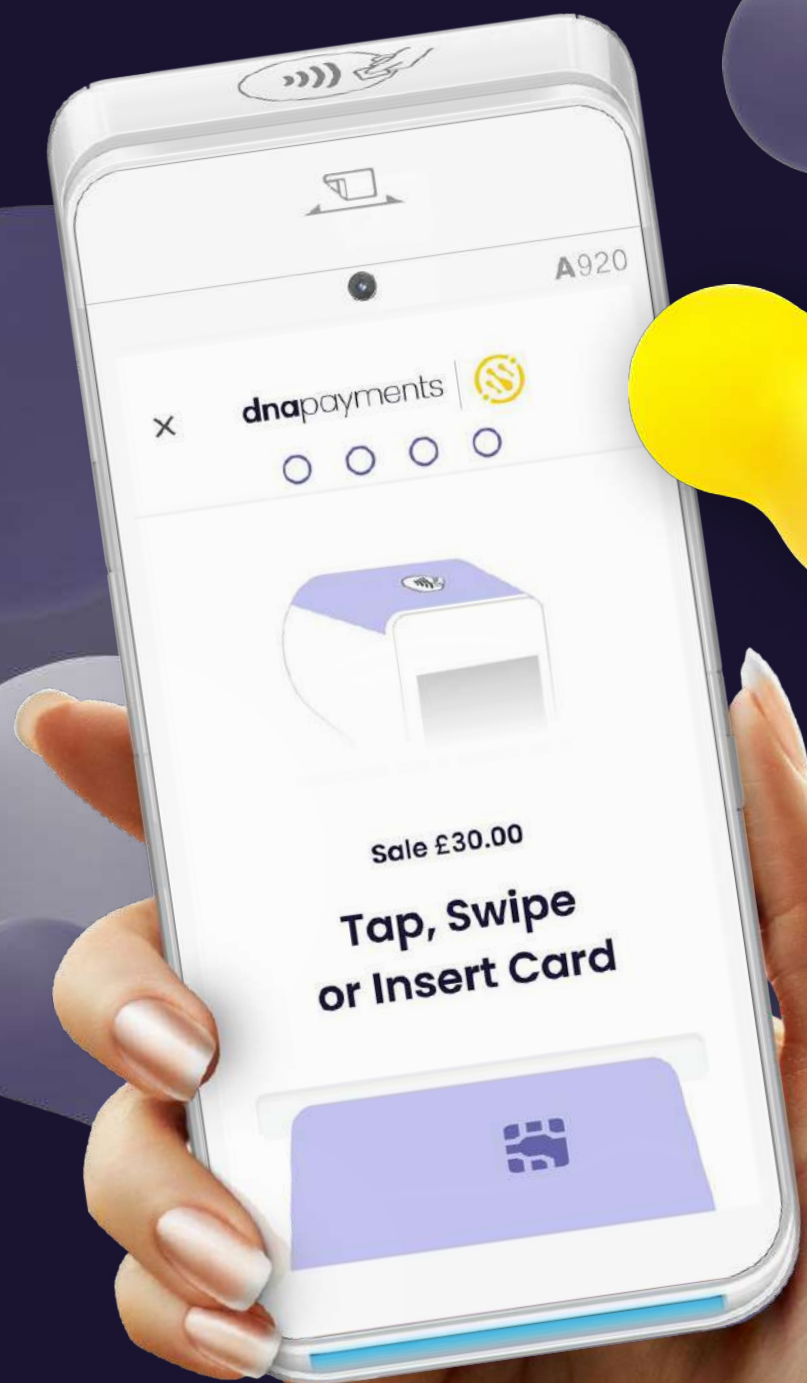


dnapayments



Chargebacks guide

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Chargebacks overview

Chargebacks or disputes are charges returned to a payment card after a dispute has been raised against a transaction.

