



strength through knowledge

Your introduction to
chargebacks and retrievals

payment acceptance

 barclaycard

strength through knowledge

We know that chargebacks can be a real problem for your business, and costly too. If a transaction is charged back you could lose both the payment and the goods or services that you've provided – plus any time spent on administration, selling or delivering the 'sale'.

This guide will help you better understand both chargebacks and retrieval requests. It also tells you how you can help us defend chargebacks on your behalf – with the right evidence and information, we may be able to stop you from losing out on the payment.

contents

Retrieval requests	2
Chargebacks	5
– Reason codes	8
– Defences	11
Dedicated support	17
Need further help?	17
Glossary	18



retrieval requests

What is a retrieval request?

A retrieval request, sometimes called a request for information (RFI), is simply us asking you for information about a transaction at the request of a card issuing company. This happens when a cardholder queries a transaction with the card issuing company because they don't recognise it and would like further information to help jog their memory and identify if it is genuine or fraudulent.

Under the Card Scheme regulations we must respond to the card issuing company's retrieval request with information about the transaction. This means we'll need you to provide detailed information about the transaction for us to send back to them so that they can share it with their cardholder.

A retrieval request itself is not a chargeback and your account will not be debited the disputed amount – you can find out more about chargebacks on page 5.

How will I be contacted?

When we have a retrieval request for a transaction you've processed, we'll send you a retrieval schedule (some international) or retrieval letter (sterling) detailing the transactions that have been queried. You'll receive these either in the post or by fax.

Example of a retrieval schedule (international)

Card number	Curr amt	Txn date	Mrch ref	Case ID	Merch no	Merchant
1111222233334444	95.83/EUR	85.93/GBP	565656ABC	1234-01JUN09	1234567	Merchant name
444433332222111	675.00/EUR	631.62/GBP	454545CAB	4567-01JUN09	1234567	Merchant name

Example of a retrieval letter (sterling)

PLEASE FAX BACK TO 01604256661
REF CASE ID 1234-01JUN09/LDTA 30-JUN-09



THE MANAGER
COMPANY
CONTACT NAME
ADDRESS
ADDRESS
ADDRESS

RETRIEVAL
PAYMENT ACCEPTANCE
DEPT FX, 1234 Pavilion Drive
Northampton NN4 7SG
FAX: (01604) 256661

(POTENTIAL FRAUDULENT TRANSACTION)

PLEASE FAX YOUR REPLY TO (01604) 256661 OR POST TO THE ABOVE ADDRESS

CARD NUMBER	: 1111222233334444	
CARD NUMBER	: 1111222233334444	TRANS DATE : 03-MAY-09
EXPIRY DATE	: 10-OCT-12	
RETAILER REF	: 1234ABCD	OUTLET : 1234567
TERMINAL NUMBER	: 1234567	
SEQUENCE NUMBER	: 000000000111	
TERMINAL TYPE	: PDQ	
TRAN AMOUNT	: £100.00	STORE REF : 1234567
KEYING INDICATOR	: SWIPED	

Dear <name>

PLEASE SUPPLY A CLEAR AND LEGIBLE COPY OF THE SIGNED VOUCHER/DETAILS RELATING TO THE ABOVE TRANSACTION BY 15 JUNE 2009.

PLEASE BE ASSURED WE WILL DO EVERYTHING WE CAN TO PREVENT A CHARGEBACK TO YOUR ACCOUNT. HOWEVER, THE CARD ISSUER MAY STILL PROCESS A DEBIT FOR A LATE REPLY OR OTHER REASON AT A LATER DATE. To ensure we action your reply as soon as possible please fax your reply to (01604) 256661.

CUSTOMER SERVICE – CHARGEBACKS

PLACE YOUR VOUCHER/DETAILS HERE

TO FIND OUT MORE INFORMATION ON HOW TO REDUCE THE RISK OF CHARGEBACKS AND RETRIEVALS IN THE FUTURE, PLEASE REFER TO YOUR PROCEDURE GUIDE OR VISIT
www.barclaycard.co.uk/business/existing-customers/chargebacks

How long do I have to reply to a retrieval request?

Your documentation must be received by us within 14 calendar days from the date that we first notified you of the retrieval request.

Where should I fax my retrieval reply to?

