

# Chargeback Reference Guide

## What is a Chargeback?

If a credit cardholder wishes to dispute a card Transaction processed by your business, it may result in the value of the Transaction being taken from your business and refunded back to the cardholder – this is called a Chargeback. You are liable for all Chargebacks under Condition 12 of the ANZ Merchant Services General Conditions.

## How does the Chargeback process work?

A Chargeback won't be the result of every dispute raised by a cardholder. You will only be charged back for the value of a Transaction under specific circumstances, however the process is always the same.

- I. Cardholder contacts their bank to dispute a Transaction charged to their credit card.
- II. The cardholder's bank will investigate whether the customer's claim is justified and decide how to deal with the dispute.

Depending on the reason for the dispute, they will either send a retrieval request or a Chargeback to ANZ.

## What is a Retrieval Request?

This is a request for information about a Transaction that has been disputed. ANZ will contact you via mail if we receive a retrieval request relating to your business. The letter will contain instructions for providing the evidence needed to prove the Transaction was legitimate. The letter will also contain a deadline for responding. If the evidence you submit is deemed by Visa or MasterCard® to be insufficient, or submitted after the deadline, the retrieval request may become a Chargeback and ANZ may debit your nominated account for the value of the Transaction.

## Can all Chargebacks be defended?

No. The reason cited by the cardholder will mean that the cardholder's bank can immediately issue a Chargeback without first issuing a retrieval request. Some Chargebacks cannot be defended and in these cases your nominated account will be debited by ANZ for the value of the Transaction.

If the Chargeback can be defended, ANZ will contact you via mail and the letter will contain instructions for providing the evidence needed to prove the Transaction was legitimate. The letter will also contain a deadline for responding. If the evidence you submit is insufficient, or submitted after the deadline, the dispute will result in the value of the Transaction being charged back to you.

## Important points about Chargebacks:

Visa and MasterCard define a number of 'reason code' categories for disputes raised by cardholders. It is the reason code that determines if you have an opportunity to defend the dispute, or if it will be an automatic Chargeback.

This means you will sometimes be contacted with a request to provide evidence, and sometimes your account will simply be debited for the Chargeback.

The key for you is to always follow the instructions in any correspondence you receive from ANZ regarding retrievals or Chargebacks and **always submit your responses by the required deadlines.**

Please see over for most common reasons for Chargebacks.

## Most Common Reasons For Chargebacks

Chargeback reason	Why this has happened?
Unauthorised/Fraudulent transaction	Cardholder believes the transaction was not authorised or is fraudulent.
Cardholder doesn't recognise transaction	<p>This usually happens when a customer doesn't recognise your trading name on their credit card statement.</p> <p>You should always trade under the same name that you have provided to ANZ for your merchant facility and make sure this appears on your transaction receipts.</p>
Authorisation (for manual transactions)	<p>Proper authorisation was not obtained. This might occur where a transaction has been processed above the floor limit and voice authorisation was not obtained. The chargeback may be raised by the cardholder's bank for the following reasons:</p> <ul style="list-style-type: none"><li>• Declined authorisation</li><li>• No Authorisation</li><li>• Expired Card</li><li>• Account number not on file.</li></ul>
Processing Error	Cardholder or issuer believes that you processed a transaction incorrectly. It may be caused by late presentment of the transaction, incorrect transaction amount / account number or paid by other means.
Duplicate Processing	Cardholder believes the same transaction was processed more than once.
Non-Receipt Goods/Services	Cardholder or authorised person did not receive the merchandise/ services at the agreed-upon location or by the agreed-upon date.