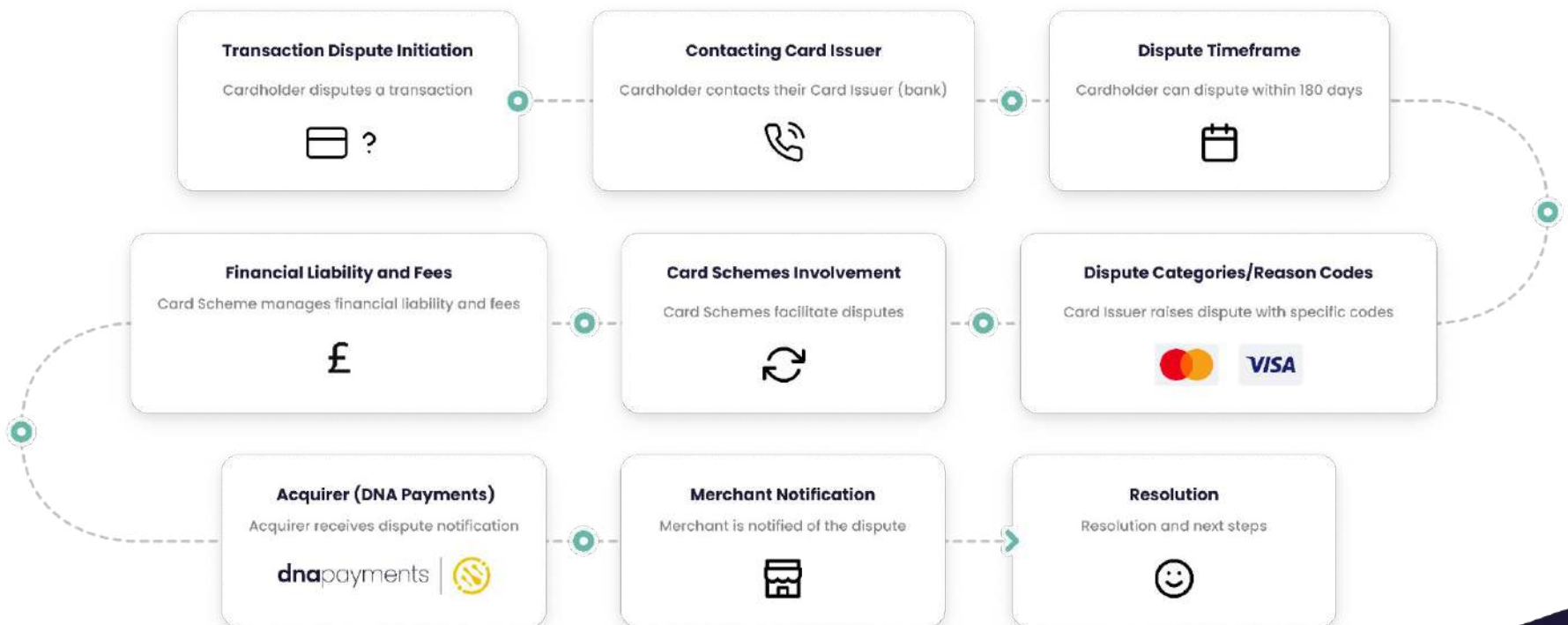
They are usually initiated by a Cardholder (your customer) who contacts their Card Issuer (their bank) to dispute a transaction posted to their account.

Your customer can dispute an item on their account any time up to 180 days from the transaction date.

The Card Issuer raises the disputed transactions to the Card Schemes (usually Visa and MasterCard etc.) with specific dispute categories/reason codes.

The Card Scheme will facilitate the dispute's notification, financial liability and associated fees to the Acquirer (DNA Payments), who'll then notify you (the merchant).

Chargebacks and Disputes Process



What happens if I receive a chargeback?

We'll send you an email notification to the latest known email address and let you know:

- 1 The chargeback/dispute was raised.
- 2 The amount of the Chargeback/Dispute and the amount that we'll withhold from the Settlement owed to you.
- 3 You'll receive a fee for the chargeback raised, set out by the schemes and we aim to provide as much information as possible to help avoid these.
- 4 The reason code of the chargeback(s) that's been assigned by the Card Issuer.
- 5 You'll be required to respond to our request within 14 calendar days as Payment Schemes' rules and time restrictions are rigorous.
- 6 We'll provide a detailed chargebacks and disputes guide to manage the chargeback.
- 7 You'll have the option to either agree with the chargeback raised or to dispute it by providing us with enough compelling evidence to submit to the issuing bank details of your evidence as per this guide.

