

Payments Insight

Concourse – Disputes and Visa Claims Resolution



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What is Visa Claims Resolution (VCR)?

Visa Claims Resolution (VCR) is a new global policy from Visa for disputed charges. The primary goals of the VCR process are as follows:

- Simplify the chargeback process
- Reduce the number of disputes
- Assess liability sooner
- Shorten resolution timeframes

To achieve these goals, Visa has migrated from a litigation-based model to a liability assignment model. With the previous litigation model, one party accused the other party, both sides presented evidence, and Visa made a ruling. This process often resulted in lengthy, back-and-forth litigation processes. With the new liability assignment model, Visa is leveraging its existing data and using the Visa global dispute platform – Visa Resolve Online (VROL) – to do the following:

- Associate more complete transaction information with a dispute
- Verify upfront that a dispute meets the necessary criteria
- Automatically assign liability whenever possible
- Tighten up compelling evidence required for each dispute
- Deliver more efficient workflows with simplified rules

An initial rollout of VCR was completed in Hong Kong and New Zealand in October of 2017. It was then globally launched in April of 2018. All issuing banks, acquiring banks, payment processors and merchants worldwide who process Visa card transactions are required to use the VCR process.

Why Did Visa Implement a New Dispute Process?

In the past, Visa disputes were taking an average of 45 days to resolve, with more complicated disputes taking more than 100 days. With the number of disputes rising and processing times and costs increasing, Visa created the new VCR process to shorten and simplify the dispute resolution process. Visa also implemented VCR to help eliminate as many disputes as possible because up to 15 percent of Visa's dispute volumes have resulted from invalid chargebacks.

How is the VCR Dispute Process Different?

VCR represents a significant change to how Visa handles its credit card dispute process. Below are some of the most notable aspects of VCR:

New Terminology

Visa replaced the terminology of chargeback, reason codes, and representments with the more encompassing term of “dispute processing”.

New Liability Assignment Process

With VCR, Visa is assigning liability and initiating settlement movements on behalf of the issuer or the acquirer throughout the dispute life cycle.

New Dispute Categories

As part of VCR, Visa consolidated 22 different chargeback reason codes into four dispute categories: Fraud, Authorization, Processing Errors, and Consumer Disputes.

New Workflows

All Visa disputes will be assigned to one of two workflows: the Allocation workflow or the Collaboration workflow.

- **Allocation** – For most fraud and authorization disputes, VROL will determine an initial liability assignment in real-time. Acquirers and merchants will have the ability to respond under certain conditions.
- **Collaboration** – This workflow will be initiated mostly for disputes in the “Processing Errors” or “Consumer Disputes” categories. In these cases, some interaction among merchants, acquirers, and issuers will be required.

New Time Windows

Previously, disputes were taking about 45 days to resolve, with more complicated disputes taking over 100 days. With VCR, disputes are expected to be resolved within 31 days. This means there will be shorter response timeframes. For example, merchants have typically had 45 days to respond to a chargeback. Under the new VCR process, merchants have to respond within 30 days, which is anticipated to be shortened to 20 days sometime in the future.

New Compelling Evidence Regulations

In the past, merchants did not have to provide a well-defined body of compelling evidence for a chargeback. With VCR, merchants have to provide a very specific list of compelling evidence for each type of dispute.

New Dispute Questionnaire

Issuers are required to fill out an enhanced Dispute Questionnaire to ensure that all required information is captured before a dispute can be initiated. Acquirers must also complete a series of online questions before they upload their compelling evidence.

New Response Rules

Prior to VCR, issuers and acquirers were not required to respond to disputes. However, with VCR, issuers and acquirers must respond to all disputes they receive. Each dispute is reviewed by Visa and if a response is not received, Visa will initiate a response on the issuer's or acquirer's behalf.

