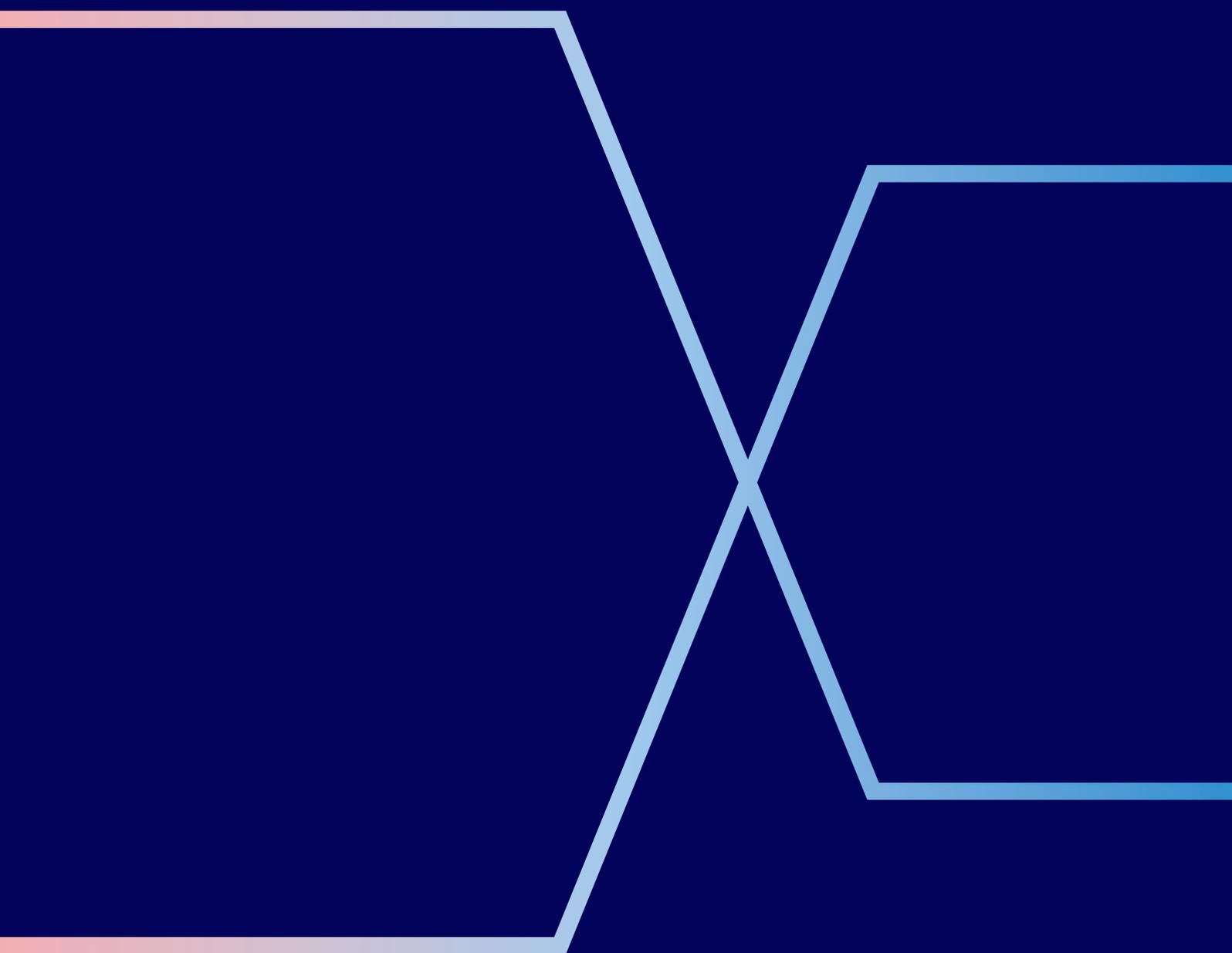


Mastercard transactions

Chargeback reason codes

Fraud chargebacks



Reason code 4837: No Cardholder Authorisation

Opening timeframe:	Transaction date + 120 days
Code usage frequency v. all chargebacks 2024:	18.15%
Code usage frequency vs all Mastercard chargebacks 2024:	41.06%



Why might this happen?

This is a mass reason code for fraudulent activity where the card details were entered manually. It can be used for both the card-present environment and the card-not-present environment.