- 8 If a chargeback has been raised for a transaction that you've already refunded to the Cardholder, we'll represent you by sending the relevant refund information to the Issuer.

If a response isn't received within the timeframe, we'll send you one reminder as we're expected to respond to the issuing bank. However, the case will be automatically closed if a response is not received, and the chargeback/dispute will be lost.

We'll inform you of the outcome of the challenged dispute transaction via email.

If the Issuer's convinced the evidence you've provided is sufficient, you've won the dispute, and you'll be refunded the amount to your bank account.

If the Issuer is not satisfied with your evidence post-pre-arbitration stage (i.e. second round or enquiries), the dispute has been lost. However, at this stage, for some chargebacks, you can still challenge this decision by taking your case to an arbitration level. Payment Scheme Rules heavily regulate this stage and the entire process and may entail substantial costs. We will support you through this process.

What if I disagree

- 1** You must provide us with evidence so that we can represent your case to the Card Issuer – if you don't provide compelling evidence, it'll not be possible to challenge the Chargeback.
- 2** You'll need to provide us with documentary evidence and explanations as to a particular Transaction in dispute. The more documents you provide, the greater chances to succeed (however, this is never guaranteed and the final word rests with Payment Schemes).
- 3** If we're not satisfied with the documents/information provided by you, we'll ask for additional ones. You'll receive an email from us with the response time. Please note, timelines are strict – we'll do our best, and want to help defend and reduce Chargebacks.
- 4** If we're satisfied with the evidence, we'll send this information to the Card Issuer and they're entitled to review the evidence to make their own judgement.
- 5** If the Card Issuer is not satisfied with the evidence, we'll be notified and the process will restart (This second stage of the dispute is known as pre-arbitration).

Visa disputes

Visa have four different categories and two different workflows for disputes:

- 1 Allocation** – Fraud and Authorisation disputes, Visa automatically determine the financial liability for the dispute.



10. Fraud

- 10.1 - EMV Liability Shift Counterfeit Fraud
- 10.2 - EMV Liability Shift Non-Counterfeit Fraud
- 10.3 - Other Fraud-Card Present Environment
- 10.4 - Other Fraud-Card Absent Environment
- 10.5 - Visa Fraud Monitoring Program



11. Authorisation

- 11.1 - Card Recovery Bulletin
- 11.2 - Declined Authorisation
- 11.3 - No Authorisation

- 2 Collaboration** – Consumer and Processing Error disputes, Visa does not automatically determine the financial liability for the dispute.



12. Processing Errors

- 12.1 - Late Presentment
- 12.2 - Incorrect Transaction Code
- 12.3 - Incorrect Currency
- 12.4 - Incorrect Account Number
- 12.5 - Incorrect Amount
- 12.6 - Duplicate Processing/Paid by Other Means
- 12.7 - Invalid Data



13. Consumer Disputes

- 13.1 - Merchandise/Services Not Received
- 13.2 - Cancelled Recurring
- 13.3 - Not as Described/Defective Merchandise/Services
- 13.4 - Counterfeit Merchandise
- 13.5 - Misrepresentation
- 13.6 - Credit Not Processed
- 13.7 - Cancelled Merchandise/Services
- 13.8 - Original Credit Transaction Not Accepted
- 13.9 - Non-Receipt of Cash or Load Transaction Value

