.172.95.229
Card Entry Option	

Settlements

Date	Txn ID	Merchant Trans. ID	Status	Remaining	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID	
2016-03-30 05:18:08	5202545390	settlePreAuth	Completed	0.99	0.99	16015330	2016-03-30 18:21:20	85271956091612026102531	5151232150	

- Any additional items that may increase your chances of winning a dispute case should be provided (e.g., proof that the client accepted the terms and conditions, proof of delivery, packing slip, invoice, a sales draft, the cardholder’s passport or driver’s license, a shipping signature, authorized signed documents, transaction history, proof of usage, proof of refund, valid communications with your customer, etc.). The more compelling the evidence, the more successful the dispute. Refer to the [Common Chargeback Reason Codes](#) table to see what information is required.
- The case must be presented in one file only. For example, do not send your description of the goods or services provided in the body of an email or on a fax cover page.
- Your case must contain the following chargeback details:
 - ARN (Acquirer Reference Number)

- Paysafe Txn ID
 - Card Details (first 6 and last 4 digits)
 - Chargeback amount
- Your file should be in the following format:
 - TIF
 - Portrait format
 - Less than 500 kb
 - Black and white (no color)
 - You must submit English documents only.
 - Chargeback documentation should not exceed **fifteen pages**.

You can submit a dispute package in PDF format, but the banks require all files to be converted to TIF format in order to be accepted by the Card Associations. PDF files that contain images, once converted to TIF, often get degraded as a result. Paysafe will not be responsible for unsuccessful disputes related to a Chargeback due to an illegible dispute package received by the banks or the Card Association.

- Your file should be named using the transaction ID number, e.g., “TXN ID.tif”.
- Send your case to one of the following coordinates:
 - Email: chargebackmanagement@paysafe.com
 - Alternatively, the case can be uploaded onto a secure SFTP server. See section below on chargeback disputes through SFTP to learn more.

Chargeback Disputes through SFTP

You can upload chargeback dispute files to Paysafe securely via SFTP. This is a network protocol that provides file access, file transfer, and file management over any reliable data stream. Our SFTP solution offers server-to-server communication and will allow us to process your disputes automatically by retrieving your dispute documents directly from the SFTP folder set up between your server and Paysafe’s servers. If you wish to set up an SFTP folder, please contact the Support team at technicalsupport@paysafe.com to have the detailed instructions sent to you.

Auto-Dispute

When you log into the Paysafe Merchant Back Office, you might see that a Chargeback has been disputed without sending a package. Through its robust dispute management platform, Paysafe has defined rules to dispute on the merchant's behalf. For instance, if a credit has been issued before the Chargeback has been received, an auto-dispute will be issued. Another reason for an auto-dispute could be that the transaction was authenticated with 3D Secure but the Issuing Bank submitted a Chargeback regardless.

The Visa Claims Resolution (VCR) Chargeback Process

Processing Error and Consumer Disputes

Some Chargebacks require interaction between merchants, Acquirers, and Issuers. This process is known as the **collaboration flow**. The collaboration flow for processing error and consumer disputes is the same as today's chargeback process. Its goal is to simplify communication between each party and reduce the overall chargeback time frame.

Fraud and Authorization-Related Disputes

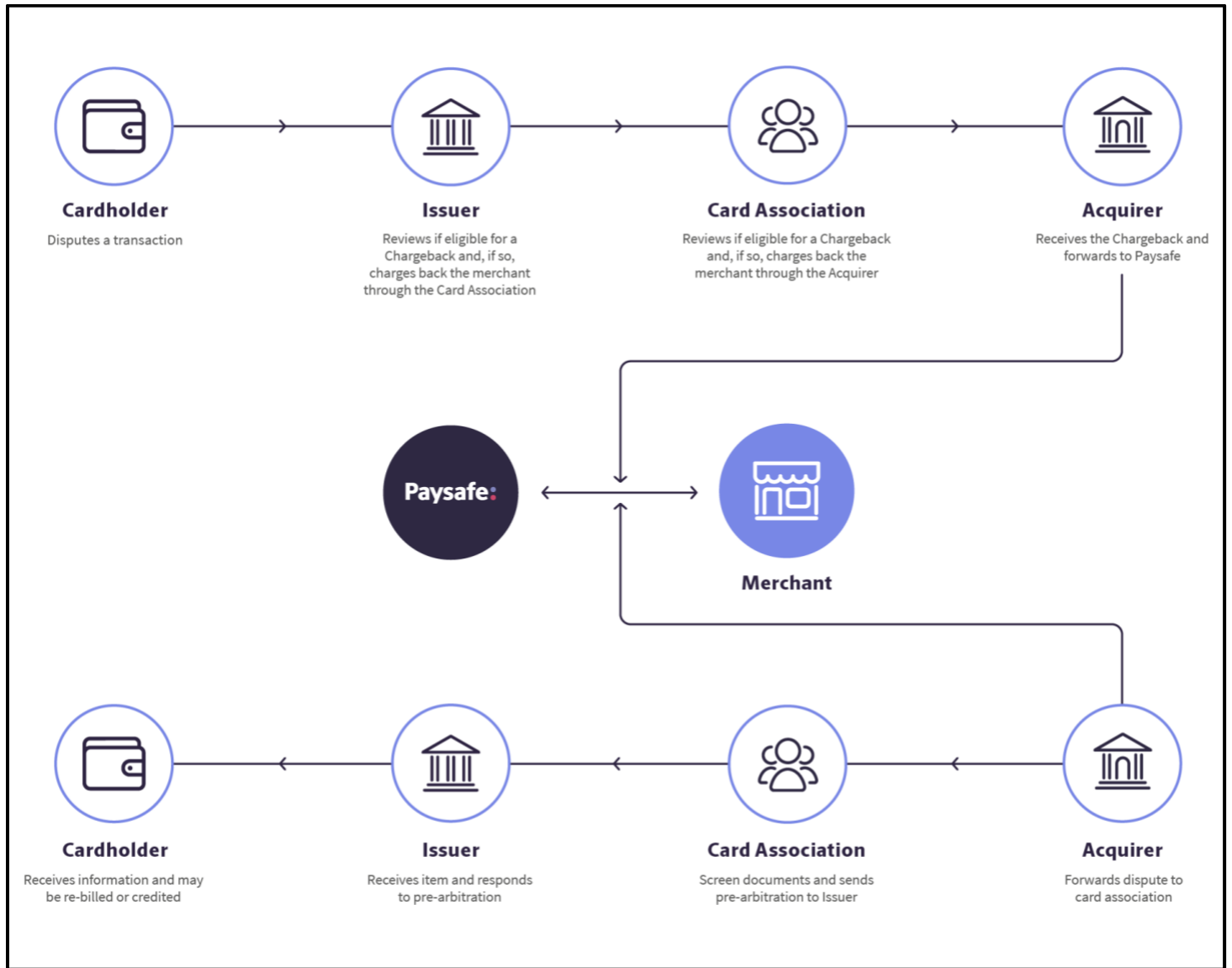
Fraud- and authorization-related chargeback disputes follow a process known as an **allocation flow**. In an allocation flow, there are no dispute/representment rights. Instead, the only option to challenge a chargeback dispute will be to go to a "Pre-arbitration".

In the allocation flow, Pre-arbitration is initiated by the Acquirer following the merchant request.

In the collaboration flow, Pre-arbitration is initiated by the Issuer on behalf of the cardholder.

In both cases, declining Pre-arbitration can initiate arbitration, whereby the Visa Arbitration Committee will decide on the final liability.

Life Cycle of the Chargeback Process for the VISA Allocation Flow

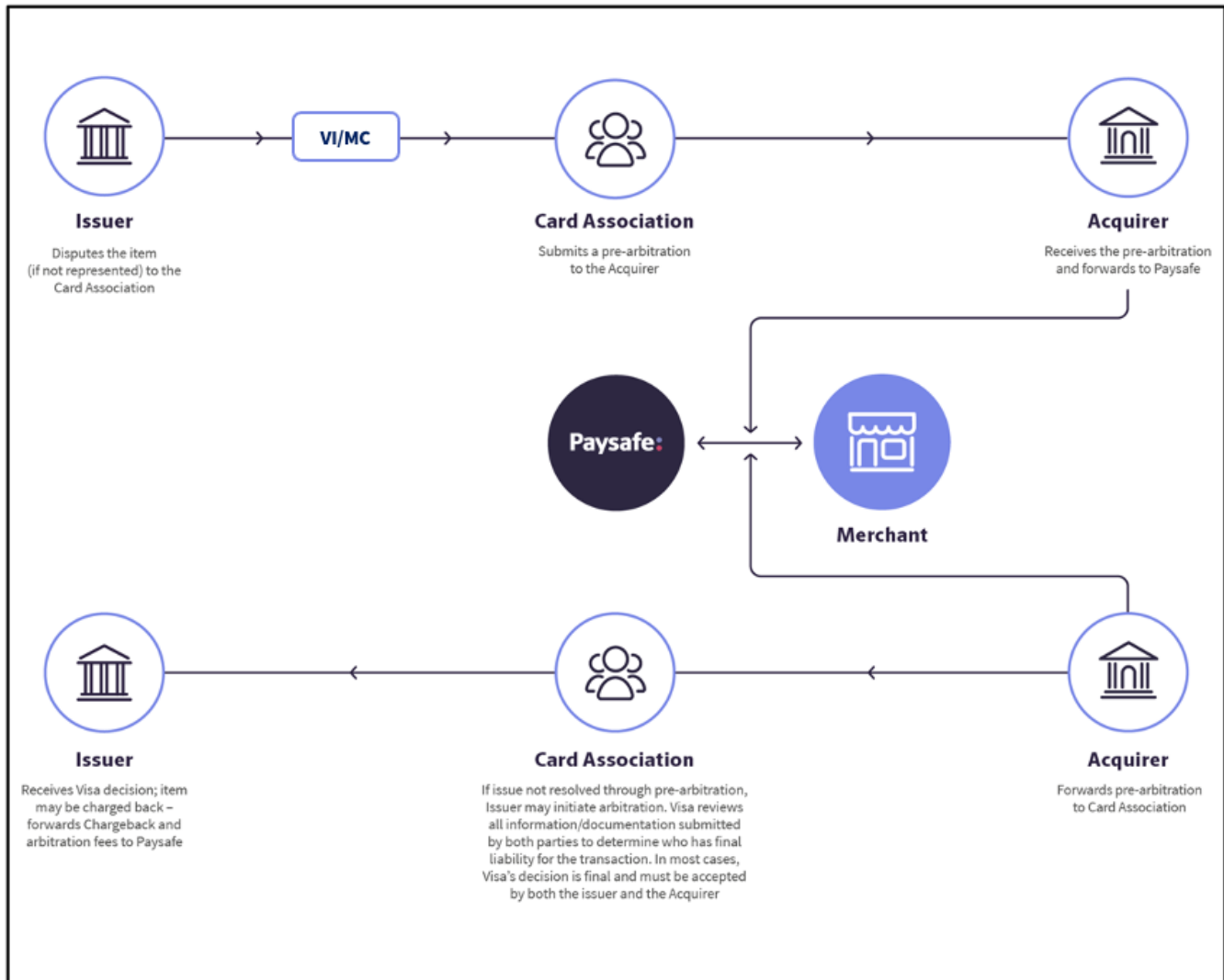


Chargeback Disputes for the VISA Allocation Flow

The process under VISA allocation will remain the same for merchants. The reports will still show “disputed” status if a merchant chooses to raise a “Pre-arbitration” for an allocation chargeback. Refer to the [Chargeback disputes section](#) for information regarding the disputing process.