Card-present environment

Despite the transaction being card-present, the transaction was processed with manually entered card details, possibly on a cloned card using the mag-stripe. In general, transactions made by swiping a card always require extra care.

The card used was not reported as counterfeit, lost or stolen at the point of transaction.

Here are some examples

1. Fraudsters may arrive in groups, possibly create distractions to attracting employee attention, while the card user completes their transaction manually.
2. You leave the terminal unattended, providing an opportunity for customer to use the mag-stripe or manual entry instead of Chip & PIN.
3. Cloned cards may be used, which are recreated plastic cards with a mag-stripe. The transaction is re-coded to instruct the terminal to process it manually. This will generate a receipt asking for a signature, which makes the transaction appear valid.
4. The customer informs you that the chip on their card is damaged and asks you to use mag-stripe instead.

Helpful information:

- Remember that the merchant is obligated to provide evidence that the claim is invalid, and any verbal agreements will not count.
- CCTV images are not considered as valid documentation.
- If you refunded the customer, please provide a refund receipt. Don't initiate any refunds once a chargeback process has begun.

How should you respond?

- If you have a print-out confirming a Chip & PIN transaction (displaying "PIN VERIFIED") you should provide it as evidence.

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.

How can I prevent No Cardholder Authorisation chargebacks in a card-present environment?

- Never process a transaction on a Chip card by using mag-stripes or through manual entry.
- Be extra cautious when processing swipe cards.
- Never leave the terminal unattended while processing the transaction and monitor your customers' movements, without making them feel uncomfortable. If you think a card was swiped, check the receipt for confirmation that the Chip & PIN was used.
- If you have a terminal not provided by Elavon, please check with their customer service team how any manually entered transaction will be shown on receipts.
- Provide training and guidance to your staff.
- Make sure any refund goes to the card that was used to purchase, for the same amount. The cardholder must receive the amount originally debited, including any difference caused by currency conversion on both sale and refund transaction. If you need help with this, please contact our customers team to request re-processing.
- Remember that when a cardholder is on the phone, you should not answer 'YES' to your terminal's question "is the cardholder present?" Present means physically there.
- If the batch containing the original sale is still open, make sure you void/ reverse the transaction instead of refunding.
- Make sure the name of your company is clearly visible on cardholder statements.

Card-not-present environment

Why might this happen?

The cardholder claims they did not make or authorise this transaction.

The transaction is processed without the card physical present at your business. That could mean a mail order telephone order (MOTO) transaction, or an e-commerce transaction without 3D-Secure protocol.

The card was not blocked or reported as lost or stolen at the point of transaction. It could have also been cloned and swiped through the terminal, with the mag strip details hacked and the terminal instructed to read the transaction as a manual entry with cardholder not present.

How should you respond?

- If the same customer made an additional purchase with you, using the same card, and the transaction was not disputed, this evidence can be used to prove that the cardholder was in contact with you. You should provide details of the additional payment, showing cardholder and card

details. Note that the cardholder can still deny that the new transaction was authorised.

- Provide documentation, including that address verification was done and confirmed correct, confirmation that delivery address matched, and that delivery completed successfully.
- Provide any correspondence with the customer. If you successfully contacted the customer and they agreed to cancel the dispute, please ask them for written confirmation.
- If the transaction was an addendum charge related to a previous rental or stay, provide evidence to connect both charges, with documentation explaining what the additional charges were for. This could include invoices, terms & conditions, customer communications about additional charge, written proof of customer's agreement with you.
- If the transaction appears to be 3D-Secured, please contact your gateway's technical support team to obtain 3DS or NPI logs, which will show if any downgrade took place.
- If you refunded the customer, please provide confirmation. Refunds should only be processed in the same way, on the same card, as the original transaction.
- Don't initiate any refunds once a chargeback process has begun.
- Remember that when a cardholder is on the phone, you should not answer 'YES' to your terminal's question "is the cardholder present?" Present means physically there.

How can I prevent No Cardholder Authorisation chargebacks in a card-not-present environment?