Mastercard chargebacks

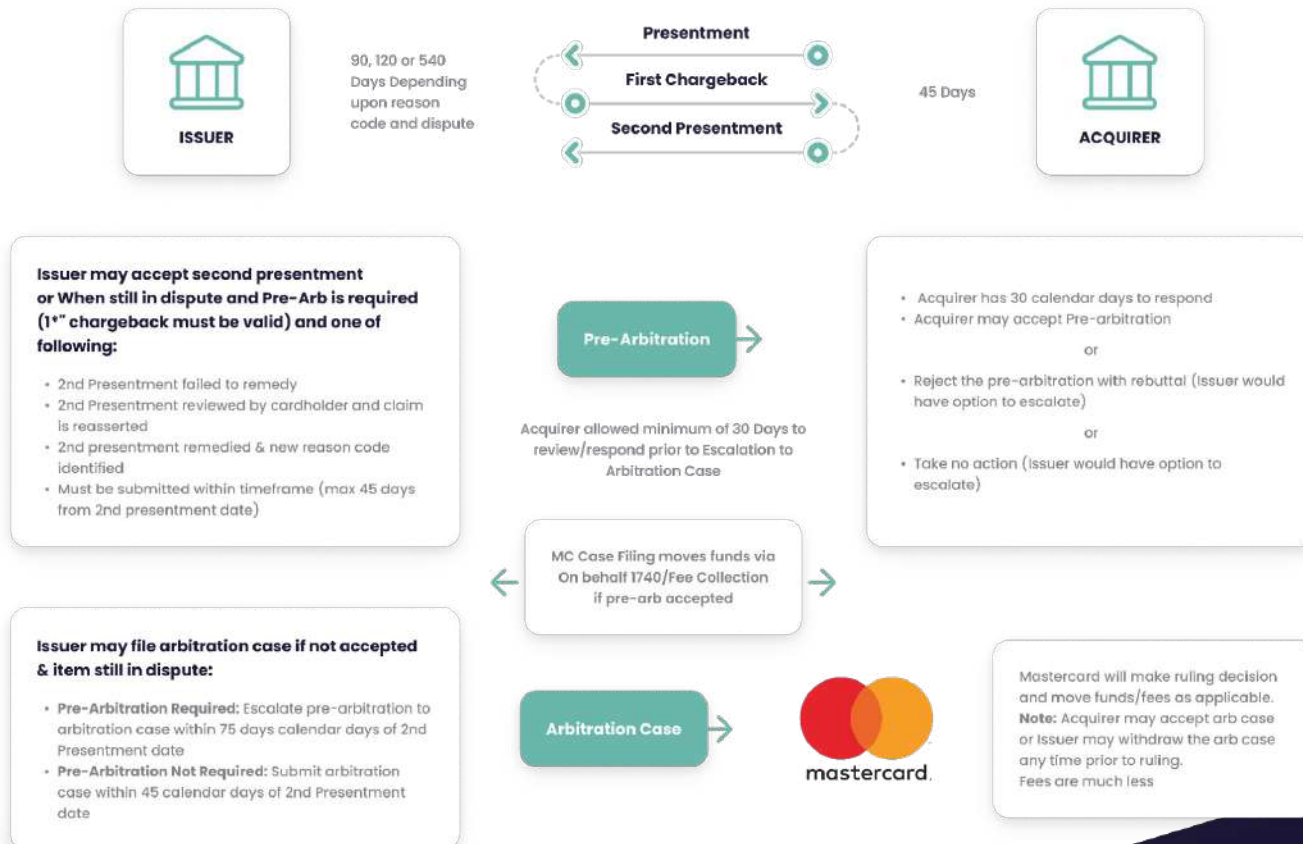
Mastercard have two Chargeback stages and depending on the Chargeback Reason Code, Pre-Arbitration will be required or optional.