Fax your multicurrency (or international) retrievals to 0044 (0) 1604 253195.

Fax your sterling retrievals to 0044 (0) 1604 256661.

What happens if I don't respond to the retrieval request in time?

Failure to respond to a retrieval request within the set time frame could result in a chargeback being raised that we won't be able to defend on your behalf. And that means it's highly likely that your account would be debited for the disputed amount. So it's in your interests to make sure we receive your documentation within 14 days.

If I respond to the retrieval request, can a chargeback still be raised?

A retrieval request can be closely followed by a chargeback if the Card Issuing Company doesn't receive sufficient information about the transaction. That's why it's important you send as much information as possible in your reply to the retrieval request.

Unfortunately, some retrieval requests can still lead to a chargeback even when all the correct information on the transaction has been supplied. Once the Card Issuing Company has raised a chargeback case you're at risk of being debited for the disputed amount. Please refer to the chargebacks section for further information.

chargebacks

What is a chargeback?

A chargeback is a transaction where you may have initially received payment but the transaction is subsequently rejected by the cardholder or the Card Issuing Company and your account is debited with the disputed amount.

We don't raise chargebacks – the Card Issuing Company does, usually on behalf of their cardholder. Please be assured that we'll do everything possible to defend the chargeback on your behalf. However, the nature of the dispute and the type of chargeback will greatly affect what actions we're able to take under the Card Scheme rules as well as the outcome of the defence claims.

How will I know that I have been charged back?

If you've received a chargeback, we'll let you know by notification letter (see example opposite), fax or schedule, telling you why. In some cases, depending on the nature of the chargeback, this communication will advise you that we're 'pending' or putting the chargeback debit on hold for 14 days, while we wait for the requested response (or in other words, a reply to a retrieval request) from you.

What reasons are given for a disputed transaction?

The most common reasons include:

- transaction not recognised
- not responding in time to a request for a copy of a transaction (a retrieval request)
- the transaction is duplicated – so the cardholder was charged more than once
- the transaction wasn't authorised
- the goods or services haven't been received.

Full lists of the chargeback codes and reasons, as set by the Card Scheme Regulators, are provided in the 'reason codes' section starting on page 8.

Example of a chargeback notification letter

payment acceptance



January 29 2009
TEL: 01604 614012

REF: CASE ID 1187-26JAN09/DOYLA/M63
YOUR REF: PRIOR CASE ID: 1234-28DEC08

THE MANAGER
COMPANY
CONTACT NAME
ADDRESS
ADDRESS
ADDRESS

FINANCIAL EXCEPTIONS
PAYMENT ACCEPTANCE
1234 Pavilion Drive
Northampton NN4 7SG

Reason Code of
chargeback case

PLEASE FAX YOUR REPLY TO (01604) 256661 OR POST TO THE ABOVE ADDRESS

OUTLET/MERCHANT: 1234567 RETAILER REF : 2222 333333
CARDHOLDER : NAME NOT GIVEN BY CARD ISSUER
CARD NUMBER : 1111222233334444
TAPE SERIAL : ABBCC TRANS DATE : 03-JAN-09
TRAN AMOUNT : £178.16
DISPUTED AMOUNT: £178.16
TERMINAL TYPE : POS KEY IND: CONTINUOUS AUTH

Exact amount disputed
by the Cardholder

Dear Sir/Madam,

CARDHOLDER DOES NOT RECOGNISE TRANSACTION

We regret to inform you that the Card Issuing Company has advised us their cardholder does not recognise the above transaction.

As part of our commitment to provide excellent customer service, Barclaycard will endeavour to assist you in resolving this matter. To enable us to pursue this case on your behalf and to give the cardholder every opportunity to recognise the transaction, we require the following information:

FOR CARD PRESENT TRANSACTIONS

- A full description of the Goods or Services provided
- A delivery address if applicable
- A legible signed/swiped (not keyed) Sales receipt
- A legible signed and imprinted verification voucher.

If you are unable to reply to us by 12.00pm noon on the 12 February 2009, arrangements will be made to debit you. Should you accept this Chargeback, there is no need to contact us. To ensure that we action your reply as soon as possible, please fax your reply quoting case ID 1187-26JAN09 to (01604) 253385.