- Avoid MOTO transactions. Instead, consider setting up e-commerce website or using Pay-by-link, which directs the customer to a payment gateway (remember that both options require 3D-Secure to be considered safe).
- Ensure your payment gateway doesn't allow transactions to go through without 3D-Secure. Try not to use credentials on file too often, nor set too high a floor limit.
- Store more than just a receipt to ensure you can provide the evidence you need.
- Always make sure that MOTO and e-commerce without 3D-Secure transactions use AVS (Address Verification System) to confirm addresses. Fully correct AVS does not secure the transaction but flags potential fraud, so you can make informed decisions.
- Remember that when a cardholder is on the phone, you should not answer 'YES' to your terminal's question "is the cardholder present?" Present means physically there.
- Be extra cautious when processing swipe cards.
- Never leave the terminal unattended while processing the transaction and monitor your customers' movements, without making them feel uncomfortable. If you think a card was swiped, check the receipt for confirmation that the Chip & PIN was used.
- If you have a terminal not provided by Elavon, please check with their customer service team how any manually entered transaction will be shown

Helpful information:

- Remember that the merchant is obligated to provide evidence that the claim is invalid, and any verbal agreements will not count.
- CCTV images are not considered as valid documentation.
- Please note that even if you provide the best possible documentation, if the transaction was not secured, the case might still be resolved in cardholder's favour. That is why it is important to secure your business and decrease fraud risk.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.

on receipts.

- Provide training and guidance to your staff.
- Make sure any refund goes to the card that was used to purchase, for the same amount. The cardholder must receive the amount originally debited, including any difference caused by currency conversion on both sale and refund transaction. If you need help with this, please contact our customers team to request re-processing.
- If the batch containing the original sale is still open, make sure you void/ reverse the transaction instead of refunding.
- Always check the receipt for verification of the acceptance method.
- Make sure the name of your company is clearly visible on cardholder statements.

Reason code 4870: Chip Liability Shift

Opening timeframe:	Transaction date + 120 days
Code usage frequency v. all chargebacks 2024:	0.16%
Code usage frequency vs all Mastercard chargebacks 2024:	0.36%



Why might this happen?

The cardholder claims they did not make or authorise this transaction. The issuing bank determines that the transaction was made card-present, using a card that was not reported as lost or stolen.

Despite appearing to be Chip & PIN, the transaction was either not finalised or initiated with a chip, possibly because the terminal used doesn't have a chip reader. Note that Elavon does not offer these terminals.

Here are some examples

1. The customer informs you that the chip on their card is damaged and asks you to use mag-stripe instead.
2. You leave the terminal unattended, providing an opportunity for customer to use the mag-stripe or manual entry instead of Chip & PIN. The original card has been reported as lost or stolen.

How should you respond?

- If a non-chip reading terminal was used, you will be unable to defend the case. We recommended you accept the dispute.
- If you have a print-out confirming a Chip & PIN transaction (displaying "PIN VERIFIED") you should provide it as evidence.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.

Helpful information:

- Remember that the merchant is obligated to provide evidence that the claim is invalid, and any verbal agreements will not count.
- CCTV images are not considered as valid documentation.
- If you refunded the customer, please provide a refund receipt. Don't initiate any refunds once a chargeback process has begun.

How can I prevent Chip Liability Shift chargebacks?

- Make sure your terminal has a chip reader and never process a transaction on a Chip card by using mag-stripes or through manual entry.
- Never leave the terminal unattended while processing the transaction and monitor your customers' movements, without making them feel uncomfortable. If you think a card was swiped, check the receipt for confirmation that the Chip & PIN was used.
- Provide training and guidance to your staff.
- Make sure any refund goes to the card that was used to purchase, for the same amount. The cardholder must receive the amount originally debited, including any difference caused by currency conversion on both sale and refund transaction. If you need help with this, please contact our customers team to request re-processing.
- If the batch containing the original sale is still open, make sure you void/ reverse the transaction instead of refunding.

Reason code 4871: Chip Liability Shift – Lost/Stolen/NRI Fraud

Opening timeframe:	Transaction date + 120 days
Code usage frequency v. all chargebacks 2024:	0.09%
Code usage frequency vs all Mastercard chargebacks 2024:	0.21%



Why might this happen?

The cardholder claims they did not make or authorise this transaction. The issuing bank determines that the transaction was made card-present, using a card reported as lost or stolen.

Despite appearing to be Chip & PIN, the transaction was either not finalised or initiated with a chip, possibly because the terminal used doesn't have a chip reader. Note that Elavon does not offer these terminals.

Here are some examples

1. The customer informs you that the chip on their card is damaged and asks you to use mag-stripe instead.
2. You leave the terminal unattended, providing an opportunity for customer to use the mag-stripe or manual entry instead of Chip & PIN.
3. The original card has already been reported as lost or stolen.