Detailed below are the main steps that occur in the Chargeback process:

There are four Chargeback categories in Mastercard:

- 1 **Authorisation** related Chargebacks 4808
- 2 **Cardholder disputes** 4853
- 3 **Fraud** related Chargebacks 4837
- 4 **Point-of-Interaction Error** Chargeback 4834

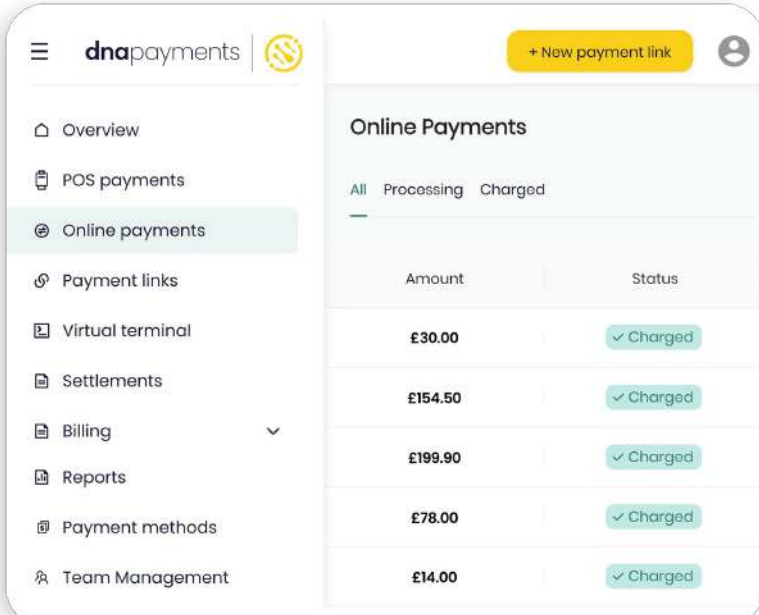
Chargebacks and Disputes Process



Tips to protect your business from Chargebacks

To protect yourself from chargebacks:

- 1 Ensure the Terms and Conditions are clear on your website, any literature or promotional/advertising materials.
- 2 Ensure contact details are available to customers who may have disputes or request delivery timeframes.
- 3 Be fraud aware: Card Not Present (CNP) transactions typically involve a much higher risk of fraud than Card Present (chip & PIN) transactions and online payments completed using 3DSecure. CNP can be denoted as mail order/telephone order, Payment Links, Virtual Terminal and Ecommerce transactions – 3DSecure’s strong customer authentication makes the transaction safer when accepting transactions via a website. More info on our guide [here](#) and on our website [here](#)



The screenshot shows the dnapayments dashboard. On the left is a navigation menu with items: Overview, POS payments, Online payments (selected), Payment links, Virtual terminal, Settlements, Billing, Reports, Payment methods, and Team Management. On the right, under 'Online Payments', there are tabs for 'All', 'Processing', and 'Charged'. Below this is a table with columns for 'Amount' and 'Status'. The table lists five transactions, all with a status of 'Charged'.

Amount	Status
£30.00	✓ Charged
£154.50	✓ Charged
£199.90	✓ Charged
£78.00	✓ Charged
£14.00	✓ Charged

i NOTE

The notification we send you should have a clear due date displayed on it, so please ensure you review this, so you know when to respond in time, as Payment Schemes' rules and time restrictions are rigorous!

What's considered compelling evidence?

High level summary: please see below specific detail on what's considered compelling evidence and the tables can be found [here](#)

- 1 Documentation to prove the Cardholder is in possession of and/or using the merchandise
- 2 Documentation, emails to connect the Cardholder to the order
- 3 Evidence of one or more non disputed payments for the same merchandise or service
- 4 Signed Mail Order/Telephone Order form
- 5 Address Verification and proof of delivery including date and time
- 6 Signed delivery form or copy of/details of identification from the Cardholder as proof goods were picked up at the merchant location
- 7 Signer is member of Cardholder's household
- 8 Delivery to Cardholder at place of employment

- 9 Digital goods download with date and time
- 10 T&E (Travel and Entertainment) Loyalty transactions related to purchase
- 11 T&E subsequent purchase made throughout service period
- 12 Recurring transaction with binding contract or previous undisputed recurring transaction and proof the Cardholder is using the merchandise or service

Outcome:

- 1 We'll inform you of the outcome of the challenged dispute via email
- 2 If the Issuer is convinced with the evidence you've provided, you have won the dispute and the disputed amount will be refunded to your account.
- 3 If the Issuer isn't satisfied with your evidence post pre-arbitration stage), it's been lost. You can opt to further challenge this decision by taking your case to arbitration level, regulated by Payment Scheme Rules and may entail costs.

dnapayments



Pioneering payment solutions, powering businesses to thrive

DNA Payments Limited (Company No.11154668 /FCA No.806630). Registered office:
10 Lower Grosvenor Place, London, SW1W 0EN. DNA Payments Limited is authorised
by the Financial Conduct Authority under the Payment Service Regulations 2017
for the provision of payment services.