How long do I have to respond to a chargeback notification letter?

Chargeback rules and time restrictions are set by the Card Scheme Regulators and are very stringent. It's therefore absolutely essential that if you're able to provide compelling evidence to help us to defend your chargeback, you reply within 14 days from the date of our chargeback notification letter.

Why do I need to reply?

Because in certain circumstances and with the necessary defending evidence, we may be able to defend the chargeback for you, even if your chargeback notification advises that you've already been debited.

Where should I send my reply to?

Your chargeback notification letter will advise you of the correct postal address that should be used to send your response back to us. Or you can fax your reply to us.

Fax your multicurrency (or international) chargeback replies to 0044 (0) 1604 253195.

Fax your sterling chargeback replies to 0044 (0) 1604 253385.

Should I refund my customer for the disputed transaction?

No. It's important that you don't refund the cardholder because this could result in your account being debited twice. If a refund has already been processed to the cardholder's account, please provide us with full details so we can defend the case on your behalf.

Reason codes

Visa, MasterCard and Maestro each have their own set of reason codes for chargeback cases. These denote the reason why the transaction is disputed and each reason code has its own regulations set by the relevant card scheme.



Code	Name and description
V30	Services not provided or merchandise not received – the cardholder is stating that they did not receive the services or goods that they paid for.
V41	Cancelled recurring transaction.
V53	Not as described or defective merchandise – the cardholder is stating that the service/goods that they received were either defective or not what was originally described to them by the merchant.
V57	Fraudulent multiple transactions – the cardholder acknowledges participation in one transaction with the merchant. However, they deny authorisation of any further charges.
V60	Illegible fulfilment (of retrieval case) – the Card Issuing Company received the merchant's transaction information from the retrieval case but the documents are illegible/incorrect.
V62	Counterfeit transaction – the cardholder denies authorising or participating in the disputed transaction. A counterfeit card may have been used.
V70	Card recovery bulletin or exception file.
V71	Declined authorisation – the Card Issuing Company is stating that the merchant processed the transaction despite having obtained a Decline authorisation response.
V72	No authorisation – the Card Issuing Company is stating that an authorisation code was required for the transaction but that it was not obtained.
V73	Expired card – the Card Issuing Company is stating that the transaction was processed with an expired card.
V74	Late presentment – the Card Issuing Company is stating that the transaction was not processed within the required time frame for settlement.

Code	Name and description
V75	Transaction not recognised – the cardholder is claiming that they do not recognise the transaction on their statement.
V76	Incorrect currency or transaction code – the Card Issuing Company is stating that the transaction was not processed in the correct currency, or the cardholder has been charged a conversion difference when an incorrect charge has been requested.
V77	Non-matching or invalid account number – the Card Issuing Company is stating that an incorrect card number was charged for the transaction.
V78	Service code violation – the Card Issuing Company is stating that an authorisation code was not obtained.
V80	Incorrect transaction amount or account number – the cardholder is stating that the amount of the transaction is higher than the amount that they agreed to be charged for or were quoted for.
V81	Fraud – 'card present' environment – the cardholder denies participating in or authorising the transaction that was undertaken in a 'card present' environment.
V82	Duplicate processing – the cardholder is stating that the same transaction was processed more than once to their account.
V83	Fraud – 'card absent' environment – the cardholder denies participating in or authorising the transaction that was undertaken in a 'card absent' environment.
V85	Credit not processed – the cardholder is stating that the refund due to them has not been processed.
V86	Paid by other means – the cardholder is stating that the transaction was paid for by other means and has provided evidence to support the alternative payment.
V90	Non-receipt of cash or load transaction value at ATM or load device.
V93	Risk identification service.
V96	Transaction exceeds limit amount.



