

## WHAT TO DO IF SOMETHING SEEMS “WRONG” WHEN ACCEPTING AND PROCESSING A *VISA* CARD

### MAKE A “CODE 10” CALL

Call your *VISA* Authorization Centre and identify your call as a “Code 10” authorization anytime you suspect a transaction may be fraudulent or suspicious. This “Code 10” authorization procedure will alert your *VISA* Authorization Centre that you suspect something is “wrong” without alarming your customer.

### YOU SHOULD BE SUSPICIOUS IF:

- the appearance of the *VISA* card suggests tampering  
OR
- the account number embossed on the *VISA* card and the account number displayed on your electronic terminal do not match  
OR
- a customer’s behaviour when presenting the *VISA* card for payment leads you to believe fraud may be involved – for example, maybe your customer arrived at quitting time and is trying to rush your staff through the transaction process

When you make a “Code 10” call, a series of “Yes or No” questions will be asked to verify the authenticity of the *VISA* card. Either you will be given an authorization number so that you may complete the transaction or you will be asked to retain the *VISA* card. That is why you should always hold onto the *VISA* card throughout the transaction process and return it to your customer only after you have received authorization.

## RECORD YOUR *VISA* INFORMATION HERE

\_\_\_\_\_  
*VISA* Merchant Identification Number

\_\_\_\_\_  
*VISA* Authorization Centre Phone Number

\_\_\_\_\_  
General *VISA* Merchant Services Phone Number

KEEP THIS GUIDE NEAR  
YOUR POINT OF SALE  
FOR HANDY REFERENCE.



**VISA. Good for business.™**

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## VISA® CARD ACCEPTANCE AND PROCESSING GUIDE

### HOW TO REDUCE CHARGEBACKS



## ACCEPTING *VISA* CARDS IS GOOD FOR BUSINESS

*VISA* cards are the most popular non-cash payment method in the world. That's why it makes great business sense to increase your sales potential by accepting *VISA* cards in payment for goods and services.

### MANAGING CHARGEBACKS BUILDS YOUR BOTTOM LINE

In order to maximize the benefits of accepting *VISA* cards, you want to minimize potential chargebacks – reversals of disputed sales transactions. You may reduce the incidence of chargebacks by following the *VISA* acceptance and processing procedures set out in this guide.



## 5 EASY STEPS TO REDUCE CHARGEBACKS

Following proper *VISA* acceptance and processing procedures is key to minimizing your risk of chargebacks.

**1. Make sure the *VISA* card presented is a valid *VISA* card.** Check the standard identification and security features described on the pull-out section at the end of this guide.

**If you are using a manual imprinter,** check to ensure you have a legible imprint of the customer's *VISA* card on all copies of the sales draft.

**Check to make sure your customer's signature** on the sales draft matches the signature on the back of the card. Never accept an unsigned *VISA* card.

**2. Deposit your *VISA* sales drafts on time.** Your merchant agreement tells you exactly how many days you have from the date of a transaction in which to deposit your sales drafts with your *VISA* financial institution.

**3. Make sure you respond promptly to all copy requests.** Remember your copies must be legible and show: account number, transaction date, transaction amount, card expiry date, your company name and location, and the customer's signature (if the transaction occurred face to face with the customer).

**4. Note the authorization number on any manual sales draft.** When you call for a voice authorization, write the authorization number in the space provided on the sales draft.

**5. Stay on top of recurring payment arrangements.** Always submit your transactions on a timely basis. A transaction submitted after a customer cancels or changes a recurring payment arrangement may result in a chargeback.

## WHAT ARE CHARGEBACKS AND HOW DO THEY HAPPEN?

A chargeback is the reversal of a disputed sales transaction. When a chargeback occurs the amount of the chargeback is debited from your designated account at your *VISA* financial institution.

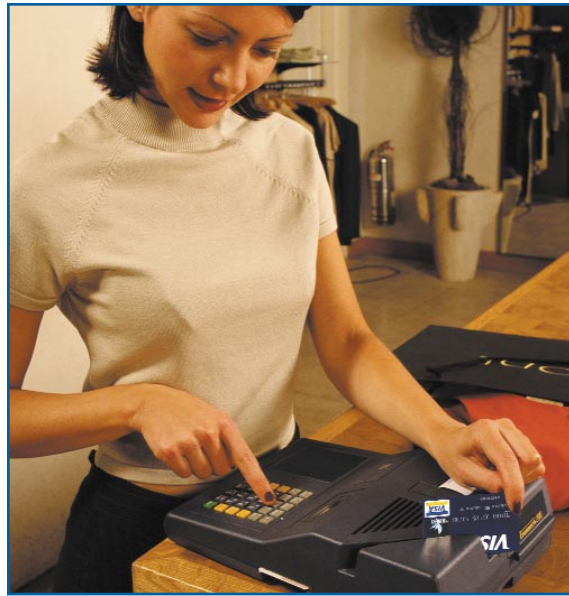
Here are the most common reasons for chargebacks and tips on how to avoid them:

**Non-receipt of Requested Copy.** Your *VISA* financial institution may request a copy of a transaction receipt from you if your customer inquires about or disputes a sales charge. This type of request is mailed or faxed to you by your *VISA* financial institution and specifies a date by which the requested copy must be received.

### WHEN YOU RECEIVE A COPY REQUEST YOU SHOULD:

- Locate the transaction receipt (filing transaction receipts in date order is recommended).
- Check the receipt yourself to make sure it is legible. Can you clearly read the cardholder account number, card expiry date, transaction amount, and signature (if the transaction occurred face to face with the customer)?
- Many *VISA* financial institutions include a reply envelope along with the request for a copy of the transaction receipt. If you send the original copy by mail, be sure to keep a copy for yourself. If you're faxing a copy of the transaction receipt, you may want to enlarge it before faxing to ensure it's readable.

If your customer has been charged incorrectly or if you fail to respond to the copy request by the due date specified, you will be subject to a chargeback.



**Duplicate Transaction.** This is usually the result of your customer claiming he or she was billed twice for the same transaction. Always balance your terminal daily to avoid any discrepancies.

**Missing Signature.** In a face to face transaction, if you do not obtain your customer's signature on a sales draft, your customer may claim a transaction was completed without his or her knowledge. Always remember to have your customer sign the sales draft.

**Missing Imprint.** A transaction can be charged back to you if you do not get a clear, legible imprint of the *VISA* card together with your customer's signature on the sales draft. "Swiping" the *VISA* card through an electronic terminal is considered the electronic equivalent of a manual imprint. If your electronic terminal cannot read the *VISA* card, key in the card number, take a manual imprint of the card (to show the card was present for the transaction), and remember to have your customer sign the manually-imprinted sales draft.

**Expired Card.** If you accept an expired *VISA* card and process a transaction without phoning for authorization, the sale may be charged back to you. Never accept a *VISA* card in payment for goods or services prior to the “Valid from” date shown on the card (if applicable) and do not accept an expired card.



**Cancelled Recurring Transaction.** If you process a recurring transaction after your customer has cancelled the arrangement, you may be charged back. Make sure you keep a file of your signed agreements with your customers. Your records should include all the information needed to complete a *VISA* card sales draft: customer name, valid 16 digit card number, expiry date and the amount and frequency of the recurring charge plus the period of time covered by the agreement. To avoid chargebacks due to **Expired Card**, you should also have proper procedures in place to update your files periodically.

**Authorization was Declined.** Follow proper authorization procedures and always obtain an authorization number when required before processing a transaction. You may be charged back for a transaction when authorization was requested but declined and the transaction was processed anyway.

**Other Processing Error.** When the financial institution that issued a *VISA* card to your customer has no record of the *VISA* account number shown on your sales draft, the transaction may be charged back to you. If the chargeback is the result of keying the wrong account number into your electronic terminal, in the case

REMEMBER YOU MUST BE APPROVED BY YOUR *VISA* FINANCIAL INSTITUTION TO ACCEPT *VISA* CARD PAYMENT ORDERS BY MAIL, TELEPHONE OR OVER THE INTERNET.

of taking an order by telephone for example, accept the chargeback and process a new transaction with the correct account number from the original sales receipt. If the account number on your “swiped” or manually-imprinted sales draft matches the account number on your chargeback notification and the transaction received an authorization, the chargeback is invalid. In this case, contact your *VISA* financial institution. A transaction may also be charged back to you if you key in an incorrect amount or if you process a refund as a sale.

**Transaction Exceeds Floor Limit.** Every time you process a *VISA* transaction through an electronic terminal, a request for authorization is sent electronically to your *VISA* Authorization Centre. However, in the event of technical difficulties, or if you do not process transactions electronically, you must call your *VISA* Authorization Centre for approval if a transaction exceeds your floor limit.

IF YOU ARE EXPERIENCING TECHNICAL DIFFICULTIES YOU CAN STILL ACCEPT *VISA* CARDS. SIMPLY TAKE AN IMPRINT OF THE CARD, FILL OUT THE MANUAL SALES DRAFT AND MAKE SURE TO OBTAIN YOUR CUSTOMER’S SIGNATURE ON THE MANUALLY-IMPRINTED SALES DRAFT.