Contact DNA Payments

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Visa compelling evidence look-up table

Compelling Evidence	Applicable Code
Evidence, such as photographs or emails, to prove a link between the person receiving the merchandise or services and the Cardholder, or to prove that the Cardholder disputing the Transaction is in possession of the merchandise and/or is using the merchandise or services	13.1, 10.3, 10.4
<p>For a Card-Absent Environment Transaction in which the merchandise is collected from the Merchant location, any of the following:</p> <ul style="list-style-type: none"> ● Cardholder signature on the pick-up form ● Copy of identification presented by the Cardholder ● Details of identification presented by the Cardholder 	13.1, 10.4
For a Card-Absent Environment Transaction in which the merchandise is delivered, documentation (evidence of delivery and time delivered) that the item was delivered to the same physical address for which the Merchant received an AVS match of Y or M. A signature is not required as evidence of delivery	13.1, 10.4

Visa compelling evidence look-up table continued / 2

Compelling Evidence	Applicable Code
<p>For an Electronic Commerce Transaction representing the sale of digital goods downloaded from a Merchant's website or application, description of the merchandise or services successfully downloaded, the date and time such merchandise or services were downloaded, and 2 or more of the following:</p> <ul style="list-style-type: none">• Purchaser's IP address and the device geographical location at the date and time of the Transaction• Device ID number and name of device (if available)• Purchaser's name and email address linked to the customer profile held by the Merchant• Evidence that the profile set up by the purchaser on the Merchant's website or application was accessed by the purchaser and has been successfully verified by the Merchant before the Transaction Date• Proof that the Merchant's website or application was accessed by the Cardholder for merchandise or services on or after the Transaction Date• Evidence that the same device and Card used in the disputed Transaction were used in any previous Transaction that was not disputed	13.1, 10.4

Visa compelling evidence look-up table continued / 3

Compelling Evidence	Applicable Code
<p>For a Transaction in which merchandise was delivered to a business address, evidence that the merchandise was delivered and that, at the time of delivery, the Cardholder was working for the company at that address. A signature is not required as evidence of delivery</p>	<p>13.1, 10.4</p>
<p>For a Mail/Phone Order Transaction, a signed order form</p>	<p>10.4</p>
<p>For a passenger transport Transaction, evidence that the services were provided and any of the following:</p> <ul style="list-style-type: none"> ● Proof that the ticket was received at the Cardholder's billing address ● Evidence that the ticket or boarding pass was scanned at the gate ● Details of frequent flyer miles relating to the disputed Transaction that were earned or redeemed, including address and telephone number, that establish a link to the Cardholder ● Evidence of any of the following additional Transactions related to the original Transaction: purchase of seat upgrades, payment for extra baggage, or purchases made on board the passenger transport 	<p>13.1, 10.4</p>

Visa compelling evidence look-up table continued / 4

Compelling Evidence	Applicable Code
For an Airline Transaction, evidence showing that the name is included in the manifest for the departed flight and matches the name provided on the purchased itinerary	10.4
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 for the initial Card-Present Environment Transaction: evidence of an Imprint and For an Unattended Transaction, PIN or Consumer Device Cardholder Verification Method (CDCVM)	10.3