The Pre-arbitration Process

Pre-arbitration and Arbitration



Proceeding a chargeback loss, the Issuer may determine that, for a given reason, the Chargeback may still be valid. The Issuer may then challenge the merchant again through a Pre-arbitration and discuss if the cardholder claim is legitimate or not. The Merchant may then accept Pre-arbitration, which consequently issues a debit to the account, or decline Pre-arbitration providing explanation. If the merchant does not agree to accept the liability, the Chargeback remains with the Issuer who decides whether to take it to arbitration.

When both the Issuer and the Merchant cannot agree on the result of a dispute, the case is sent to the Association where the issuer fills out the arbitration form. The cycle is as follows:

- Chargeback is filed by the Issuer
- Reversal is sent by the Acquirer
- Pre-arbitration is filed by the Issuer
- Pre-arbitration is declined by the Merchant and, in turn, by the Acquirer
- Arbitration is filed by the Issuer

There is a **Case Filing Fee**, which the filing arbitration institution pays. Once the ruling has been made, the losing party will have to pay the filing fee (if it is the institution which filed the arbitration, they would have already paid) and, additionally, the **Case Ruling Fee** (or, in other words, the **Case Review Fee** plus the chargeback amount). The Association's decision is final and binding.

Pre-arbitration Process

A 2nd Chargeback can occur (even if you have won the initial dispute). When this occurs, you will receive a notification from Paysafe of a new Pre-arbitration with a request to send additional information in order to decline it. You can request further information from Paysafe, such as the reason why the Issuing Bank filed a 2nd dispute. You can decide, based on the information provided, if you will pursue the dispute.

In order for a case to be considered for bank submission, the following is required:

- Provide items specific to the reason for the Pre-arbitration. Make sure they are clear and legible (and in the recommended file format, as listed below).
- Any additional items that may increase your chances of winning should be provided (e.g., proof that the client accepted the terms and conditions, Proof of Delivery, Packing Slip, invoice, a sales draft, the cardholder's passport or driver's licence, a shipping signature, Authorized Signed Documents, Transaction History, Proof of Usage, Proof of Refund, Valid Communications with your customer, etc.). The more compelling the evidence, the more successful the dispute.
- The case must be presented in one file only. For example, do not send your description of the goods or services provided in the body of an email.

- Your case must contain chargeback details:
 - ARN (Acquirer Reference Number)
 - Paysafe Txn ID
 - Card Details (first 6 and last 4 digits)
 - Chargeback amount
- Your file should be in the following format:
 - TIF
 - Portrait format
 - Less than 500 kb
 - Black and white (no color)
- You must submit English documents only.
- Chargeback documentation should not exceed **fifteen pages**.

You can submit a dispute package in PDF format, but the banks require all files to be converted to TIF format in order to be accepted by the Card Associations. PDF files that contain images, once converted to TIF, often get degraded as a result. Paysafe will not be responsible for unsuccessful disputes related to a Chargeback due to an illegible dispute package received by the banks or the Card Association.

- Your file should be named using the transaction ID number, e.g., “TXN ID.tif”. Send your case to one of the following coordinates:
 - Email: chargebackmanagement@paysafe.com

Pre-compliance Chargeback

A pre-compliance Chargeback is an exception. It is issued after a merchant successfully disputes a Chargeback, but the Issuing Bank disagrees with the outcome. Paysafe will accept a pre-compliance Chargeback on your behalf. The act, essentially, turns the previous dispute won (i.e., Representment win) into a loss. This exception won't affect the chargeback-to-transaction ratio; the damage was done with the original Chargeback that was filed and won't be assessed a second time.

This procedure is applicable in cases where there is a violation of the rules governing transactions, where no chargeback rights are available, thus resulting in financial loss. For example:

- The transaction amount is split.

- Delayed/amended charges are processed without the cardholder's consent or out of the allotted time frame.
- The merchant bills the cardholder for a delinquent account or for the collection of a dishonoured check.
- The merchant re-posts a charge after the Card Issuer initiated a Chargeback.
- The merchant insists that the cardholder sign a blank sales draft before the final dollar amount is known.

How to Check if your Dispute was Won or Lost

When logging into the Paysafe Merchant Back Office platform, you can search for any transaction that was charged back and also see the status of the disputed transaction. The status of the Chargeback changes from 'Disputed' to 'Disputed-Lost' or 'Disputed-Won'.

The below example displays a status 'Disputed – Lost'. You may also see a second row for Lost Representation. This extra row has no financial impact.

The screenshot shows the 'Reports' section of the Paysafe Merchant Back Office. It displays a 'Settlement Completed' for transaction ID 487101797. Below this, there are sections for 'Consumer Information', 'Authorization Information', 'Settlements', and 'Chargebacks'.

Consumer Information

Name	Address
Email address	Address (cont'd)
Phone number	City
IP Address	Province
	Country
	Postal code

Authorization Information (MON)

Merchant Trans. ID	Date	Frequency	Auth Code
	2016-01-07 23:13:10	One Time	073589
Auth. Conf. No.	Amount	Auth Mode	Auth Type
	200.00 CAD	Purchase	Final
Remaining to Settle	Card Details	AVS Response	CVD Response
0.00 CAD	VI Credit 453091 xxxx (Exp. 0618)	B	M
Txn ID	Apple Pay	Pay Proc Response	ECI Code
		APPROVED * = 027 01	05 (AAACAHM3iQAAAAWNzeJAAAAAA=)

Settlements

Date	Txn ID	Merchant Trans. ID	Status	Remaining	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2016-01-07 23:13:10			Completed	200.00	200.00	14540790	2016-01-08 03:20:17		178050-1_99

Chargebacks

Date	Record ID	Type	Amount	Status	Reason Code	ARN
2016-02-12 11:43:17	21695110	Chargeback	200.00	Disputed - Lost	Services Not Provided or Merchandise Not Received	
2016-02-24 11:13:01	21843880	Lost Representation	200.00	Completed	Services Not Provided or Merchandise Not Received	

The below example displays a status 'Disputed – Won'. You are likely to see another row for the Reversal. This extra row is for the reversal of the Chargeback, which means that Paysafe returned the money to your account.

Settlement Completed

Txn ID: 479779964 Account:

Consumer Information

Name	Address
Email address	Address (cont'd)
Phone number	City
IP Address	Province
	Country
	Postal code

Authorization Information (MON)

Merchant Trans. ID			
Date	2015-12-21 16:56:22	Frequency	One Time
Auth. Conf. No.		Auth Code	010981
Amount	100.00 CAD	Auth Mode	Purchase
Remaining to Settle	0.00 CAD	Auth Type	Final
Card Details	VI Credit 453091 xxxxx (Exp. 0217)	AVS Response	B
Txn ID		CVD Response	M
Apple Pay		Pay Proc Response	APPROVED * = 027 01
		ECI Code	05 (AAACCCXIMJRQAAAAAWISNFAAAAAA=)

Settlements

Date	Txn ID	Merchant Trans. ID	Status	Remaining	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2015-12-21 16:56:22			Completed	100.00	100.00	14278490	2015-12-22 03:23:29		495375-1_98

Chargebacks

Date	Record ID	Type	Amount	Status	Reason Code	ARN
2016-02-04 13:31:16	21564660	Chargeback	100.00	Disputed - Won	Duplicate Processing	
2016-02-23 15:27:07	21829680	Reversal	-100.00	Completed	Duplicate Processing	
2016-02-29 11:24:48	21905270	Chargeback	100.00	Completed	Duplicate Processing	

As explained in [The Pre-arbitration](#), a 2nd Chargeback can occur (even if you have won the initial dispute). When this situation occurs, it means that Pre-arbitration has been accepted and this decision is final. The chargeback process is completed at this point.

Common Chargeback Reason Codes

Each Chargeback is accompanied by a reason code. These numeric codes differ by Card Association, but all serve the same purpose: to describe the motivation behind the transaction dispute. When a merchant would like to defend a Chargeback, they should prepare adequate reason code defence materials and send them to the Acquirer.

Below is an overview of the most common reason codes for Visa and Mastercard, along with their description and the documentation required to defend the dispute.

Visa Dispute Reason Codes

Category of Dispute	Code	Description	Documents Required
FRAUD	10.1	EMV Liability Shift Counterfeit Fraud	<p>Merchants from all countries must provide evidence showing:</p> <ul style="list-style-type: none"> a. A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. The dispute is invalid c. The cardholder no longer disputes the transaction
	10.2	EMV Liability Shift Non-Counterfeit Fraud	<p>Merchants from all countries must provide evidence showing:</p> <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction
	10.3	Other Fraud – Card-Present Environment	<p>Merchants from all countries except Europe must provide either:</p> <ul style="list-style-type: none"> a. Evidence of one of the following: <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction
Category of Dispute	Code	Description	Documents Required

FRAUD	10.3	Other Fraud – Card-Present Environment (Cont’d)	<ul style="list-style-type: none"> • For a transaction involving an initial card-present transaction and one or more ensuing key-entered transactions, both: <ul style="list-style-type: none"> ○ Evidence that all transactions occurred during the same stay, trip, or rental period ○ Evidence of an imprint and signature, PIN, or CDCVM for the initial card-present transaction <p>b. Both:</p> <ul style="list-style-type: none"> • Evidence of an imprint (pencil rubbing or photocopy of a card is not considered a valid imprint) • For an unattended transaction – PIN or Consumer Device Cardholder Verification Method (CDCVM) <p>Merchants from Europe must provide either:</p> <p>a. Evidence of one of the following:</p> <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction • For a transaction involving an initial card-present transaction and one or more ensuing key-entered transactions, both: <ul style="list-style-type: none"> ○ Evidence that all transactions occurred during the same stay, trip, or rental period ○ Evidence of an imprint and signature, PIN, or CDCVM for the initial card-present transaction <p>b. For an unattended transaction, both:</p> <ul style="list-style-type: none"> • Evidence of an imprint (pencil rubbing or a photocopy of a card are not considered valid imprints) • PIN or Consumer Device Cardholder Verification Method (CDCVM)
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Category of Dispute	Code	Description	Documents Required
FRAUD	10.4	Other Fraud – Card-Absent Environment	<p>Merchants from all countries must provide one of the following:</p> <ol style="list-style-type: none"> a. Evidence of one of the following: <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction b. Compelling evidence c. For a transaction involving an initial card-present transaction and one or more ensuing key-entered Transactions, both: <ul style="list-style-type: none"> • Evidence that all transactions occurred during the same stay, trip, or rental period • Evidence of a valid Imprint and signature, PIN, or CDCVM for the initial Card-present Transaction <p>Merchants from all countries except Europe must provide either:</p> <ol style="list-style-type: none"> a. For an Airline transaction, evidence that the cardholder name is included in the manifest for the departed flight and matches the cardholder name provided on the purchased itinerary b. For a transaction at a digital goods merchant assigned MCC 5815 (Digital Goods – Media, Books, Movies, Music), 5816 (Games), 5817 (Applications [Excludes Games]), or 5818 (Digital Goods – Large Digital Goods Merchants), all of the following: <ul style="list-style-type: none"> • Evidence that the merchant has been successfully registered and continues to participate in the Visa Digital Commerce Program • Evidence that the merchant is the owner of the operating system for the electronic device • Evidence that the account set up on the merchant's website or application was accessed by the cardholder and was successfully verified