New Fraud Dispute Limits

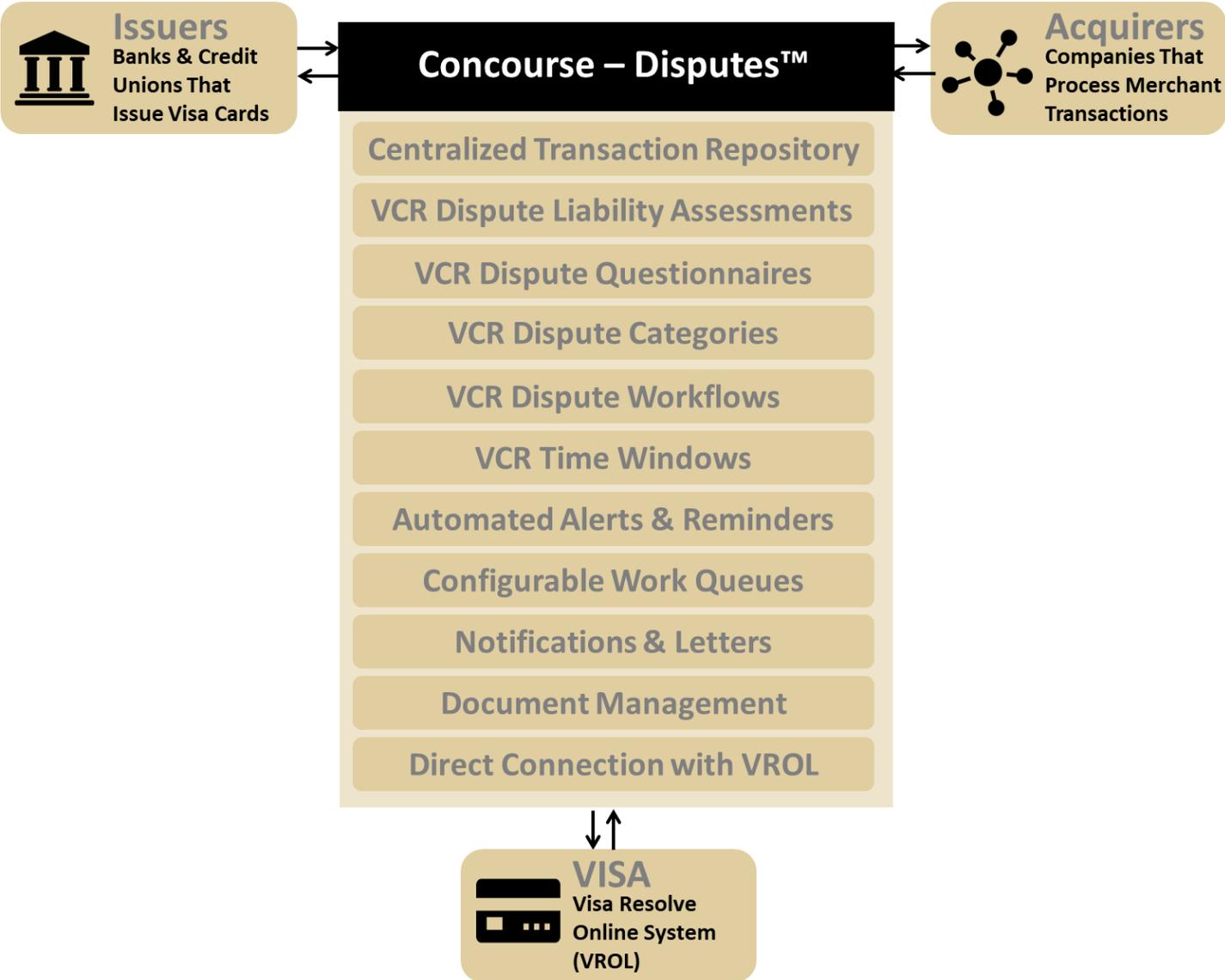
Previously, there were no restrictions on the number of chargebacks a cardholder could place in a year. With VCR, cardholders are not allowed to initiate more than 35 card-not-present fraud disputes in a 120-day period.

New Fraud Dispute Submission Rules

As part of VCR, Visa is checking whether or not the initiator of a dispute has completed all requirements before a fraud dispute is initiated. If all the requirements have not been met, Visa will not allow a fraud dispute to be initiated.

How Does Concourse – Disputes Support VCR?

Concourse – Disputes™ is a comprehensive workflow management system that automates and manages the dispute life cycle from initial claim entry to final resolution. Concourse – Disputes (Release 4) provides direct connectivity with the Visa VROL system and has VCR-specific elements and processes to ensure that issuers and acquirers can successfully manage and be compliant with the VCR dispute policy.



Centralized Transaction Repository

Concourse – Disputes automatically and continuously loads transaction data from all transaction sources into a centralized repository. This includes data from authorization, network, and third-party sources.

Transactions can be quickly researched and appropriate actions taken via a secure browser-based viewer.

VCR Dispute Liability Assessments

Concourse – Disputes is configured to consume Visa’s liability assessments. Therefore, companies will be able to view the liability assessment initiated by Visa for each dispute. They will also be able to see the corresponding settlement financial movements Visa created as a result of the liability assessment.