Evidence required to challenge the chargeback	You are liable:
<ul style="list-style-type: none"> <li>Signed/PIN or imprinted receipt voucher for Card Present transaction provided by the required deadline</li> <li>Online Transaction was processed using MasterCard SecureCode or Verified by Visa.</li> </ul>	<ul style="list-style-type: none"> <li>If the transaction performed was a manual or card not present transaction</li> <li>If you do not submit a response by the required deadline</li> <li>An Imprint and Signature or PIN was not obtained.</li> </ul>
<ul style="list-style-type: none"> <li>Signed imprinted/PIN voucher for Card Present transaction by the required deadlines and other additional information includes one or more of the following: <ul style="list-style-type: none"> <li>Merchant Trading Name</li> <li>Merchant Location</li> <li>Transaction Amount</li> <li>Transaction Date</li> <li>A description of the merchandise or services</li> </ul> </li> <li>Documentation to prove that proper authorisation was obtained.</li> </ul>	<ul style="list-style-type: none"> <li>If the transaction performed was a manual/card not present transaction</li> <li>If you do not submit a response by the required deadline.</li> <li>If you did not obtain proper authorisation within the timeframe for the disputed transaction</li> <li>The transaction was processed over your floor limit</li> <li>Card was expired prior to the transaction date</li> <li>A transaction with an account number does not match any account number on file from issuing bank.</li> </ul>
<ul style="list-style-type: none"> <li>Signed transaction receipt and other additional signed documentation to prove the transaction was processed: <ul style="list-style-type: none"> <li>Within the required time limit</li> <li>With correct transaction amount/account number</li> <li>That is not paid for the same merchandise or service by other means.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>If no legible transaction receipt and documentation is presented to prove the transaction was processed correctly.</li> </ul>
<ul style="list-style-type: none"> <li>Two separate signed or imprinted transaction receipts or other record to prove the validity of the separate transactions</li> <li>Documentation to show that the credit was issued and processed to the same cardholder's account through the same payment channel that the cardholder originally used to make the payment.</li> </ul>	<ul style="list-style-type: none"> <li>If the same transaction is accidentally entered twice in a point-of-sale system or EFTPOS terminal and you are unable to provide valid documentation to support two separate transactions</li> <li>A credit was previously issued to a different account or processed through a different payment channel to the one the cardholder originally used to make the payment.</li> </ul>
<ul style="list-style-type: none"> <li>Signed documentation (e.g. signed delivery docket) to prove that the cardholder or authorised person received the merchandise/services on agreed-upon date or at agreed-upon location.</li> </ul>	<ul style="list-style-type: none"> <li>Cardholder or authorised person did not receive the merchandise/services at the agreed-upon location or by the agreed-upon date</li> <li>You are unable or unwilling to provide merchandise/services.</li> </ul>

## How can you minimise Chargebacks?

### If you process card payments online:

The way you manage your website payments and deliver goods and services can help you avoid and defend Chargebacks.

- Make sure your website has online security tools such as Verified by Visa and MasterCard SecureCode®. If you don't have these tools active on your site, you can contact ANZ Merchant Services on 1800 039 025 to ask how to activate them.
- Your website must capture the Card Verification Value (CVV2) (the 3 digit security code found on the back of credit cards)\*. This may assist with reducing Chargebacks as it helps to ensure that the card is not fraudulent. More information is available at [www.mastercard.us/support/securecode.html](http://www.mastercard.us/support/securecode.html) and [www.visa-asia.com/ap/au/merchants/productstech/vbv\\_implementvbv\\_faq.shtml](http://www.visa-asia.com/ap/au/merchants/productstech/vbv_implementvbv_faq.shtml)
- Advertise and trade under the same business name as it appears on receipts and under the same trading name that you've provided to ANZ.
- Always dispatch goods promptly to minimise the chance that a customer will raise a dispute for non-delivery of goods. You should collect a signed delivery receipt and keep this as a record of delivery for 30 months.
- If you are authorised by ANZ to process recurring payments from the same credit card, make sure your customer has agreed to this in writing and that you don't continue processing Transactions after the expiry date of the card.
- Make sure you are getting signed delivery receipts from your customers so you have a record that they've received the goods. Keep delivery receipts for 30 months.

### If you process card payments via an electronic terminal:

There are a number of considerations related to your electronic terminal facility to help you avoid and defend Chargebacks if they occur.

- Always perform card security checks before you process Transactions (refer to Merchant Operating Guide - 'Fraud Minimisation').
- If you try to swipe or insert a credit card and the Transaction is not working, don't hand key the Transaction – you should ask for another method of payment as the first option. You cannot hand key a Transaction unless you have been authorised to do so under your ANZ Merchant Agreement.
- Once the Transaction is completed, check that the card number on the Transaction receipt is the same as the number on the card.
- If your customer is not using a PIN, always check that the signature on the card matches the signature on the Transaction receipt.
- Always dispatch goods promptly to minimise the chance that a customer will raise a dispute for non-delivery of goods. You should collect a signed delivery receipt and keep this as a record of delivery for 30 months.
- If you take orders over the internet, by mail or by telephone, and then process these on your EFTPOS terminal, it's a good idea to always enter the CVV2 as part of the Transaction. If your EFTPOS terminal is not allowing you to key this, please call ANZ on 1800 039 025 to activate this feature. It is important to note that CVV2 **should not** be stored once the transaction has been completed.

For more information on Chargebacks, contact ANZ Merchant Services on 1800 039 025 available 24 hours a day, 7 days a week.

Please Note: If the evidence you submit is insufficient or submitted after the deadline for the above, it will result in the value of the disputed transaction being charged back to you.

The information provided in this guide reflects Condition 12 Chargeback outlined in the ANZ Merchant Services General Conditions. The General Conditions form part of your Merchant Agreement with ANZ.

\*Card Verification Value is prohibited to be stored once a transaction has been processed. Please ensure you avoid storing the Card Verification Value or securely destroy it as soon as the transaction is processed.

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