Category of Dispute	Code	Description	Documents Required
			<p>by the merchant before or on the transaction date</p> <ul style="list-style-type: none"> Evidence that the disputed transaction used the same device and card as previous transactions that were not disputed
FRAUD	10.4	Other Fraud – Card-Absent Environment (Cont'd)	<ul style="list-style-type: none"> Proof that the device ID number, IP address and geographic location, and name of device (if available) are linked to the cardholder profile on record at the merchant Description of the digital goods and the date and time they were purchased and successfully downloaded Customer name linked to the customer profile on record at the merchant Evidence that the customer password was re-entered on the merchant's website or application at the time of purchase Evidence that the merchant validated the card when the cardholder first linked the card to the customer profile on record at the merchant
	10.5	Visa Fraud Monitoring Program	<p>Merchants from all countries must provide evidence that:</p> <ol style="list-style-type: none"> A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute The dispute is invalid The cardholder no longer disputes the transaction
AUTHORIZATION	11.1	Card Recovery Bulletin	<p>Merchants from all countries must provide:</p> <ol style="list-style-type: none"> Evidence of one of the following: <ul style="list-style-type: none"> A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute The dispute is invalid The cardholder no longer disputes the transaction For a T&E transaction, evidence that the Account Number was not listed on the Card Recovery Bulletin on the following dates, as applicable: <ul style="list-style-type: none"> Lodging merchant – the check-in date Car Rental merchant – the vehicle rental date Cruise Line merchant – the embarkation date

Category of Dispute	Code	Description	Documents Required
AUTHORIZATION	11.2	Declined Authorization	<p>Merchants from all countries must provide any of the following that apply:</p> <ol style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. Evidence that the transaction was chip-initiated and offline-authorized, if applicable e. For a dispute involving a transaction at a Car Rental merchant, Cruise Line merchant, or Lodging merchant for which multiple authorizations were obtained, certification of all of the following: <ul style="list-style-type: none"> • The check-in date, embarkation date, or vehicle rental date • The check-out date, disembarkation date, or vehicle return date • The dates, authorized amounts, and authorization codes of the approved authorizations
	11.3	No Authorization	<p>Effective for transactions completed before or on April 21, 2017 for merchants, excluding Lodging, Cruise Line, and Car Rental merchants.</p> <p>Effective for transactions completed before or on October 13, 2017 for Lodging, Cruise Line, and Car Rental merchants.</p> <p>Merchants from all countries must provide one of the following:</p> <ol style="list-style-type: none"> a. Evidence of any of the following that apply: <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction • Evidence that the transaction date in the clearing record was incorrect and that the authorization was obtained on the actual transaction date

Category of Dispute	Code	Description	Documents Required
AUTHORIZATION	11.3	No Authorization (Cont'd)	<p>b. For a T&E transaction, the transaction receipt and details of the approved authorization</p> <p>c. For a dispute involving a transaction at a Car Rental, Cruise Line, or Lodging merchant for which multiple authorizations were obtained, a transaction receipt and certification of all of the following:</p> <ul style="list-style-type: none"> • The check-in date, embarkation date, or vehicle rental date • The check-out date, disembarkation date, or vehicle return date • The dates, authorized amounts, and authorization codes of the approved authorizations <p>Effective for transactions completed from April 22, 2017 through to October 13, 2017 for applicable merchants, excluding Lodging, Cruise Line, and Car Rental merchants.</p> <p>Effective for Transactions completed on or after October 14, 2017 for all applicable merchants.</p> <p>Merchants from all countries must provide one of the following:</p> <p>a. Evidence of any of the following that apply:</p> <ul style="list-style-type: none"> • A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute • The dispute is invalid • The cardholder no longer disputes the transaction • Evidence that the transaction date in the clearing record was incorrect and that the authorization was obtained on the actual transaction date <p>b. For a dispute involving special authorization procedures where all of the following apply:</p> <ul style="list-style-type: none"> • The first authorization request included the Initial/Estimated Authorization Request indicator. • Subsequent authorization requests included the Incremental Authorization Request indicator.

			<ul style="list-style-type: none"> The same Transaction Identifier was used in all authorization requests.
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Category of Dispute	Code	Description	Documents Required
AUTHORIZATION	11.3	No Authorization (Cont'd)	<ul style="list-style-type: none"> Clearing records were submitted within the time frames specified in the Visa Core Rules and Visa Product and Service Rules, Section 5.8.4.5 – “Approval Response Validity Timeframes”. <p>Both:</p> <ol style="list-style-type: none"> The transaction receipt or substitute transaction receipt Certification of all of the following: <ul style="list-style-type: none"> The date the transaction was initiated The date the transaction was completed The dates, authorized amounts, and authorization codes of the approved authorizations
			PROCESSING ERRORS
12.2	Incorrect Transaction Code	<p>Merchants from all countries must provide the following:</p> <ol style="list-style-type: none"> For a credit processed as a debit or a debit processed as a credit, either: <ul style="list-style-type: none"> Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute Transaction receipt or other record that proves that the transaction code was correct 	

Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	12.2	Incorrect Transaction Code (Cont'd)	<p>b. For a credit refund that was processed instead of a reversal or an adjustment, either:</p> <ul style="list-style-type: none"> Evidence that a reversal issued by the merchant was not addressed by the Issuer in the dispute Explanation of why a credit transaction was processed instead of a reversal or an adjustment
	12.3	Incorrect Currency	<p>Merchants from all countries must provide any of the following that apply:</p> <p>a. Evidence of one of the following:</p> <ul style="list-style-type: none"> A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute The dispute is invalid The cardholder no longer disputes the transaction <p>b. Transaction receipt or other record that proves that the transaction currency was correct</p> <p>c. For a DCC Transaction:</p> <p>i. If processed in the merchant's local currency, both:</p> <ul style="list-style-type: none"> Acquirer certification that the merchant is registered to offer DCC A copy of the transaction receipt showing the merchant's local currency <p>ii. If processed in the DCC currency, all of the following:</p> <ul style="list-style-type: none"> Evidence that the cardholder actively chose DCC Acquirer certification that the acceptance device requires electronic selection of DCC by the cardholder and that the choice cannot be made by the merchant A copy of the transaction receipt

Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	12.4	Incorrect Account Number	<p>Merchants from all countries must provide any of the following that apply:</p> <ul style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. Transaction receipt or other record to prove that the account number was processed correctly
	12.5	Incorrect Amount	<p>Merchants from all countries must provide:</p> <ul style="list-style-type: none"> • A transaction receipt or other record to prove that the transaction amount was correct
	12.6.1	Duplicate Processing	<p>Merchants from all countries must provide any of the following that apply:</p> <ul style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. For an ATM Transaction, a copy of the ATM Cash Disbursement or Load Transaction records containing, at a minimum, the following: <ul style="list-style-type: none"> • Account number • Transaction time or sequential number that identifies individual transactions • Indicator that confirms that the ATM Cash Disbursement or Load Transaction was successful e. For a transaction that is not an ATM transaction, either:

Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	12.6.1	Duplicate Processing (Cont'd)	<ul style="list-style-type: none"> • Separate signed or imprinted transaction receipts or other record to prove that separate transactions were processed • Documentation to prove that the merchant did not receive payment by other means for the same merchandise or service
	12.6.2	Paid by Other Means	<p>Merchants from all countries must provide any of the following that apply:</p> <ol style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. For an ATM Transaction, a copy of the ATM Cash Disbursement or Load Transaction record containing, at a minimum, the following: <ul style="list-style-type: none"> • Account number • Transaction time or sequential number that identifies the individual transactions • Indicator that confirms that the ATM Cash Disbursement or Load Transaction value was successful e. For a transaction that is not an ATM transaction, either: <ul style="list-style-type: none"> • Separate signed or imprinted transaction receipts or other record to prove that separate transactions were processed • Documentation to prove that the merchant did not receive payment by other means for the same merchandise or service

	12.7	Invalid Data	<p>Merchants from all countries must provide evidence of one of the following:</p> <ul style="list-style-type: none"> a. A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. The dispute is invalid c. The cardholder no longer disputes the transaction d. The Authorization did not contain invalid data
Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	13.1	Merchandise/Services Not Received	<p>Merchants from all countries must provide any of the following that apply:</p> <ul style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Documentation to prove that the cardholder or an authorized person received the merchandise or services at the agreed location or by the agreed date/time d. For an Airline transaction, evidence showing that the name is included in the manifest for the departed flight and it matches the name provided on the purchased itinerary e. Compelling Evidence
	13.2	Cancelled Recurring	<p>Merchants from all countries must provide evidence of one or more of the following:</p> <ul style="list-style-type: none"> a. A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. The dispute is invalid c. The cardholder no longer disputes the transaction d. The cardholder requested cancellation for a different date and that services were provided up until this requested date¹ e. The merchant posted charges to the cardholder after services had been provided and that the cardholder received services until the cancellation date¹ f. The Issuer's claim that the Acquirer or merchant was notified that the account was closed is invalid

			¹ For Europe Intra-regional and Domestic transactions, this does not apply when the Issuer has advised that the account was closed, facilities withdrawn, or cardholder is deceased.
	13.3	Not as Described or Defective Merchandise/Services	<p>Merchants from all countries must provide either:</p> <p>a. Evidence of one of the following:</p> <ul style="list-style-type: none"> A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute
Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	13.3	Not as Described or Defective Merchandise/Services (Cont'd)	<ul style="list-style-type: none"> The dispute is invalid The cardholder no longer disputes the transaction <p>b. All of the following:</p> <ul style="list-style-type: none"> Documentation to prove that the merchandise or service matched what was described (including the description of the quality of the merchandise or service) or was not damaged or defective Merchant rebuttal to the cardholder's claims If applicable, documentation to prove that the cardholder did not attempt to return the merchandise or certification that the returned merchandise has not been received
	13.4	Counterfeit Merchandise	<p>Merchants from all countries must provide one of the following:</p> <p>a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute</p> <p>b. Evidence that the dispute is invalid</p> <p>c. Evidence that the cardholder no longer disputes the transaction</p> <p>d. Documentation to support the merchant's claim that the merchandise was not counterfeit</p>
	13.5	Misrepresentation	<p>Merchants from all countries must provide one of the following:</p> <p>a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute</p> <p>b. Evidence that the dispute is invalid</p> <p>c. Evidence that the cardholder no longer disputes the transaction</p> <p>d. Documentation to prove that the terms of sale were not misrepresented</p>
	13.6	Credit Not Processed	

