

Visa® Claims Resolution (VCR) is coming

What it means to you

Visa Claims Resolution – What is it?

Recently, Visa announced the Visa Claims Resolution (VCR) initiative to improve the dispute process. Beginning in April 2018, VCR is designed to simplify and improve the efficiency of dispute resolution. We want to share with you the important terms of this new chargeback process and what they mean for your business.

Benefits of VCR

VCR will have the following impact on the dispute process:

- Help reduce abusive and “frivolous” usage of chargeback/claims system, lowering dispute volume
- Simplify the definition of specific documents and evidence required to support claims
- Streamline existing workflows by reducing the number of chargeback reason codes from 22 to 4:
 - Fraud
 - Authorization
 - Processing Errors
 - Consumer Disputes
- Provide a better customer experience with shortened timelines for resolution



How this impacts merchants

While VCR is designed to simplify and improve the efficiency of the dispute process, the shift will likely effect workload and financial processes, so it is important you are prepared.

The chart below summarizes key changes.

Impact	Today	April 2018
Funds Movement	<ul style="list-style-type: none">• All categorized as "Dispute Financial"• "Financial Adjustment" Day 1 – Debit and offsetting Credit to merchant	<ul style="list-style-type: none">• Categorized in one of two ways:<ul style="list-style-type: none">– Fraud/Authorization – Day 1 Debit to merchant while dispute is reviewed– Processing Errors/Consumer Disputes – no immediate financial impact to merchant until final decision is made
Required Response	<ul style="list-style-type: none">• No need to respond unless the merchant wishes to dispute the claim	<ul style="list-style-type: none">• All claims must be addressed or risk incremental fees• Could have significant volume impact (number of responses required)
Time to Respond	<ul style="list-style-type: none">• 15 days to respond to First Data® (FD)• Electronic, fax, and mail delivery responses	<ul style="list-style-type: none">• 15 days to respond – no change• Electronic delivery recommended for timing and volume reasons• Failure to respond within mandated timeframes will result in financial liability (merchant loses dispute)
Content of Responses	<ul style="list-style-type: none">• FD works with clients to help provide "Compelling Information"	<ul style="list-style-type: none">• "Compelling Information" is limited to specific documents/evidence outlined in Visa rules

What you need to do and how we can help

IF YOU ARE CURRENTLY HANDLING DISPUTES ELECTRONICALLY

- **For clients using Dispute Manager directly (not on Data File Manager)**
 - Ensure the tool is proactively being used/monitored
 - Ensure adequate staffing to respond to increased dispute volume
 - Review internal processes to ensure ALL disputes are responded to within the required timeframe to reduce financial impacts
- **For clients on Data File Manager (DFM)**
 - No coding changes are needed from First Data to support new data, as the DFM file has already been modified with VCR reason codes
 - Coding changes may be required depending on client back-office processes and how data is utilized
 - Review internal processes to ensure ALL disputes are responded to within the required timeframe to avoid financial impacts

IF YOU ARE CURRENTLY HANDLING DISPUTES VIA PAPER/FAX

Understand potential impacts to continuing non-electronically. First Data recommends processing electronically.

- **If moving to electronic**
 - Determine the proper method(s) to manage disputes for your business (options include: DFM, e-Response file, Dispute Manager)
 - Strategize implementation plan for the selected support method(s)
 - Work with the Account Manager to establish the necessary access
 - Plan to turn off paper processes once electronic methods are live
- Review internal processes to ensure ALL disputes are addressed within the timeframe required to reduce financial impacts



To learn more about Dispute Manager, please visit the tutorial at <https://www.firstdata.com/demos/dispute-manager/index.html>.