How should you respond?

- If a non-chip reading terminal was used, you will be unable to defend the case. We recommended you accept the dispute.
- If you have a print-out confirming a Chip & PIN transaction (displaying "PIN VERIFIED") you should provide it as evidence.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.

Helpful information:

- Remember that the merchant is obligated to provide evidence that the claim is invalid, and any verbal agreements will not count.
- CCTV images are not considered as valid documentation.
- If you refunded the customer, please provide a refund receipt. Don't initiate any refunds once a chargeback process has begun.

How can I prevent Chip Liability Shift – Lost/Stolen/NRI Fraud chargebacks?

- Make sure your terminal has a chip reader and never process a transaction on a Chip card by using mag-stripe or through manual entry.
- Never leave the terminal unattended while processing the transaction and monitor your customers' movements, without making them feel uncomfortable. If you think a card was swiped, check the receipt for confirmation that the Chip & PIN was used.
- Provide training and guidance to your staff.
- Make sure any refund goes to the card that was used to purchase, for the same amount. The cardholder must receive the amount originally debited, including any difference caused by currency conversion on both sale and refund transaction. If you need help with this, please contact our customers team to request re-processing.
- If the batch containing the original sale is still open, make sure you void/reverse the transaction instead of refunding. 10.2 EMV Liability Shift Non-Counterfeit Fraud.

Reason code 4849: Questionable Merchant Activity

Opening timeframe:

Code usage frequency v. all chargebacks 2024:

Code usage frequency vs all Mastercard chargebacks 2024:

Transaction date + 120 days

Almost 0%

Almost 0%



Why might this happen?

MasterCard Inc notifies the issuing bank that there a transaction was performed on an account flagged by Questionable Merchant Audit Program, which had not been disputed previously.

How should you respond?

1. If you noticed that the transaction was already disputed, you can address it directly with Elavon to verify this is the same transaction.
2. If you successfully contacted the customer and they are willing to cancel the dispute, please ask them for written confirmation and provide it to us.
3. If the claim is valid, please accept the case. Do not do any refunds on your own after chargeback has been opened.

How can I prevent Questionable Merchant Activity chargebacks?

- Make sure that you secure your business as well as possible, so it doesn't get listed.

Helpful information:

- If your account has seen an excessive amount of fraud transactions, it will be placed on hold or terminated. It might also result in being listed on the Questionable Merchant Activity list, leading to this type of chargeback along with those requested by cardholder.
- Note that in 2024, Elavon received only 5 cases with this reason code.

Reason code 4808: Required Authorisation Not Obtained

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	Almost 0%
Code usage frequency vs all Mastercard chargebacks 2024:	Almost 0%



Why might this happen?

This is a mass reason code which is used whenever proper authorisation was not obtained. There are several scenarios that could lead to this type of chargeback.

- The original transaction was attempted and declined by the bank, or marked as 'Pickup Card.' Once declined, the transaction was processed with the Force option, with no valid authorisation code.
- There was no attempt to make a transaction. Instead, the Force option was used.
- The authorisation code was used to process a transaction for a different amount than authorised.
- Authorisation code was previously reversed on the merchant's side. This could be a result of attempting to release Pre-Authorisation first, then using the same code to complete a transaction for a different amount.
- The transaction was completed with an expired authorisation code.
- The transaction was taken offline, without connection with the bank through the terminal.
- The card number used (usually) for a refund and manually entered was incorrect, the bank is unable to locate the cardholder and returns the funds as a Credit Chargeback.

How should you respond?

1. If authorisation was not properly used, and the amount was not refunded to the same card before the chargeback, it cannot be defended.
2. If the claim is valid, please accept the case.
3. Provide the receipt from the terminal showing the transaction was authorised. Our team will verify the authorisation process.

4. If you refunded the customer, please provide a refund receipt. Don't initiate any refunds once a chargeback process has begun.
5. If you received a credit chargeback (a credit note without a debit note) no action is needed. However, we would recommend you contact your customer, as they will not have received the refund you attempted.

How can I prevent Required Authorisation Not Obtained chargebacks?