		<p>Merchants from all countries must provide evidence of one of the following:</p> <ul style="list-style-type: none"> a. A credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. The dispute is invalid c. The cardholder no longer disputes the transaction
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Category of Dispute	Code	Description	Documents Required
PROCESSING ERRORS	13.7	Cancelled Merchandise/Services	<p>Merchants from all countries must provide one of the following:</p> <ul style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. The transaction receipt or other record to prove that the merchant properly disclosed a limited return or cancellation policy at the time of the transaction e. Evidence to demonstrate that the cardholder received the merchant's cancellation or return policy and did not cancel in accordance with the disclosed policy
	13.8	Original Credit Transaction Not Accepted	<p>Merchants from all countries must provide evidence of one of the following:</p> <ul style="list-style-type: none"> a. A reversal issued by the merchant was not addressed by the Issuer in the dispute b. The dispute is invalid
	13.9	Non-Receipt of Cash or Load Transaction Value	<p>Merchants from all countries must provide one of the following:</p> <ul style="list-style-type: none"> a. Evidence that a credit or reversal issued by the merchant was not addressed by the Issuer in the dispute b. Evidence that the dispute is invalid c. Evidence that the cardholder no longer disputes the transaction d. A copy of the ATM Cash Disbursement or Load Transaction record containing, at a minimum, the following: <ul style="list-style-type: none"> • Account number

			<ul style="list-style-type: none"> • Transaction time or sequential number that identifies the individual transactions • Indicator that confirms that the ATM Cash Disbursement or Load Transaction value was successful
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Mastercard Dispute Reason Codes

Reason Code Number	Reason Code Description	Documentation
4834	Duplicate Processing	<p>Used when: The merchant processed the transaction more than once, causing the cardholder to be debited twice. The Issuer must charge back the second transaction while providing the reference number of the first transaction.</p> <p>Provide proof that there were two separate transactions or two different services ordered:</p> <ul style="list-style-type: none"> • Two separate transaction details indicating date and time of the transactions • Two separate invoices • Shipping tracking details indicating the customer accepted the orders
4837	Fraudulent Transaction; No Cardholder Authorization	<p>Used when: The cardholder states in writing that neither they, nor anyone authorized by them, engaged in the transaction.</p> <p>Provide:</p> <ul style="list-style-type: none"> • Transaction detail (indicating positive AVS, and CVV/CVV2) • An invoice indicating the merchandise was shipped to a positive AVS address • Shipping tracking details indicating signed receipt packages (signed by the cardholder) • Records of all transactions, including copies of the website pages that the customer will have seen • Refunds processed, if relevant

Reason Code Number	Reason Code Description	Documentation
4841	Cancelled Recurring Transaction	<p>Used when: The merchant continues to bill the cardholder for a recurring transaction after receiving notification of cancellation from the cardholder or the Issuer.</p> <p><i>The Issuer must supply the cardholder letter indicating that the cardholder withdrew permission to charge this account, providing the date. If the cardholder letter is not available, the Issuer may supply certification that the account is closed and further instalments should be stopped.</i></p> <p>Provide: If the customer hasn't notified you of cancelling the transactions in accordance with the merchant's terms and conditions, provide additional information to show this.</p> <p>If the customer used the service or the item was delivered to their address but they haven't returned it, please provide document to prove it (e.g., proof of delivery, screen shot showing that the service is in use, invoice with billed units, etc.).</p> <p>Required action: Please cancel the recurring transaction if you haven't done so already.</p>
4853	Cardholder Dispute Defective/Not as Described	<p>Used when: The cardholder received merchandise that was in a defective condition or an otherwise unsuitable condition for the purpose sold; Terms and Conditions were misrepresented at the time of sale.</p> <p><i>The cardholder must attempt to return the merchandise before starting a Chargeback, and a Chargeback can only be raised after 30 days from when the cardholder returned/attempted to return the merchandise.</i></p> <p>If a credit has already been given to the customer, provide evidence of this:</p> <ul style="list-style-type: none"> • An invoice with a description of what services were to be provided • Transaction details • Proof of delivery • Step-by-step process of placing the order (general one), including screenshot of Terms and Conditions / a hyperlink leading to the purchase Terms and Conditions which contain the cancellation policy. The hyperlink must form part of the "click to accept" acknowledgement and refer to the cancellation policy, for example: 'I have read the internet sales conditions and the sale and cancellation conditions'. Evidence of the hyperlink and cancellation policy is required. • Terms and Conditions (preferably a link) • Sign up contract (if applicable, can be electronically) • Customer contact details (if any) or proof of no contact

Reason Code Number	Reason Code Description	Documentation
4855	Non-receipt of Merchandise	<p>Provide:</p> <ul style="list-style-type: none"> • An invoice of the transaction • All address details of the customer (AVS MATCHED) • Proof of delivery, which is signed by the customer and has a tracking reference number • Any other information that can settle the dispute <p>If you suspect misuse of card, provide information to show that the customer and the cardholder are the same person.</p>
4859	Service Not Rendered	<p>Used when: The merchant was unwilling or unable to provide purchased services within the expected date of service, or services were paid for by another payment method.</p> <p><i>The Issuer must supply the cardholder letter along with the cardholder statement of no services or goods being received (or paid for using another method) and evidence that the cardholder made an attempt to resolve the dispute with the merchant.</i></p> <p>Provide:</p> <ul style="list-style-type: none"> • An invoice of the transaction and service details • All address details of the customer (AVS MATCHED) • Proof of delivery, which is signed by the customer and has a tracking reference number • Any other information that may settle the dispute <p>If you suspect misuse of card, provide information to show that the customer and the cardholder are the same person.</p>
4860	Credit Not Processed	<p>Used when: Refund acknowledgement was not processed. Goods were returned and no written refund acknowledgement was received from the merchant within 30 days.</p> <p>Provide:</p> <ul style="list-style-type: none"> • Proof that credit was processed • Proof that returned merchandise was not received • Proof that credit was declined due to return policy • Transaction details, invoice, order details, proof of delivery, Terms and Conditions on Return, etc.

Reason Code Number	Reason Code Description	Documentation
4863	Cardholder Does Not Recognised - Potential Fraud	<p>Used when: The cardholder states in writing that neither they, nor anyone authorized by them, engaged in the transaction.</p> <p>Provide:</p> <ul style="list-style-type: none"> • Transaction detail (indicating positive AVS, and CVV/CW2) • An invoice indicating the merchandise was shipped to a positive AVS address • Shipping tracking details indicating signed receipt packages (signed by the cardholder) • Records of all transactions, including copies of the website pages that the customer will have seen • Refunds processed, if relevant

How Paysafe can Help

Please speak to your Account Manager regarding the following Risk Management Services.

Risk Rules Engine

Our Proprietary Risk Rules Engine has evolved over many years and is at the core of our technology. Our solution allows for near real-time decisioning and for a quick response to potentially fraudulent transactions. By leveraging our global experience, industry best practices and your concerns, Paysafe creates effective rules tailored to your business. Rules can be built around velocity, geolocation mismatches, AVS/CVV validation, fraud scoring, etc. They can also be created to best suit your ability to handle day-to-day activity, to either: Approve, Decline, Hold or Challenge data.

Chargeback Alert Program

Paysafe’s strategic partnerships with Ethoca and Verifi help manage fraud and Chargebacks. Our combined technologies capture disputed transactions directly from many Issuing Banks in Canada, the United States and the UK. By leveraging this feature, we proactively refund disputed transactions on your behalf and send you a notification, helping you avoid Chargebacks.

ThreatMetrix

ThreatMetrix offers frictionless, real-time device fingerprinting to analyse consumer behaviour, assisting you with fraud detection and prevention. Paysafe facilitates acquiring a ThreatMetrix account, configuring and maintaining rules and leveraging Paysafe's Risk Rules Engine to control transactional outcomes. Implementation of ThreatMetrix on your account is simple and transparent to your customers.

Identity/Age Verification

We have integrated several leading identity intelligence solutions with coverage of key geolocations to perform Know-Your-Customer and Knowledge-Based Authentication verifications. Validate your customer's identity by comparing account details against a variety of data sources and/or by asking multiple choice questions. This gives your business the intelligence and confidence needed to accurately verify customers upon registration.

Verified by Visa, 3D Secure and Safekey

We offer Verified by Visa, 3D Secure (Mastercard) and Safekey (Amex) through a 3rd-party supplier or our own MPI. Paysafe's MPI and its supplier offer more flexibility than traditional services by allowing control over which transactions are to be authenticated, resulting in less consumer friction. They help to ensure more transactions are authenticated with less manual review.

AVS/CVD

We offer both AVS (Address Verification System) and CVD (Card Verification Digits) verifications as part of our standard setup. AVS helps to ensure the numerical portion of the address provided on the transaction matches the information at the consumer's financial institution. CVD is the 3-digit number found on the back of cards issued by Visa and Mastercard; this helps to ensure that the consumer is in possession of the card. Paysafe can offer further assistance with our Risk Rules Engine by only allowing certain responses from AVS and CVD, or a combination thereof, to be settled.

In order to meet association regulatory requirements and to mitigate our exposure to any additional fraud, we automatically block all new transactions for a card number previously involved with a fraud-related chargeback item.

We provide chargeback merchant support, having in place dispute professionals who are willing to help you fully understand the chargeback process. We are here to help you navigate through the chargeback process and assist you with reducing your chargeback risk.

How you can Help Yourself

It is not possible for any merchant to avoid all incoming Chargebacks; however, the following advice could help in reducing the number of Retrieval Requests and Chargebacks a merchant may receive.

It is important that you log into the Paysafe Merchant Back Office regularly to view new chargeback entries or you can request a report be emailed to you.

To help in the prevention of Chargebacks, we require that you follow the guidelines below. If you fail to follow these recommendations, your transactions are more likely to be rejected or, in due course, charged back to you.

This list is not exhaustive.

General information

- ✓ Make sure that you have read and understood your merchant agreement.
- ✓ Double check all details regarding the transactions.
- ✓ In cases of *Copy Request/Retrieval Request/Request for Information*, supply to Paysafe all relevant and available information for the requested transaction.

Website Criteria

We advise that your website display the following information:

- ✓ A complete description of the goods and services offered
- ✓ Delivery policy
- ✓ Clear returns and refund policy
- ✓ Available transaction currencies in which you are able to deal
- ✓ Customer Service contact (email address, phone number, address)
- ✓ Country of domicile
- ✓ Export restrictions (if any)

Delivery Policy

- ✓ You should retain documentary evidence of the delivery, along with the description of goods and services supplied, for a minimum of 12 months.

