

Introduction to Card Payment Dispute Resolution & Chargebacks

GOALS

When all goes well, card transactions are a benefit to all the different players of the payment transaction:

- the **cardholder** has a safe, secure, easy method to make transactions;
- the **merchant** has increased sales volumes by accepting card payments and less risk and costs of dealing with cash;
- the **issuer** provides the cardholder with a product and service that meets the cardholder's needs;
- the **acquirer** provides the merchant with the connection to the network charging the merchant with a merchant discount fee to cover the acquirer's processing costs;
- the **schemes** provide the rails to ensure the transactions run smoothly and safely.

Transactions are automated, cardholder's are often debited with direct debit and the transaction cycle works smoothly ensuring that the cardholder is able to make payments within seconds and the merchant is credited as quickly as possible. For less than 1%, in fact, 0,02% in Europe (0,06% globally), there is a problem with the transaction and the issuer attempts to recover the transaction amount by using a chargeback.

As automated as it is, chargebacks are still a time consuming and costly manual process. Banks and processors require back-office staff to handle disputes either on the issuing or acquiring side. Some merchants prefer to accept the chargeback rather than try and defend the transaction for lack of time and resources.

Throughout this course, our main objectives are to:

- understand the Chargeback Process: we will learn about the chargeback process flow, the key parties involved, and the stages a chargeback goes through before resolution;
- identify Common Reasons for Chargebacks: discover the various reasons why chargebacks occur, including unauthorized transactions, merchant errors, and cases of fraud;
- master Chargeback Regulations: gain insight into the regulatory framework surrounding chargebacks, including guidelines set by card networks such as Visa and Mastercard;
- chargeback Prevention Strategies: learn effective strategies for preventing chargebacks, minimizing disputes, and maintaining healthy merchant-consumer relationships;
- handling Chargebacks Effectively: explore the best practices for managing and responding to chargebacks to increase the likelihood of successful resolutions.

After the training, participants will:

- understand the logic of chargebacks;
- understand the responsibilities of the different players in the payment system;
- improve their efficiency in handling disputes as they will know what to do rather than spend hours looking for the correct solution in the scheme rulebooks.

SUMMARY

Category:

- Clearing, settlements & payments

Difficulty level:

Advanced

Certification type:

In class training

Price:

- Member: € 550.00
- Non member: € 650.00
- Partner BZB: € 550.00
- Incompany: custom tailored, prices on demand

Points/hours:

- Bank: 6

Accreditations:

- 600.013 permanent education banking

INTENDED AUDIENCE

This training course can be followed by multiple target groups:

- anyone involved in the financial industry, merchants, payment processors, and professionals seeking to understand the chargeback card landscape;
- payment & back-office-officers;
- compliance officers & risk managers;
- internal auditors;
- consultants;
- ...

FOREKNOWLEDGE

Advanced level training: this training requires a general basic knowledge of the subject.

CONTENT

CONTENT

- Introduction: Processing Requirements & Arbitration Procedures
 - The Transaction Cycle
 - Definition of a Chargeback
 - The Chargeback Cycle
 - Reversals
 - General Chargeback Requirements (documentation, data record, safe reporting)
 - Arbitration Procedures
 - Quiz
- Authorization-Related Chargebacks/Disputes – quick overview of reason codes
 - General Overview of the Authorization Process
 - Authorization-Related Chargebacks/Disputes
 - Quiz
- Errors in Processing– quick overview of reason codes
 - Duplicate Processing / Paid by Other Means
 - Transaction Amount Differs
 - Currency-Related Disputes
 - Improper Refund
 - Late Presentment
 - Quiz

- Fraud-Related Chargebacks – quick overview of reason codes
 - The Chip and Chip/PIN Liability Shifts
 - Other Fraud Chargebacks/Disputes
 - Quiz
- Cardholder Dispute Chargebacks – quick overview of reason codes
 - Goods or Services Not as Described / Defective
 - Counterfeit Goods
 - Goods or Services Not Provided (including Failed Travel Services)
 - Credit Not Processed
 - Recurring Transactions
 - Addendum Disputes (including car rental disputes)
 - No-Show Hotel Disputes
 - Failed Transactions
 - Cancelled Timeshares
 - Quiz

PRACTICAL INFORMATION

- **Duration:** 1 day of training (6 class hours)
- **Hours:** 09:00 to 17:00
- **Location:** Febelfin Academy: Phoenix building, Koning Albert II-laan/Boulevard du Roi Albert II 19, 1210 Brussels
- **Language:** This training will be given in English

METHODOLOGY

You follow a **‘Classroom training’** face-to-face in a group. You, the other participants and the teacher are all present in the same classroom at an agreed time. There is an opportunity for interaction and feedback, both from the participants to the teacher and vice versa. The teaching material consists as a basis of a presentation via the MyFA learning platform, supplemented with various other items (such as digital syllabus, presentation, audiovisual fragments, etc.).

Training material: PowerPoint presentation (slides)