Code	Name and description
M02	Requested transaction receipt illegible – the Card Issuing Company received the transaction information from the retrieval case but the documents are illegible or missing.
M07	Card recovery bulletin.
M08	Transaction not authorised – the Card Issuing Company is stating that an authorisation code was required for the transaction but that it was not obtained.
M12	Non-matching account number – the Card Issuing Company is stating that an incorrect card number was charged for the transaction.
M31	Transaction amount differs – the cardholder is stating that the amount of the transaction is higher than the amount that they agreed to be charged for or were quoted for or that they paid for the transactions by other means.
M34	Transaction duplication – the cardholder is stating that the same transaction was processed more than once to their account.
M35	Expired card – the Card Issuing Company is stating that the transaction was processed with an expired card.
M37	Fraudulent transaction – the cardholder denies participating in or authorising the card present/card not present transaction.
M40	Fraudulent processing of transactions – the cardholder acknowledges participation in one transaction with the merchant. However, they deny authorisation of any further charges with the same merchant.
M41	Cancelled recurring transaction.
M42	Late presentment – the Card Issuing Company is stating that the transaction was not processed within the required time frame for settlement.
M46	Correct transaction currency not provided – the Card Issuing Company is stating that the transaction was not processed in the correct currency.
M47	Exceeds floor limit, not authorised and fraudulent transaction – the cardholder denies participating in or authorising the transaction and the Card Issuing Company is stating that an authorisation code was required for the transaction and was not obtained.
M49	Questionable merchant activity.
M50	Credit posted as a purchase – the cardholder states that their account was due to be credited; however, the transaction was posted as a debit.

Code	Name and description
M53	Not as described – the cardholder is stating that the service/goods that they received were either defective or not what was originally described to them by the merchant.
M55	Goods or services not provided – the cardholder is stating that they did not receive the services or goods that they paid for.
M57	Credit card activated telephone transaction.
M59	Addendum, no-show or ATM dispute. Various specific reasons within this reason code – these are the most frequently used:
	RS3 ATM dispute.
	RS5 Guaranteed Reservation Service – the cardholder cancelled the reservation, or the merchant did not meet the terms of the booking as agreed to at the time of booking (see MasterCard regulations for full list).
	RS7 Addendum dispute – the cardholder is stating that they did not authorise an addendum charge to their original transaction.
M60	Credit not posted – the cardholder is stating that the refund due to them has not been processed.
M62	Counterfeit transaction – the cardholder denies authorising or participating in the disputed transaction; a counterfeit card may have been used.
M63	Cardholder does not recognise transaction on their statement.
M70	Chip liability shift – the cardholder denies authorising or participating in the disputed transaction; a counterfeit card may have been used at a non-Chip-capable terminal.
M71	Chip/PIN liability shift.



Code	Name and Description Maestro Intra European
15	Transaction not finalised – The Issuer or the Cardholder states the transaction never took place or was cancelled.
02	Non Fulfilment of Request: Illegible copy – Same Description as MasterCard.
08	Transaction Not Authorised – Same Description as MasterCard.
31	Incorrect Transaction Amount – Same Description as MasterCard.
34	Duplicate Processing of Transaction – Same Description as MasterCard.
37	No Cardholder Authorisation – Same Description as MasterCard.
46	Currency Errors – Same Description as MasterCard.
41	Cancelled Recurring Transaction – Same Description as MasterCard.
50	Credit Submitted as Debit – Same Description as MasterCard.
55	Goods or Services Not Received – Same Description as MasterCard.
59	ATM Dispute – The cardholder did not receive, or received only in part, funds charged to his or her account as a result of an automated cash disbursement.
60	Credit Not Received – Same Description as MasterCard.
70	Chip Liability Shift – The cardholder denies participating in or authorising the disputed transaction. A Counterfeit card may have been used at a non chip capable terminal or a lost, stolen or never received card was conducted at a mag stripe reading only terminal.
80	Late Presentment – An intra-European transaction is presented more than seven calendar days after the transaction date and the account is permanently closed.

Code Europe Members Use Reason Code	Code Members Outside Europe use this Reason Code	Name and Description Maestro Interregional
15	77	Transaction not finalised – The Issuer or the Cardholder states the transaction never took place, or an alternative method of Payment was used.
02	78	Non Fulfilment of Request: Same Description as MasterCard.
31	71	Disputed Amount – Same Description as MasterCard.
34	73	Duplicate Transaction – Same Description as MasterCard.
37	74	Missing or Illegible Signature or No Cardholder Authorisation – Same Description as MasterCard.
50	72	Credit Posted as Debit – Same Description as MasterCard.
55	79	Goods or Services Not Received – Same Description as MasterCard.
59	17	Cardholder Dispute – The cardholder did not receive, or received only in part, funds charged to his or her account as a result of an automated cash disbursement.
60	75	Credit Not Received – Same as MasterCard.
70	70	Chip Liability Shift – Chip Liability Shift – The cardholder denies participating in or authorising the disputed transaction which resulted from a Counterfeit card.
80	80	Chip Transaction Late Presentment – A transaction is processed after 7 calendar days and the Cardholders account is closed or contains insufficient funds.