- ✓ Do not dispatch goods by whatever means (including online delivery) to a 3rd-party address (i.e., an address other than the cardholder's address). To do so is considered a very high risk.
- ✓ When delivering the goods, obtain the cardholder's signature to show proof of delivery.

Customer Service, Quality of Product and Refund Policy

Please ensure that:

- ✓ Your products are of high quality and are exactly as described in your sales description.
- ✓ Delivery of your service or product is within the time frame provided to the cardholder.
- ✓ Every cardholder charge is "Quality Checked".
- ✓ You have a generous refund policy which is honoured.

Processing a Refund

You can always refund a transaction; however, do not issue a refund for a transaction that has entered the retrieval or chargeback process. It is a violation of the card association scheme rules and you might be at risk of losing your money twice.

You should also always refund using the same method as the initial purchase. Avoid refunding though checks, cash or interac transfer in the purchase was processed with a credit card. You will lose your dispute rights, should there be a chargeback.

Please regularly run a Transaction Report, available in the Merchant Back Office, and pay attention to the status of the refund.

Authorization and Settlement Transaction Processing

Paysafe offers a service enabling credit and debit card transactions to be pre-authorized/settled, whereby the customer enters their card details. Checks are then made on the submitted details, and the transaction funds are reserved against the customer's card. The transaction is not actually processed; therefore, your settlement will not occur at this time.

Pre-authorising/settling a transaction enables you to perform any additional offline checks against the customer details and ensures that the order can be fulfilled. Once these or any other points have been checked, you must then "post-authorize" (settle) the transaction using the Paysafe Merchant Back Office to ensure that the cardholder is debited and that settlement to your account occurs.

Transactions which have been pre-authorized are only effective for between three and five days. If you do not subsequently "post-authorize" (settle) the transaction, it will lapse after this period. This means that the customer's card will not be debited and you will not receive settlement of funds.

There are two reasons why you may request (or be required by Paysafe to use) Authorization & Settle:

1. The card rules require/recommend two-stage transaction processing where funds should not be taken from the cardholder until the goods have been dispatched.
2. Additional checks can be made on the cardholder to establish that the transaction was not fraudulent before completing the payment and delivering the goods.

For further information about how you can use the authorization/settle mechanism for your business, email your Account Manager or Customer Support.

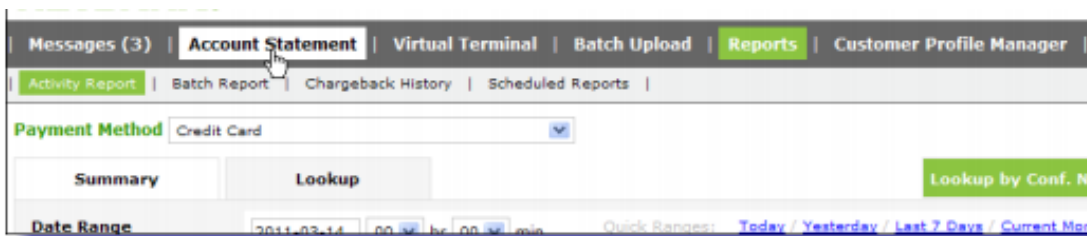
Authorization of a transaction does not guarantee payment; it will only check the availability of funds at the time of the transaction and that the card has not been reported as lost or stolen.

Chargeback Reports – Back Office

Introduction

The Merchant Back Office, a service of Paysafe, is a versatile user interface which includes many useful and time-saving features, from running reports to processing transaction requests.

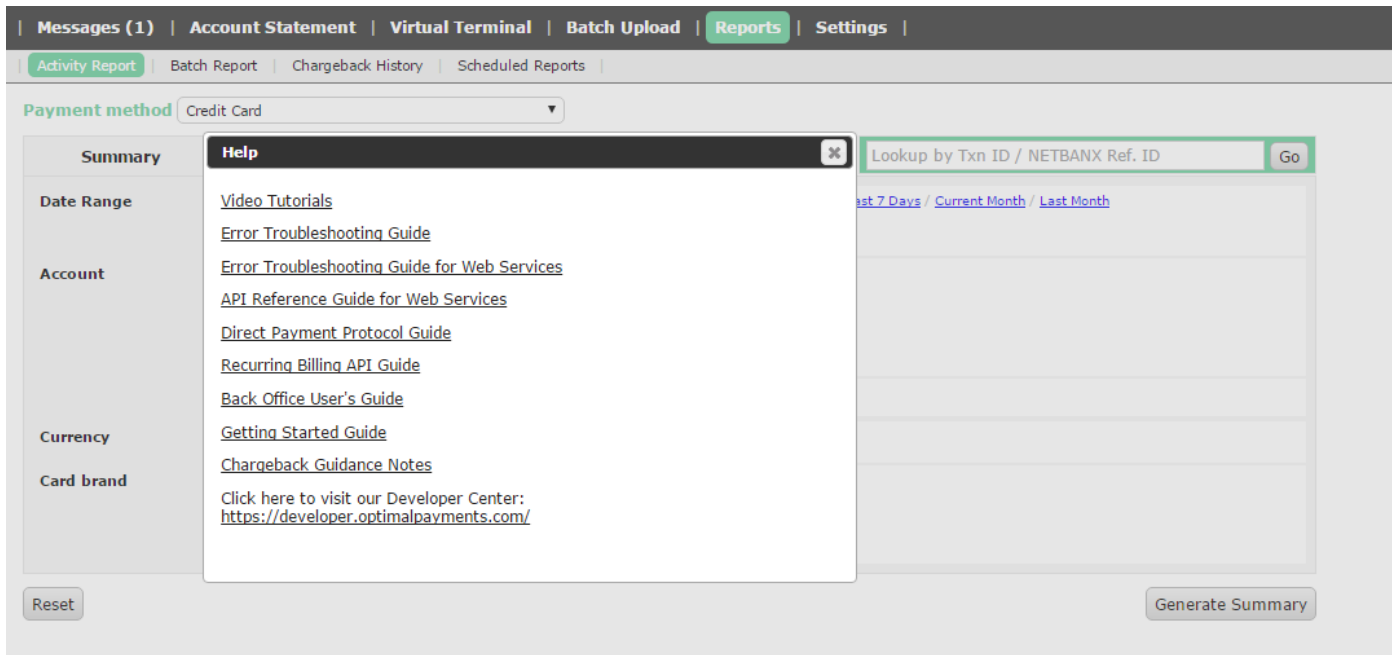
On becoming a Paysafe merchant, you will receive instructions detailing how to access the Merchant Back Office in your welcome pack.



Instructions on how to navigate in the Merchant Back Office are found under the *Help* tab, in the upper right-hand corner of the screen, next to your login details.

[20180419-2114] Welcome,

[Help](#) [Sign Out](#)



After reading this chapter, you will gain a better understanding on:

- ✓ What is a Chargeback History Report?
- ✓ How to run a Chargeback History Report
- ✓ How to save a report to your computer
- ✓ What information is included in a Chargeback History Report
- ✓ What do the dispute statuses mean?
- ✓ How to run a chargeback summary in Activity Report

You will also find an example of the full chargeback process. Please be advised that information on the reporting tools can be found here:

http://support.netbanx.com/REPOSITORY/Back_Office.pdf (chapters 4 and 5),

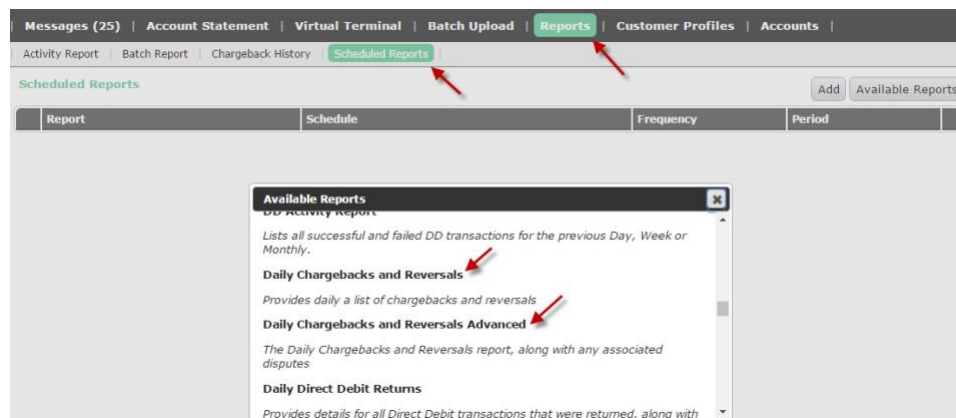
http://support.netbanx.com/REPOSITORY/NETBANX/Getting_Started.pdf (page 34)

Setting out Automated Reports

Paysafe offers reporting tools specifically created to manage Chargebacks. These readily available reports can be automated to be sent to your email address in a variety of formats, allowing you to keep a close eye on incoming Chargebacks so that you can efficiently manage them.

You can set up reports directly in the Merchant Back Office under the *Schedule Reports* tab, such as:

- ✓ **Chargebacks and Retrievals with Disputes** – Provides Chargebacks and Retrieval Requests, along with any associated disputes, including the record IDs and confirmation numbers.
- ✓ **Daily Chargebacks and Reversals** – Provides daily a list of Chargebacks and Reversals.
- ✓ **Daily Chargebacks and Reversals Advanced** – The ‘Daily Chargebacks and Reversals’ report, along with any associated disputes.



Should you have any questions on how to set up reports in the Back Office or which report would better suit your needs, please contact the support team at customersupport@paysafe.com.

Chargeback History Report – General Information

The ‘Chargeback History’ report generates a summary of disputed transactions over a date range that you select and for the merchant account you choose. If you have more than one merchant account and you wish to run a report for all of them at once, you can use multiple selections, as shown below:

Chargeback History

Account *
 1001182362 - OptimalWorld (USD 1001182371) (JPY)
 1001182363 - OptimalWorld (USD 1001182372) (TND)

Start Date *

End Date *

Report Type

[Download](#)

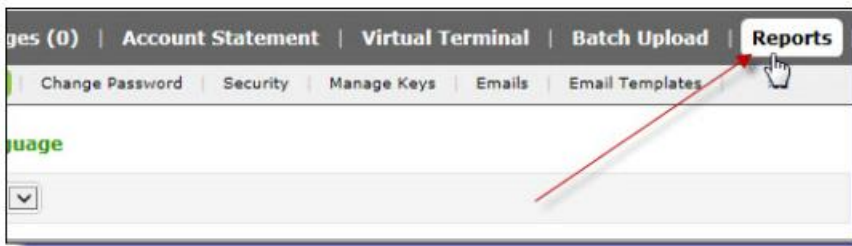
The 'Chargeback History' report contains various fields, such as:

Field	Description
Credit Card Number	The credit card number involved in the Chargeback/Retrieval Request (last four digits only).
Transaction Date	The settlement date of the original transaction against which a dispute record was entered. The transaction date is shown in the format: yyyy-mm-dd hh:mm:ss .
Posting Date	The date the Acquirer posted the record to the Merchant Back Office. The posting date is shown in the format: yyyy-mm-dd hh:mm:ss .
Chargeback Posting Amount	The amount of the dispute record that was processed.
Original Transaction Amount	The amount of the original settlement transaction.
Transaction ID	The transaction number assigned to the original settlement request and returned in response to the request.
Name	The name of the customer who initiated the original settlement transaction.
Reason Code	The reason code for the dispute record, supplied by the Acquiring Bank.
Reason Description	A description of a reason code.
ARN	The Acquirer's reference number that was entered for the request.