Visa compelling evidence look-up table continued / 5

Compelling Evidence	Applicable Code
<p>For a T&E Transaction, evidence that the services were provided and either:</p> <ul style="list-style-type: none">• Details of loyalty program rewards earned and/or redeemed including address and telephone number that establish a link to the Cardholder• Evidence that an additional Transaction or Transactions related to the original Transaction, such as the purchase of T&E service upgrades or subsequent purchases made throughout the T&E service period, were not disputed	13.1, 10.4
<p>For a virtual Card Transaction at a Lodging Merchant, evidence of the Issuer's payment instruction sent through Visa Payables Automation, containing all of the following:</p> <ul style="list-style-type: none">• Issuer statement confirming approved use of the Card at the Lodging Merchant• Account Number• Guest name• Name of the company (requestor) and either their phone number, fax number, or email address	10.4

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Visa compelling evidence look-up table continued / 6

Compelling Evidence	Applicable Code
For a Card-Absent Environment Transaction, evidence that the Transaction used an IP address, email address, physical address, and telephone number that had been used in a previous, undisputed Transaction	10.4
Evidence that the Transaction was completed by a member of the Cardholder's household or family	10.4
<ul style="list-style-type: none"> ● Evidence as Transaction Receipt or other record to prove that the Merchant properly disclosed a limited return or cancellation policy at the time of the Transaction ● Evidence to demonstrate that the Cardholder received the Merchant's cancellation or return policy and did not cancel according to the disclosed policy 	13.7
Evidence that the person who signed for the merchandise was authorised to sign for the Cardholder or is known by the Cardholder	13.1

Visa compelling evidence look-up table continued / 6

Compelling Evidence	Applicable Code
Evidence of one or more non-disputed payments for the same merchandise or service	10.3, 10.4
<p>For a Recurring Transaction, all of the following:</p> <ul style="list-style-type: none"> ● Evidence of a legally binding contract held between the Merchant and the Cardholder ● Proof the Cardholder is using the merchandise or services ● Evidence of a previous Transaction that was not disputed 	10.4
<p>For Cancelled Recurring Transaction, possible remedies of the Chargeback:</p> <ul style="list-style-type: none"> ● For International Transactions, documents to prove Acquirer or Merchant did not notify that account was closed ● Acquirer can remedy the Chargeback by providing documentation to prove that service was not cancelled, the Cardholder failed to meet the cancellation terms of the signed contract ● Acquirer can remedy the Chargeback by providing evidence that services are being provided to and used by the Cardholder after the cancellation date. 	13.2, 13.7

Visa compelling evidence look-up table continued / 7

Compelling Evidence	Applicable Code
Evidence that the Cardholder has been compensated for the value of the merchandise or services through another method	13.1, 13.3
Evidence that the initial Transaction to set up a wallet was completed using Verified by Visa but any subsequent Transaction from the wallet that was not completed using Verified by Visa contained all wallet-related Transaction data	10.4
Evidence that the Cardholder has been compensated for the value of the merchandise or services through another method	13.1, 13.3
Evidence that the initial Transaction to set up a wallet was completed using Verified by Visa but any subsequent Transaction from the wallet that was not completed using Verified by Visa contained all wallet-related Transaction data	10.4

Visa compelling evidence look-up table continued / 8

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• Evidence 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• If applicable, evidence to prove that the Cardholder did not attempt to return the merchandise or certification that the returned merchandise has not been received<ul style="list-style-type: none">• For a Dispute where a travel agency using a Visa Commercial Card Virtual Account has a contractual agreement with a Lodging Merchant or Vehicle Rental Merchant that covers the terms for specified services, evidence to prove that the terms of service included in the contractual agreement were as described or honored by the Merchant	13.1, 13.3

Visa compelling evidence look-up table continued / 9

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• To prove that the terms of sale were not misrepresented• For a Dispute relating to a Transaction in a Card-Absent Environment where merchandise or digital goods have been purchased through a trial period, promotional period, or introductory offer or as a one-off purchase, both:<ul style="list-style-type: none">• To prove that, at the time of the initial Transaction, the Cardholder expressly agreed to future Transactions• To prove that the Merchant notified the Cardholder of future Transactions at least 7 days before the Transaction Date	13.5