Defences

Chargeback defences vary by reason code. Chargeback reason codes can be divided into six main dispute groups:

Cardholder does not recognise

Fraud

Authorisation

Processing error

Cancelled/returned

Non-receipt of goods/services

The next few pages will give you an idea of what you can provide in defence when you receive a chargeback falling into one of these groups.



Cardholder does not recognise

Why would this type of chargeback be raised?

This type of chargeback would typically be raised because the cardholder doesn't recognise a transaction on their statement, or can't recall the value of the transaction processed.

What can you provide in defence?

The minimum requirement in accordance with the Card Scheme rules to defend these reason codes is additional information about the transaction that may not appear on the cardholder's statement.

We'd simply ask you to provide all the details and information that you have on record for the transaction, including a full description of the merchandise or services provided/purchased. We'd also advise you to respond to all chargebacks received under these reason codes because, as long as you respond within the set deadlines, there's a very good chance we'll be able to represent the case for you.

Fraud

Why would these types of chargebacks be raised?

Typically, a fraud chargeback will be raised because the cardholder claims that they neither participated in nor authorised a transaction that has been processed to their account.

For these reason codes the cardholder must sign a disclaimer confirming that they didn't authorise the disputed transactions.

To defend fraudulent chargebacks you must prove that the genuine cardholder of the account charged participated in or authorised the disputed transaction(s).

The defence mechanisms available to you will depend on your industry type and the sales method used to accept the transaction.

What can you provide in defence?

- Fully completed and signed verification voucher.
- Signed delivery receipt at the cardholder's address.
- Compelling evidence to prove that the genuine cardholder participated in the transaction.
- Any documentation that you may have which proves the transaction was undertaken by the genuine cardholder.

Authorisation

Why would these types of chargebacks be raised?

Typically, an authorisation chargeback is raised because the Card Issuing Company is stating that an approval code and valid authorisation code was needed but not obtained for a transaction.

Sometimes the cardholder's account is out of order or closed.

Transactions should only be submitted with an Authorisation code provided by the Card Issuing Company or alternatively submitted with a blank field.

What can you provide in defence?

If we granted authorisation we'll defend this type of chargeback using our information from our internal systems or Visa/MasterCard online logs – so we'll only contact you if further information is needed.

If authorisation is received via a third party, a copy of the authorisation log proving that the full amount of the transaction was approved and an authorisation code was obtained will be needed to defend the case.

Processing error

Why would these types of chargebacks be raised?

Usually these types of chargebacks are raised when the cardholder believes that an incorrect charge has been processed by the merchant or there's been a processing error.

Different reason codes in this dispute group will need different information from you to defend the chargeback. We'll explain the reason for the chargeback in the notification letter we send you.

What can you provide in defence?

- Evidence to show that the transaction was processed within the time frames stipulated by the Card Schemes should be provided – such as a transaction receipt or screen shot showing the date that the transaction took place.
- Proof that the transaction was properly processed with the correct currency code which was quoted to the cardholder at the time of the transaction.
- A copy of a legible transaction receipt or booking record showing the card number quoted by the cardholder. This proves that the transaction was processed to the correct card number.
- Proof that, if the amount of the transaction processed was altered from the original quote, the amendment is in accordance with your terms and conditions and that the cardholder agreed to the altered amount.
- Evidence that all transactions processed to the cardholder's account are valid transactions and that no duplication has occurred. For example, you could provide copies of invoices, tickets, transaction receipts or screen prints of bookings.
- Documentation to show that you didn't receive payment by other means such as cash, cheque or an alternative credit card.
- Documentation to show that the transaction was a valid debit and that no credits are due to the cardholder.

Cancelled/returned

Why would these types of chargebacks be raised?

Chargebacks can be raised under these reason codes because:

- the cardholder has stated that they returned the goods to you but haven't yet received a refund
- the cardholder has stated that they cancelled a booking or reservation but haven't received a refund
- a recurring transaction can no longer be processed to a cardholder's account
- goods or services were defective or not as described.