Field	Description
Control Number	The bank's control number, which allows the Acquirer to track records.
Status	The status of the record. Possible statuses are: <ul style="list-style-type: none"> ✓ Initial ✓ Initial - Expired ✓ 2nd CB/Pre-arb ✓ 2nd CB/Pre-arb - Expired ✓ Disputed - Open ✓ Disputed - Won ✓ Disputed - Lost
Record ID	A unique ID for the record. A single ARN may have multiple records associated with it (e.g., Chargeback and Reversal), and each of these records has its own unique ID.
Brand	The card brand used in the transaction that was charged back.

Running a Chargeback History Report

1. Log into the Merchant Back Office: <https://login.netbanx.com>
2. Go to the **Reports** tab at the top of the page.



3. Click the **Chargeback History** submenu.



4. Complete the following fields:

Field	Description
Account	Select an account number from the drop-down list.
Start Date/End Date	Use the calendar to select the date range you wish to investigate. <i>The maximum date range is one year.</i>
Report Type	Available options are: <ul style="list-style-type: none"> ✓ All Retrieval Requests ✓ All Chargebacks ✓ All Chargeback Reversals ✓ All Disputed Chargebacks ✓ All Disputed Chargebacks – Open ✓ All Disputed Chargebacks – Won ✓ All Disputed Chargebacks – Lost

5. Click the **Download** button.
6. A 'File Download' window will open.
7. Follow the onscreen instructions to save the CVS file to your PC.

How Do I Save the Chargeback History Report to my PC?

Please be advised that the CSV file is a default report format; however, depending on the version of Excel installed on your computer, it may automatically convert the downloaded file and change the data. To keep the original format (text for numbers), we advise saving the report to your computer before opening it and manually changing the cell format using one of the options below:

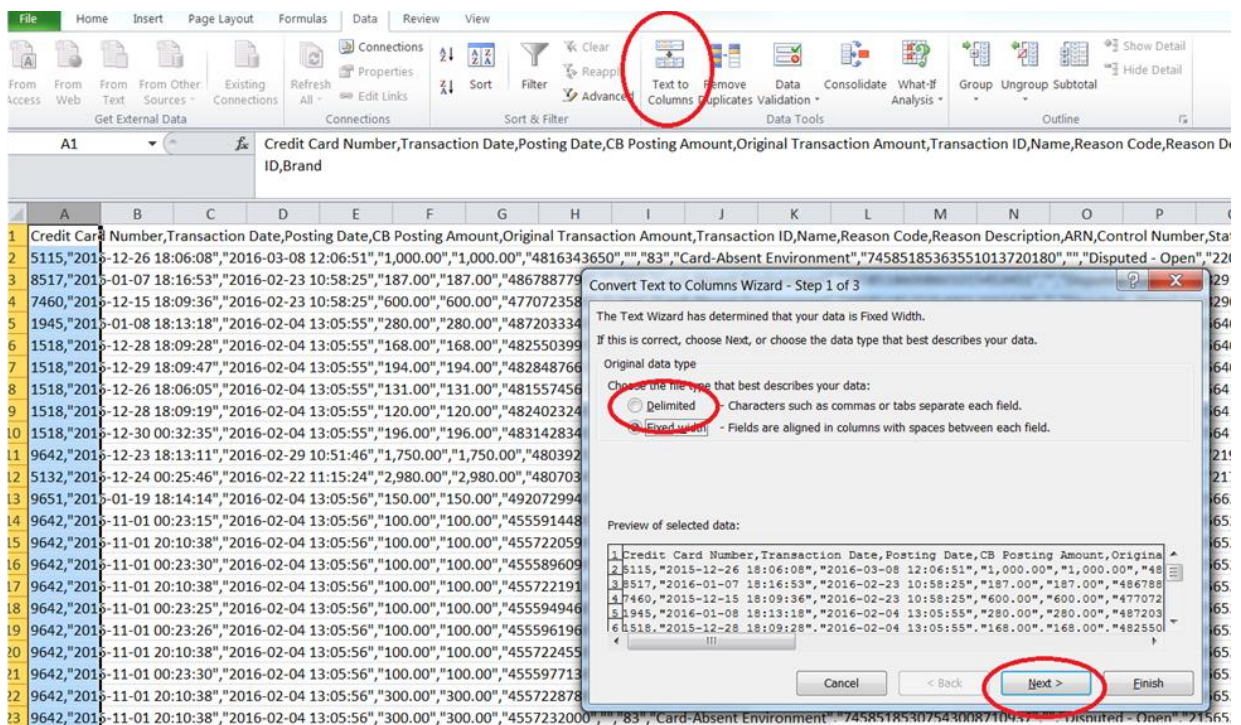
First Option

1. Save the CSV file to your computer.
2. Open Excel and use Excel's file menu to open the file.
3. You should automatically get the data import wizard. This will help you convert all required columns to text.

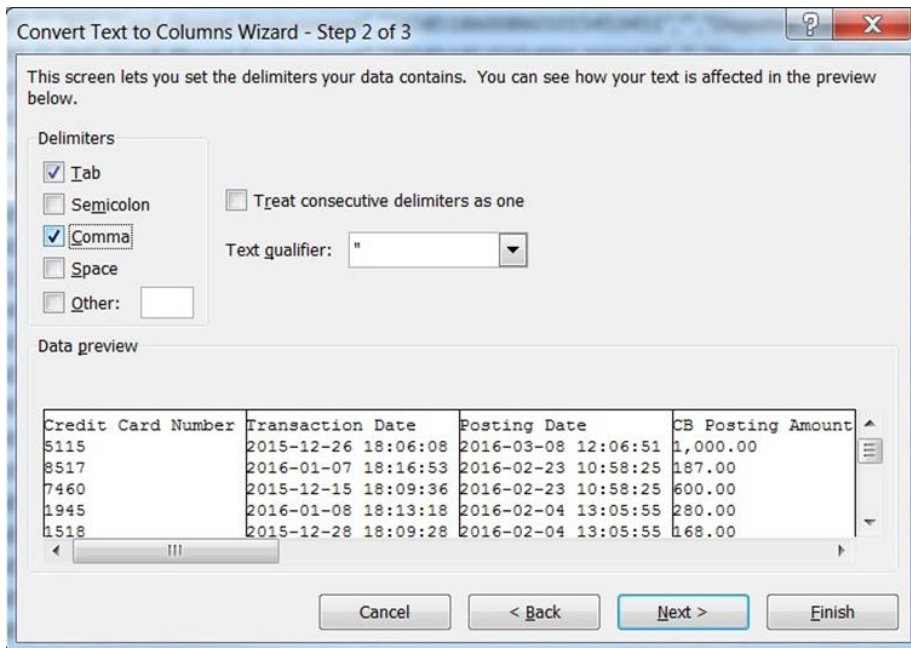
If the data import wizard doesn't open, you can follow the steps provided by Microsoft Office Support to convert columns to text in the following link: <https://support.office.com/en-us/article/Text-Import-Wizard-c5b02af6-fda1-4440-899f-f78baf41857>.

Second Option

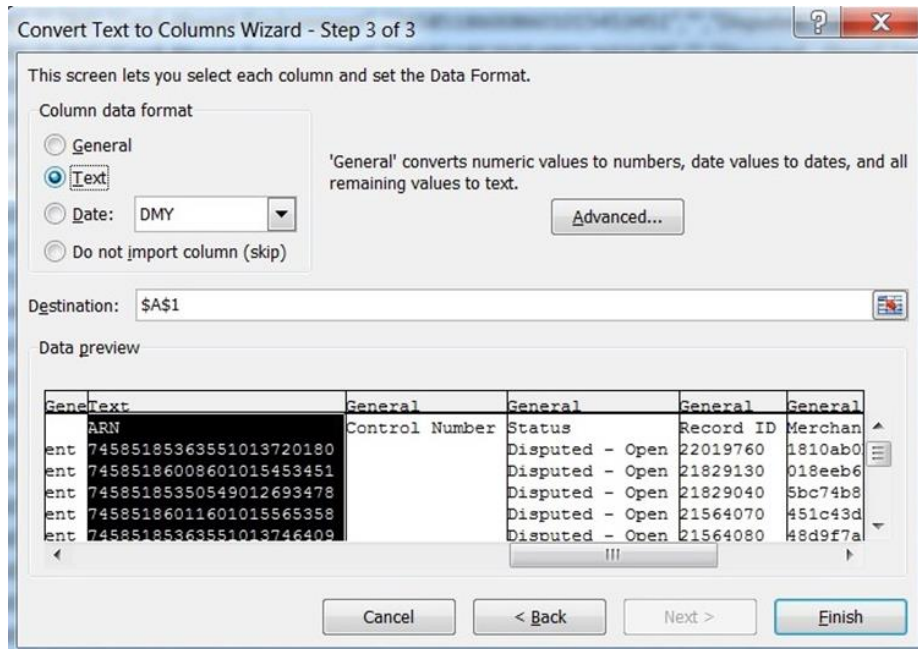
1. Save the CSV file to your computer.
2. Open the file with Notepad.
3. Copy all text (CTRL+A followed by CTRL+C).
4. Open a new Excel file, click on cell A1, and paste (CTRL+V) all data to the Excel spreadsheet.
5. Change the cell format from 'General' to 'Text' (separate values to columns):
 - On the **Data** tab in Excel, select 'Text to Columns'.
 - Then select 'Delimited'.



- Select 'Comma' as the delimiter and click 'Next'.



- Convert to 'Text' all columns which include numbers.



- Click 'Finish'.

Dispute Statuses – Explanation

Dispute Status informs you about the stage of a chargeback process and provides more details on the Chargeback/Retrieval Record.

Possible chargeback dispute statuses are:

Dispute Status	Description
Initial	This is given to a newly entered Chargeback when its ARN (Acquirer Reference Number) does not match any previous Chargeback in the same merchant account.
Initial - Expired	This is given if a Chargeback is not disputed within ten days from the Posting Date.
2nd CB/Pre-arb	This is given to a newly entered Chargeback when its ARN matches a previous Chargeback in the same merchant account.
2nd CB/Pre-arb - Expired	This is given if a Chargeback is not disputed within five days from the date when the 2 nd Chargeback/Pre-arb was posted.