## SPECIAL SALE CIRCUMSTANCES MAIL ORDERS, TELEPHONE ORDERS AND INTERNET ORDERS

If you process *VISA* card transactions by mail, telephone or over the Internet, your customer's *VISA* card is not physically present at your point of sale. As a result you don't have an opportunity to examine the *VISA* card.

The most common reason for chargebacks in special sale circumstances is **Non-Possession of Card**. This results when a cardholder claims he or she did not participate in a *VISA* transaction and was not present at the time of sale. In these circumstances the sale may be subject to a chargeback.

If you process *VISA* card transactions by mail, telephone or over the Internet, you should take extra care to guard against the possibility of chargebacks. Following these simple steps will help keep your chargebacks to a minimum:

**Ensure your customer understands your refund and exchange policy.** Your refund and exchange policy should be prominently displayed in your establishment and given equal prominence in the order form in your mail order catalogue or flyer, or on your Internet commerce website.

**Obtain an authorization** for every transaction regardless of the dollar amount. Remember an authorization only confirms that funds are available on the card, it does not confirm the identity of the cardholder.

**Always record your customer's name**, address (and street address if your customer gives you a post office box as a mailing or delivery address), phone number(s) and e-mail address.

**Use a shipping or courier service that provides you with a signature** of the recipient so there is no dispute over non-arrival of merchandise. Establish procedures with this service so that you are advised in the event that the intended recipient of the merchandise changes the original delivery address prior to shipping.

**If your customer opts to pick up merchandise** from an agreed-upon location, take the opportunity to either "swipe" your customer's *VISA* card through your electronic terminal or get a manual imprint of the card and obtain your customer's signature on the receipt for merchandise.

Internet Merchants: visit [www.visa.ca](http://www.visa.ca) and  
click on the *VISA* Small Business link for tips to online success!

ARE YOU A CONVENTIONAL  
"BRICKS AND MORTAR" MERCHANT  
WHO WANTS TO ACCEPT MAIL  
ORDERS, TELEPHONE ORDERS  
OR INTERNET ORDERS?

Your *VISA* financial institution must be informed of your intention to increase the number of sales channels you use. You must be approved for any special sale circumstance. Failure to make the necessary arrangements with your *VISA* financial institution may result in chargebacks.

# VISA CARD IDENTIFICATION AND SECURITY FEATURES

Reduce the incidence of chargebacks by checking every VISA card presented for payment.

Here's what to look for:



**Card Number.** Every VISA card must carry a 16 digit number beginning with the number "4". Do the first four digits of the embossed VISA card number match the printed numbers appearing immediately below the embossed card number?

**Ultraviolet Feature.** A picture of a VISA dove should illuminate on the front centre of a VISA card when examined under ultraviolet light.

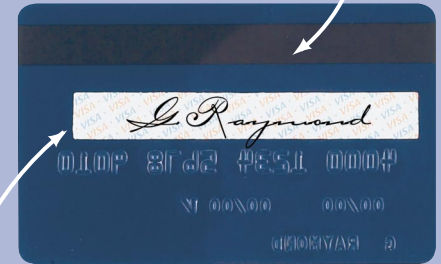
**Flying Dove.** Does the dove in the hologram appear three dimensional and do its wings appear to move as you tilt the card back and forth?

**Microprinting.** The border of the VISA logo on the front of the card carries a repeated microprint code that can be viewed with a magnifying glass or eye-piece. The microprinting should contain the first four digits of the account number repeated around the logo.

**Flying "V".** Every VISA card has an embossed "V" symbol immediately following the expiration date of the card.

**Expiration Date.** Check the expiration date of the card. Do not accept an expired card and check to make sure the date shown on the card does not appear to be altered.

**Magnetic Stripe.** The magnetic stripe contains coded account and other information. Check that the magnetic stripe is a permanent part of the card and that this stripe does not appear to have been tampered with. When you "swipe" a VISA card through an electronic terminal, it "reads" the magnetic stripe and the customer's account number is displayed on the screen of the terminal. Does this number match the embossed account number on the card?



**Signature Panel.** The signature panel on all valid VISA cards is repeatedly printed with the word "VISA" in blue and gold at an angle. Does the customer's signature appear in this panel? Does it match the signature on your sales draft? If the card is signed but the signatures do not match, ask for another piece of I.D. with your customer's signature. Do not accept an unsigned VISA card.