VCR Dispute Questionnaires

Concourse – Disputes includes the enhanced Dispute Questionnaire that issuers must complete to ensure that all required information is captured before a dispute is initiated. Concourse – Disputes also includes the specific questions that acquirers must complete and send with their compelling evidence. These questionnaires are completed online via the Concourse – Disputes user interface. The completed questionnaire data, along with any supporting documentation, is then automatically sent via Concourse – Disputes to the Visa VROL system.

VCR Dispute Categories

The system has been configured with all the policies and procedures for the VCR dispute categories of Fraud, Authorization, Processing Errors, and Consumer Disputes. This includes all supporting reason codes, time limits, and sequential dispute actions.

VCR Dispute Workflows

Concourse – Disputes has been configured with all components of the VCR Allocation and Collaboration workflows. As a result, the system ensures that no steps are missed, each step is completed in the correct order, and all deadlines are met. The workflow engine in Concourse – Disputes is very intuitive and will guide a user to the next appropriate action. As a result, companies can successfully manage disputes without extensive dispute training and without the risk of workflow errors.

VCR Time Windows

All time windows are included as part of the VCR dispute categories and workflows configured in the Concourse – Disputes system. The system automatically keeps track of upcoming and looming time windows to ensure all actions are completed within the regulatory time limits.

Automated Alerts & Reminders

Concourse – Disputes automatically sends advisements and reminders. Advisements provide notifications to appropriate users when events occur, such as the receipt of documents. Reminders are generated for time-sensitive events that are at the beginning or nearing the end of their availability windows. These automated notifications assure that all dispute claims are successfully managed and in compliance with VCR time-sensitive, regulatory actions.

Configurable Work Queues

Concourse – Disputes provides work queues that can be configured for individual users or groups. These work queues allow internal and external users to sort, summarize, drill down, and progress workflow steps for all disputes assigned to them. The work queues not only show the status of each dispute, they also include timeframe countdowns for the next available actions in the workflow process.

Notifications & Letters

Concourse – Disputes includes a notification system that triggers e-mails, letters, and other notifications to clients, merchants, cardholders, and other relevant parties. The notification system supports text templates with substitution elements to allow each notification to be customized with appropriate information, such as name, address, dispute ID, and dollar amount.

Document Management

Concourse – Disputes can automatically send and receive documents from Visa. Internal and external users can also upload, store, and attach documents and images that can be shared with all parties involved in the dispute process.

Direct Connection with VROL

Concourse – Disputes interfaces and securely communicates with the Visa VROL system. This includes the sending and receiving of data and documentation that is required as part of the VCR policy. This eliminates the need to upload documents and forms into multiple systems, thereby increasing efficiency and improving turnaround times.

Conclusion

Concourse – Disputes is a comprehensive workflow management system that not only supports Visa VCR but also successfully manages disputes for any type of electronic payment transaction. Users can

- Automate and streamline the dispute management process from initial claim entry to final resolution.
- Leverage more efficient teams that can handle higher volumes of claims because the system streamlines the dispute management process.
- Eliminate the need for costly network regulation expertise because network-specific rules are pre-configured and administered in the system.
- Reduce the number of penalties and financial write-offs because the system assures all workflow steps and deadlines are met.
- Obtain stronger customer loyalty because every dispute claim is processed quickly and reliably.

**Reduce the Cost & Complexity
of Managing Disputes for
Electronic Payment Transactions**

System Requirements

- **Hardware:** Any hardware that can host a supported operating system with reasonable performance and responsiveness. Better performance is achieved with faster processors and more memory.
- **Web Server:** A Java EE-compliant application server. JBoss is recommended.
- **Browser:** The Concourse user interface is a secure browser-based application. It is compatible with Internet Explorer, Chrome, and Firefox.
- **Operating System:** Microsoft Windows Server or Red Hat Linux.
- **Database:** Oracle Enterprise Edition or Microsoft SQL Server Enterprise Edition.
- **Virtualization:** Optional and supported.

For more detailed information, please request a copy of the **Concourse Financial Software Suite Architecture & Technology Guide**.

PCI PA-DSS Compliant

The Concourse Financial Software Suite is PCI PA-DSS compliant and is listed as a Validated Payment Application at <https://www.pcisecuritystandards.org>.



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Concourse – Disputes™ is part of the Concourse Financial Software Suite™, which includes the following products:

- Concourse – Core™
- Concourse – Fees & Commissions™
- Concourse – Extended Settlement™
- Concourse – Reconciliation™
- Concourse – Disputes™

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