Disputed - Open	This is given when a Chargeback is disputed but has not yet received a result. Less than 45 days must have passed since it was last disputed.
Disputed - Won	This is given when a Chargeback was disputed by the merchant and neither a 2 nd Chargeback nor a Pre-arbitration was received, and the Issuer is outside of the time frame (please refer to How to Check if your Dispute was Won or Lost).
Disputed - Lost	This status is given when a Chargeback was disputed by the merchant and a 2 nd Chargeback or Pre-arbitration was accepted by the Acquirer.

Please be advised of the following:

1. An 'Initial' or '2nd CB/Pre-arb' chargeback status will be changed to:
 - a. 'Initial - Expired' – if not disputed within ten days from the Chargeback Posting Date;
 - b. '2nd CB/Pre-arb - Expired' – if not disputed within five days from the date when '2nd CB/Pre-arb' was posted; and
 - c. 'Disputed - Open' – if the Chargeback is disputed but has not yet received a result, and 45 days have not passed since it was last disputed.

2. A 'Disputed - Open' chargeback status will be changed to:
 - a. 'Disputed - Won' – if a Chargeback was disputed by the merchant and won; and
 - b. 'Disputed - Lost' – if a Chargeback was disputed by the merchant and lost.

Transaction Flow (Chargeback Process)

As you know, the full chargeback process is quite a long procedure, which consists of four stages: Chargeback, Dispute, 2nd Chargeback/Pre-arbitration and Arbitration. Each of those stages have a financial cost, and during the chargeback process, a debit or credit will be posted to your account accordingly. The transaction flow can be found in the Merchant Back Office under specific ARN (Acquirer Reference Number).

To know how to find a particular transaction quickly in the Merchant Back Office, please refer to the **Chapter: Using the Lookup Option in the Activity Report** (page 45) in the following guide:

http://support.netbanx.com/REPOSITORY/NETBANX/Getting_Started.pdf

Under transaction details in the Merchant Back Office (settlement) three tables may appear:

1. Settlements Table – Includes all settlements completed for this transaction with the same ARN.

2. Credits Table – Displays all credits processed for this settlement.
3. Chargeback Table – Displays all stages of the chargeback process, starting with the Retrieval Request (if applicable) and finishing with the Pre-arbitration accepted (if applicable).

Further explanations of the contents of each table are provided below:

Transaction Stage	Description
SETTLEMENTS TABLE	
Settlement	The transaction is settled, and the money is with the merchant.
CREDITS TABLE	
Credit	A refund was processed back to the customer, and the money is with the customer (cardholder).
CHARGEBACKS TABLE	
Retrieval Request	No financial impact, however a retrieval fee may apply. Please refer to your Merchant Agreement to verify if you are charged a retrieval fee.
Chargeback	This means a debit to your account. The original settlement was reversed, and the funds are with the Card Issuer due to the Chargeback being raised. A chargeback fee may have been applied. Please refer to your Merchant Agreement.
Reversal	Generally, this means that a Chargeback was disputed (or represented) to the Card Issuer and a credit was posted to your account. It means that your case is won.
2 nd Chargeback/Pre-arbitration	If a 2 nd Chargeback/Pre-arbitration is posted to your account, it means that a debit was posted against this transaction. Generally, the chargeback process stops at this stage, as it is rare to win an arbitration case. The money is with the Card Issuer. If there is chance of winning an arbitration case, you will most likely be asked by the Acquirer to provide more evidence.

Examples of the transaction flow:

1. A transaction was refunded before a Chargeback came in; however, the Chargeback was completed.

Settlements

Date	Txn ID	Merchant Trans. ID	Status	Remaining	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2015-11-02 08:28:41			Completed	0.00	10.00		2015-11-02 18:09:42		

Credits

Date	Txn ID	Merchant Trans. ID	Status	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2015-11-24 10:22:01			Completed	10.00		2015-11-24 18:09:42		

Chargebacks

Date	Record ID	Type	Amount	Status	Reason Code	ARN
2016-02-04 13:05:56		Chargeback	10.00	Disputed - Won	Card-Absent Environment	
2016-02-12 12:21:10		Reversal	-10.00	Completed	Card-Absent Environment	

This Chargeback was disputed (and won) based on the refund processed, and the Reversal was added to the merchant's account. The dispute status changed from *Disputed - Open* to *Disputed - Won*.

- A Chargeback was filled out against a merchant (Chargeback – debit) and was disputed by the Acquirer (Reversal – credit), but it turned out as a Pre-arbitration, which was accepted (Chargeback – debit).

Settlements

Date	Txn ID	Merchant Trans. ID	Status	Remaining	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2015-11-02 08:28:41			Completed	0.00	10.00		2015-11-02 18:09:42		

Credits

Date	Txn ID	Merchant Trans. ID	Status	Amount	Batch ID	Batch Date	ARN	Acquirer Txn ID
2015-11-24 10:22:01			Completed	10.00		2015-11-24 18:09:42		

Chargebacks

Date	Record ID	Type	Amount	Status	Reason Code	ARN
2016-02-04 13:05:56		Chargeback	10.00	Disputed - Won	Card-Absent Environment	
2016-02-12 12:21:10		Reversal	-10.00	Completed	Card-Absent Environment	

Chargeback Summary in the Activity Report

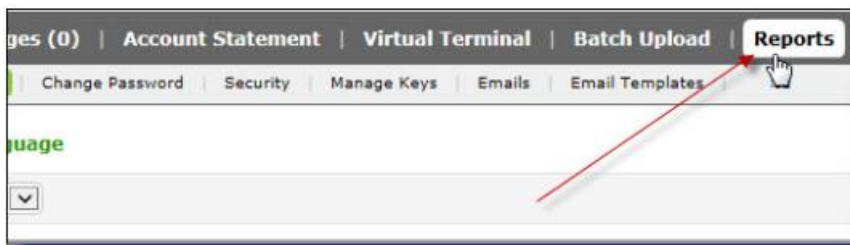
Information

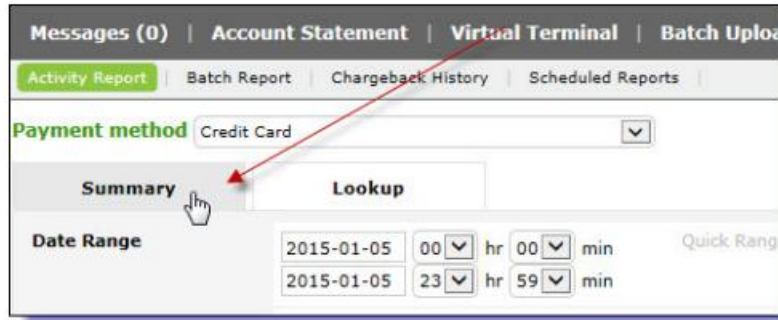
The functionality of the Activity Report is presented in greater detail on pages 34 to 48 of the following guide: http://support.netbanx.com/REPOSITORY/NETBANX/Getting_Started.pdf. A noteworthy item to mention here is the chargeback summary available in this report.

To quickly review all Chargebacks or Retrieval Requests received for a specific period of time without having to download a report, you can use the Activity Report in the Merchant Back Office.

Running a Report

1. To run an Activity Report from the Merchant Back Office, click on the following tabs in sequence: *Reports* → *Activity Report* → *Summary*.





2. Select the **Payment method** you want to run a report on (e.g., Credit Card).



3. The more information you include, the more narrow your search results will be. Important fields to consider:
 - **Date Range** – Select the date range for your search. The maximum range is six months.
 - **Account** – Select a merchant account number for your report. If you don't specify a merchant account, the report will be run on all merchant accounts available to you.
 - **Card brand** – This will allow you to limit your search to a specific card brand, e.g., Mastercard.
4. Click the 'Generate Summary' button.

The screenshot shows a web interface for generating a report. At the top, there are tabs for 'Accounts History', 'Batch Report', 'Chargeback History', and 'Scheduled Reports'. The 'Payment method' is set to 'Credit Card'. There are two tabs: 'Summary' and 'Lookup'. A search box contains 'Lookup by Ten ID' and a 'Go' button. The 'Date Range' is set from 2015-01-05 00:00 to 2015-01-05 23:59. The 'Account' field lists two accounts: '1000018330 - Online Store (USD)' and '1000052533 - Online Stores (USD)'. The 'User name' is set to 'All'. There is a checkbox for 'Include 3D Secure Transaction Results' which is unchecked. The 'Currency' is set to 'All'. The 'Card brand' dropdown shows options: (AM) American Express, (MD) Maestro, (MC) MasterCard, and (VI) Visa. A 'Reset' button is at the bottom left, and a 'Generate Summary' button is at the bottom right, which is pointed to by a red arrow.

5. The resulting page displays all the transactions that match your search parameters.

Credit Card Valid Requests From 2016-05-01 00:00 EDT To 2016-05-31 23:59 EDT

Transaction	Status	Count	Amount
Authorizations	+ Authorized	18,674	18,674.00
Authorizations	+ Fully Settled	101,881	18,070,758.83
Authorization Reversal	Reversed	19,357	19,357.00
Settlements	+ Cancelled	25	5,100.00
Settlements	+ Completed	101,778	18,049,367.10
Settlements	+ Declined	78	16,291.73
Credits	+ Completed	130	122,984.37
Chargebacks	Completed	106	6,201.75
Chargebacks	Retrieval	20	1,906.87
Chargebacks	Reversed	90	4,537.78

Credit Card Declined Requests

Transaction	Count	Amount
Authorization	9,032	9,032.00
Authorization Reversal	6,818	33,381.42
Purchase	13,024	4,464,174.90
Credit	29	5,530.00
Cancel Settle	3	0.00

6. Chargeback information is split into:

- a. **Chargebacks Completed** – All Chargebacks received for this merchant account/multiple accounts in a selected time range.
- b. **Chargeback Retrieval** – All Retrieval Requests received for this merchant account/multiple accounts in a selected time range.
- c. **Chargeback Reversed** – All Reversals completed for this merchant account/multiple accounts in a selected time range.

The summary will show a total number and total amount. Please note that if you select multiple accounts in a different currency, the total amount will not be accurate; however, you can see details when you click on the statuses: *Completed, Retrieval, or Reversed*.

Credit Card Chargebacks Completed

From 2016-05-01 To 2016-05-31

Account	Count	Amount
(GBP)	93	3,371.75
(USD)	11	2,500.00
(EUR)	2	330.00

- 7. You can download the Activity Report. To do so, click on the paperclip icon in the last column.

Please note: If the time range selected is too wide, too many results may be downloaded and this option will not be available.

Credit Card Valid Requests

From 2016-05-01 00:00 EDT To 2016-05-31 23:59 EDT

Transaction	Status	Count	Amount	
Authorizations	+ Authorized	18,674	18,674.00	
Authorizations	+ Fully Settled	101,881	18,070,758.83	
Authorization Reversal	Reversed	19,357	19,357.00	
Settlements	+ Cancelled	25	5,100.00	
Settlements	+ Completed	101,778	18,049,367.10	
Settlements	+ Declined	78	16,291.73	
Credits	+ Completed	130	122,984.37	
Chargebacks	Completed	106	6,201.75	
Chargebacks	Retrieval	20	1,906.87	
Chargebacks	Reversed	90	4,537.78	

The instructions on how to download Activity Reports and what information to select can be found in the following guide: http://support.netbanx.com/REPOSITORY/NETBANX/Getting_Started.pdf (page 38).