For these reason codes the cardholder must have attempted to resolve the dispute with you before their Card Issuing Company would raise a chargeback. If a cancellation was made, they would also have to provide their cancellation reference.

What can you provide in defence?

You should provide any information or documentation that would help to prove that the cardholder is not due a refund in accordance with your terms and conditions. If goods were received by the cardholder or the services rendered were used by the cardholder, proof of this should be provided (see 'Non-receipt of goods/services' for further guidance).

Non-receipt goods/services

Why would these types of chargebacks be raised?

Typically a chargeback will be raised under these reason codes when a cardholder believes that they didn't receive the goods or services that they purchased. Often:

- the cardholder may have misunderstood their purchase e.g. the cardholder believes they purchased a six month service when it is actually only for three
- you may have failed to deliver goods, or only partly delivered goods
- or the services may have been only partly rendered, or not at all.

What can you provide in defence?

If goods were delivered, you should provide evidence that they were received at the cardholder's address, such as:

- a signed delivery receipt by the genuine cardholder or tracking documentation from the courier
- any additional information or evidence you have to show that the cardholder received the goods, such as emails received from the cardholder.

If services were provided, you need to have evidence that the cardholder received them.

This could be one of the following examples:

- a signed car rental agreement at the pick-up of the vehicle
- a signed transaction receipt proving that the cardholder was present to receive the services
- signed check-in documentation for a hotel stay or evidence that the cardholder used other hotel services such as the mini-bar, restaurant etc
- a copy of the invoice for the services provided
- proof that the services were offered/accessible but the cardholder chose not to use them.

dedicated support

We hope you've found this introduction useful, but it really is just the start of how we can help you. Because we recognise that chargebacks are an ongoing concern, we have a dedicated Portfolio Manager for each business sector to help reduce your exposure to chargebacks – and challenge them on your behalf whenever we can.

For more information on the type of support your business can expect to receive, please contact a member of the chargeback team on **01604 614012*** or by email to **ChargebackTeamPortfolio.Managers@barclaycard.co.uk**


need further help?

This guide is just one in the series we've developed to help you better understand what chargebacks are, why they occur and what you can do to reduce their impact on your business. More detailed guides are available.

Other guides available include:

- **"don't lose out"** – A guide to preventing chargebacks on Cardholder present transactions
- **"be prepared"** – A guide to preventing chargebacks on card not present transactions
- A series of sector-specific guides on best practice for avoiding chargebacks, codes and defences including:
 - **Airline**
 - **Car rental**
 - **Hotel**
 - **Internet gaming.**

Together we can help your business build stronger defences.



glossary

Listed below is a summary of the terminology which you may hear or see quoted in documentation.

Acquirer

The financial institution that provides card processing services to the merchant.

Cardholder

The owner of the card used to make a purchase.

Card Issuing Company/Issuer

The financial institution that issued the credit or debit card to the cardholder.

Card Scheme

A network such as Visa, MasterCard, Amex, Maestro etc that acts as a gateway between the acquirer and card issuer for authorising and funding transactions.

Card Scheme Rules/Regulations

Rules set by the Card Schemes, that all card issuers and acquirers must adhere to.

Merchant

The business accepting credit or debit card payments for products or services sold to the cardholder.

Representment

The process used by the acquirer to return the chargeback to the card issuer with information to defend the dispute.





This document is available in large print, Braille and audio
by calling **0844 811 6666**.*

*Calls may be monitored and/or recorded to maintain high levels of security and quality of service. For BT business customers calls To 0844 numbers will cost no more than 5.5p per minute, minimum call charge 6p (current at December 2011). The price on non-BT phone lines may be different. Calls may be recorded and/or monitored.

www.barclaycard.co.uk/business/existing-customers/chargebacks

Barclaycard is a trading name of Barclays Bank PLC. Barclays Bank PLC is authorised and regulated by the Financial Services Authority and subscribes to the Lending Code which is monitored and enforced by the Lending Standards Board. Registered in England. Registered No. 1026167. Registered Office: 1 Churchill Place, London E14 5HP. BCD111605BROB1. Updated 12/11. 23714BD