Mastercard compelling evidence look-up table

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• Flight ticket or boarding pass showing the passenger's name• Flight manifest showing the passenger's name• Additional transactions connected with the disputed flight, such as upgrades, excess baggage charges, and in-flight purchases• Passenger identification documentation showing a link to the Cardholder• Credits of frequent flyer miles for the flight, showing connection to the Cardholder• Proof of receipt of the flight ticket at the Cardholder's billing address	4837 (airline transactions)

Mastercard compelling evidence look-up table continued / 2

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• Description of the goods or services being provided the transaction was recurring by providing the start date of the recurring transaction and, if used, one of the following:<ul style="list-style-type: none">– SecureCode was used to initiate the original transaction.– If card validation code 2 (CVC 2) was provided in the Authorisation Request/0100 message and the Card Validation Code Result (DE 48, subelement 87) had a value of M in the Authorisation Response /0110 message.• More than one transaction was processed by providing the date(s) of previous transaction(s).• Previous transactions were not disputed.	4853, 4837

Mastercard compelling evidence look-up table continued / 3

Compelling Evidence	Applicable Code
<p>A receipt, work order, or other document signed by the Cardholder substantiating that the goods or services were received by the Cardholder (common terms include “will call” and “in-store pickup”).</p> <ul style="list-style-type: none">• The Cardholder’s written confirmation of registration to receive electronic delivery of goods or services• Copies of written correspondence exchanged between the merchant and the Cardholder (such as letter, email, or fax) showing that the Cardholder participated in the transaction.• A merchant statement documenting all the following if, he obtained authorisation for a related transaction involving a partial shipment or the payment of a balance due:<ul style="list-style-type: none">– The initial transaction was a Digital Secure Remote Payment (DSRP) transaction or was SecureCode-initiated.– Description of the goods or services purchased in the initial transaction.– Date and authorisation approval code for the initial transaction; and– The initial transaction was not disputed.	4837, 4853

Mastercard compelling evidence look-up table continued / 4

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• When a merchant requires a Cardholder to register prior to completing a purchase, the merchant must provide documentation confirming the Cardholder or authorised user is registered to purchase goods with a password and must provide one or more of the following documentations:<ul style="list-style-type: none">- The Cardholder or authorised user completed other undisputed purchases prior to, or after, the alleged fraudulent transaction.- The Cardholder or authorised user completed the disputed transaction from a registered device and IP address – Details of the purchase.- Signed proof of delivery – Email addresses to support digital download delivery – The Cardholder or authorised user registered the disputed goods or services. For example, registration for purposes of warranty or future software updates.- The disputed goods or services were used.- A fully enabled SecureCode transaction was used to register a PAN for future transactions.	4837, 4853

Mastercard compelling evidence look-up table continued / 5

Compelling Evidence	Applicable Code
<ul style="list-style-type: none">• The Cardholder has taken possession of the merchandise from the merchant and/or subsequently makes arrangements to have the merchandise shipped by a third party.• The goods are being held in customs for unpaid duty or customs fees. The Cardholder is obligated to pay the appropriate fees.• The merchant delivered the merchandise and the Cardholder refused to accept delivery.• The Cardholder signed a waiver absolving the merchant from responsibility when the merchandise is not received.• The Cardholder declined insurance. The merchant should provide a signed waiver of liability obtained from the Cardholder when the Cardholder declined to purchase insurance, along with documentation that shows that the merchant shipped the merchandise.	4837, 4853

Mastercard compelling evidence look-up table continued / 6

Compelling Evidence	Applicable Code
<p>A separate transaction that occurs after a valid transaction involving the same merchant and the same Cardholder. – Documentation substantiating the Cardholder has participated in the original transaction and documentation to establish the Cardholder is responsible for the addendum transaction. – When the disputed amount presents charges for loss, theft, or damage: Documentation substantiating the transaction was completed with Cardholder approval and the circumstances were occurred during Cardholder using of service.</p>	4837, 4853
<p>TIDs documenting two separate transactions. The documentation must clearly establish that the Cardholder was not debited more than once for the same goods or services. A merchant explanation must be included when the documentation does not clearly establish the above.</p>	4834, 4853