Please be aware: This report does not include the chargeback reason code, dispute status, or ARN. We advise you to use it in addition to the ‘Chargeback History Report’.

Glossary

There are a variety of terms used throughout this manual. The definitions provided here will help you in understanding the chargeback terminology.

3D Secure

3D Secure allows cardholders to authenticate themselves with a PIN while making an online payment, providing merchants a level of protection from fraud. Banks see that the transaction has been authenticated and are more likely to approve the transaction.

- 3D Secure by Visa is called **Verified by Visa**
- 3D Secure by Mastercard is called **Secure Code**
- 3D Secure by American Express is called **SafeKey**

Acquirer

An Acquirer (also known as an Acquiring Bank) is a bank or financial institution that processes credit or debit card payments on behalf of a merchant. The term indicates that the merchant accepts or acquires credit card payments from the Issuing Banks within an association.

ARN

This is the Acquirer Reference Number, a unique identification reference number assigned to each settlement transaction by the Acquirer.

AVS

Address Verification Service is a service that Issuing Banks perform during authorization in which the billing address that customers enter when placing an order is compared to the addresses kept on record at their bank. AVS checks whether the numeric address and zip code match. Depending on the accuracy of the match between these two addresses, the system returns an AVS flag which the merchant can use to make a decision about the request. Note that regardless of the AVS flag, the credit card will be authorized by the Issuing Bank.

Card Association

This is an organization owned by financial institutions that licenses bank credit card programs. The Card Association also performs operational functions for its members, including transaction processing and authorizations, interchange settlements, and fee processing. The two best-known Card Associations are Visa and Mastercard.

Chargeback

A Chargeback occurs when a cardholder disputes a card purchase with their Issuing Bank. The Issuing Bank initiates a Chargeback against the merchant's account and refunds the cardholder. Then, if there is no proof forthcoming that the cardholder is responsible for the purchase, that amount of money is deducted from the merchant's account in order to reimburse the Issuing Bank. After the Issuing Bank raises a Chargeback, the merchant and Acquirer have 45 days to reply.

CVD

CVD (or CVV) is a 3- or 4-digit code on credit cards that acts as an anti-fraud security feature to help verify that the customer in a card-not-present purchase is actually in possession of the credit card. Visa's Card Verification Values (CVV2), Mastercard's Card Validation Code (CVC2), and the Card Identification Digits (CID) for American Express and Discover cards are generated using a combination of the credit card number, expiration date, etc.

Dispute

See **Representation**.

Dispute Pack

A dispute pack is a group of documents sent by merchants to defend against Chargebacks they have received. See [Common Chargeback reason codes](#) for more details on specific dispute package contents.

Issuer

The Issuer (also known as Issuing Bank) is the financial institution that issues cards to consumers on behalf of the Card Associations. The Issuing Bank is also known as the credit or debit card company.

Merchant Back Office

The Paysafe Merchant Back Office is available at <https://login.netbanx.com/office/public/preLogin.htm>. Using the Merchant Back Office, merchants can process credit card and direct debit transactions using the Virtual Terminal, adjust individual transactions, manage customer profiles, set recurring billing schedules, upload batches, view their merchant account statement, run reports, and send technical support tickets. For more information, consult the Getting Started Guide at: http://support.netbanx.com/REPOSITORY/Netbanx/Getting_Started.pdf.

Processor

A processor is an organization that is contracted with the Acquirer to process card transactions. In some cases, the Acquirer is also the processor.

Payment Gateway

The payment gateway is the service provider's system that relays transaction information from the merchant to the processor. The payment gateway is responsible for acquiring the transaction authorization and for securely encrypting data.

Platform

See **Payment Gateway**.

Pre-arbitration

After the Representment of a transaction (reversal of the Chargeback) from the Acquirer to the Issuer, the Issuer may determine that, for some reason, the transaction may be invalid. The Issuer may then return the transaction to the Acquirer as a Chargeback for possible remedy; this is the Pre-arbitration.

Pre-compliance Chargeback

A pre-compliance Chargeback, under reason code 98, is the name given to a Chargeback that was not handled by the Visa or the Mastercard chargeback management system. Essentially, this coding provides injunctive relief on a chargeback case you disputed and would normally win, reversing this win to a loss that Paysafe accepts in order to resolve the case. A pre-compliance Chargeback does not get counted against your chargeback threshold.

Representment

A Representment occurs when either the merchant or Paysafe disputes a Chargeback in order to recover funds charged back by an Issuer. The Representment is transmitted to the Card Association and, ultimately, to the Issuing Bank.

Retrieval Request

A Retrieval Request (also known as a Copy Request, Sub-draft, or a Request for Information) is a request for information about a cardholder's transaction, received from the Acquiring Bank through the Card Association and originating from the Issuing Bank. If a Retrieval Request is not submitted within 14 days, the Issuer can raise a Chargeback.

Reversal

A Reversal occurs when a chargeback dispute is won. At this point, the chargeback amount is re-charged to the cardholder, and the funds are returned to the merchant.

Second (2nd) Chargeback

A Second (2nd) Chargeback is a second presentment. After the first presentment of a transaction from the Acquirer to the Issuer, the Issuer may determine that, for some reason, the transaction may be invalid. The Issuer may then issue a pre-arbitration and if the pre-arbitration is accepted, the issuer may return the transaction to the Acquirer as a Chargeback for possible remedy.

FAQ

What is a Retrieval Request?

A Retrieval Request is a request from the Issuing Bank to the merchant's bank and, ultimately, to the merchant for a copy or facsimile of a sales transaction receipt. This occurs when cardholders contact their Issuing Banks and ask for more details regarding transactions appearing on their credit card statements. This typically happens when a cardholder does not recognize a charge. This is the initial step the Issuer takes in the event that either the Issuer or the cardholder disputes a transaction.

Please note: Paysafe auto-responds to Retrieval Requests for card-not-present transactions, outlining detailed information regarding the transaction (merchant information, cardholder information, and transaction details).

Once our auto-response is received by the Card Associations (Visa/Mastercard), the Retrieval Request case will be fulfilled and closed. They will not accept any additional documents. You are required to respond to these Retrieval Request records for card-present transactions. However, note that chargeback records should be responded to as soon as possible as to not miss any chargeback dispute rights.

What is a Chargeback?

A Chargeback occurs when a cardholder disputes a card purchase with their Issuing Bank. The Issuing Bank initiates a Chargeback against the merchant's account and refunds the cardholder. After the Issuing Bank raises a Chargeback, the merchant and Acquirer have 45 days to reply.

How long will it take to get a response for a dispute?

The dispute process involves many steps and various downstream stakeholders; therefore, it is impossible to provide an exact time frame for the dispute responses. If you have questions about dispute responses, please call the Support Department at (888) 709-8753 or email them at customersupport@paysafe.com.

What about currency differences?

A merchant is required to absorb any foreign currency exchange loss on international transactions.

Why does the chargeback amount differ from the original transaction?

If a card was charged in a different currency from the merchant account you hold (e.g., USD/CAD) then the chargeback amount might be different based on the currency exchange rate on the day of the transaction compared to the day of the Chargeback.

I sent an email to chargebackmanagement@paysafe.com...why haven't I received a response?

Rest assured that all dispute documents are received and handled so that your Chargeback can be disputed in due time. If you have any questions, please call the Support Department at (888) 709-8753 or email them at customersupport@paysafe.com.

How do I find out if my Chargeback was disputed?

The status of your Chargeback will change in the Merchant Back Office once the dispute has started. If the dispute is successful, the chargeback status will be "Disputed - Won". If not, then the status will be "Disputed - Lost".

How do I find out if I won a dispute?

If the Chargeback is won, then its status will be changed to "Disputed - Won".

Can I get notifications directly by email?

You can set up reports to be emailed to you every time a Chargeback is received. This can be done using the 'Scheduled Reports' tool in the Merchant Back Office. Should you have any questions on how to set up a report or which report would be best for you, please call the Support Department at (888) 709-8753 or email them at customersupport@paysafe.com.

What can be submitted to dispute Chargebacks?

The collateral required to dispute a Chargeback varies with the chargeback reason codes. Please refer to [Common Chargeback reason codes](#) for more information.

What are the fees associated with the Chargeback/Reversal?

As per your contract, chargeback fees will be charged each time you have a Chargeback. If you have any questions concerning those fees, please refer to your contract. Should you have any other questions, please call the Support Department at (888) 709-8753 or email them at customersupport@paysafe.com.

What is the deadline to submit a dispute once I see a Chargeback posted?

Once the Chargeback is posted, you have 5 business days to send in your dispute documents to the Chargebacks Department at chargebackmanagement@paysafe.com.

How does a Chargeback affect me?

Chargebacks can affect you in several ways:

- You pay fees for each Chargeback received.
- The transaction fee you paid for the original transaction that is being charged back is kept by the processor.
- You can lose shipping costs if you have shipped goods to the consumer.
- You run the risk of fines from the bank if your Chargeback rates are elevated.
- Your company's reputation can be tarnished.
- You could end up on the MATCH list.
- At worst, you can lose your merchant account.

Should you have any questions, please call the Support Department at (888) 709-8753 or email them at customersupport@paysafe.com.

What is a Pre-arbitration?

A Pre-arbitration case occurs when the cardholder and Issuing Bank continue to dispute a Chargeback that we have previously reversed on your behalf. The Issuer is the party that would initiate a Pre-arbitration case.

A Pre-arbitration is a formal request from the Issuer advising the Acquirer (the merchant's bank) that they feel that their cardholder's claim is valid and that they will request the card association to make an arbitration ruling on the dispute. When the situation escalates to the Pre-arbitration stage, there are two options available to you:

- Accept the case – This will initiate a second debit to your account for each of the transactions and end the dispute.
- Decline the case – This will indicate that you wish to continue to contest the dispute. A second debit for each transaction will not be initiated at this time. Please note that if you choose to decline the case, the Issuing Bank has the right to file an Arbitration case with the association's Review Committee. If the card association rules in the favour of the Issuer/cardholder, you will then be debited for the amount of each of the transactions, as well as any associated fees (500\$ per case).

What is a Lost Representation?

A Lost Representation occurs when the Issuing Bank has deemed the chargeback dispute documentation insufficient for a Reversal and has therefore updated the status of your Chargeback to a Lost Representation (denied Reversal). In this case, the Chargeback will be auto-disputed and **possibly** reversed in your favour.

I have issued a credit to the cardholder, so why did I receive a Chargeback?

If you have issued a credit for a transaction and then received a Chargeback, this is most likely due to the fact that the Chargeback was issued before the credit was processed. This is not uncommon, as there is a time delay between the client requesting a Chargeback and the bank sending the information to Paysafe. In this case, the Chargeback will be auto-disputed and automatically be reversed in your favour.