- You should never force a transaction without a proper authorisation code. If you receive a message on your terminal that the card needs to be recovered, do not try to make the transaction again or use Force. Instead ask for a different payment method.
- Authorisation codes are assigned to one specific transaction, for the exact amount. If you are trying to increase the transaction amount, don't use a previously obtained code.
- If you need to change the amount of the pre-authorisation, the best option is to complete the pre-authorisation with the original amount and then create a new transaction for the remaining amount.
- Unless your business requires use of pre-authorisations, all transactions should be settled on the same day as their authorisation. If the authorisation code expires, but you attempt to make the transaction, it might turn out that the card was already blocked.
- We don't recommend pre-authorising amounts are higher than will be required. Please keep in mind that bank release of funds could take up to a month for debit cards, two weeks for credit cards. After you perform the reversal, the amount will not be released immediately, and the cardholder may not have sufficient funds for a new transaction.
- Do not accept any authorisation codes from the cardholder.
- Provide training and guidance to your staff.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale, for the same amount.
- Make sure you and your staff always confirm the card number with the cardholder.

Reason code 4807: Warning Bulletin

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	Almost 0%
Code usage frequency vs all Mastercard chargebacks 2024:	Almost 0%



Why might this happen?

The transaction was performed on a card that was listed in a Local Stoplist or Electronic Warning Bulletin File.

While attempting to charge the card, you may receive a terminal message to “Pick up Card”. This is asking you to confiscate the card, assuming you feel safe and comfortable doing that.

Instead of asking for another payment method, or declining the sale, the transaction is forced through, resulting in financial loss to the issuing bank.

How should you respond?

1. If authorisation wasn't properly obtained, or the amount was not refunded to the same card before the chargeback, it cannot be defended.
2. If the claim is valid, please accept the case. Do not process any refunds after a chargeback has been opened.

How can I prevent Warning Bulletin chargebacks?

- You should never force a transaction without a proper authorisation code. If you receive a message on your terminal that the card needs to be recovered, do not try to make the transaction again or use Force. Instead ask for a different payment method.
- Unless your business requires use of pre-authorisations, all transactions should be settled on the same day as their authorisation. If the authorisation code expires, but you attempt to make the transaction, it might turn out that the card was already blocked.
- Do not accept any authorisation codes from the cardholder.
- Provide training and guidance to your staff.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale, for the same amount.

Reason code 4812: Account Number Not on File

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	0.06%
Code usage frequency vs all Mastercard chargebacks 2024:	0.13%



Why might this happen?

This is an older reason code, which remains active. Mastercard recommends using code 4808 instead.

This reason code related to incorrect card numbers and is similar to those in the Authorisation Group. Most are credit chargebacks, refunds made manually to an incorrect card number which the bank can see, but which it can't connect to a cardholder. This code can also apply if you try to charge a non-existent card offline, without connection through Elavon to the issuing bank for authorisation.

How should you respond?

1. If you received a credit chargeback (a credit note without a debit note) no action is needed. However, we would recommend you contact your customer, as they will not have received the refund you attempted.
2. If you received a standard debit chargeback, you should provide the terminal receipt showing the transaction was authorised. Our team will verify this.
3. If the claim is valid, please accept the case.
4. If you refunded the customer, please provide a refund receipt.
5. Do not implement any refunds after a chargeback has been opened.

How can I prevent Account Number Not on File chargebacks?

- As these are issues related to incorrect card numbers, make sure you and your staff always confirm the card number with the cardholder.

Processing Error Chargebacks

Reason code 4834: Point-of-Interaction Error

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	2.69%
Code usage frequency vs all Mastercard chargebacks 2024:	6.08%



What could be the reason for this chargeback?

This is a mass reason code which is used by banks whenever a cardholder claims there was a technical or a human error made during processing. There are multiple scenarios covered:

- Duplicate Processing is one of two reason codes that are applied to multiple payments. This can be due to system or human error. The date and the amount of the transaction may not be the same. There are two scenarios: i) when multiple transactions are made using the same card and ii) when multiple transactions are made using different payment methods.
- A sale was processed instead of a refund. Cardholder claims they were supposed to be refunded but instead a sale was processed.
- A refund was instigated instead of a reversal. This applies to transactions processed by error, or which were fraudulent, which were reversed despite the batch still being open.
- The cardholder claims you have either not offered the choice of currency they wish to pay with, or that another option was chosen without their agreement.
- The cardholder claims that the amount of the transaction that was settled is different from the agreed one.
- The authorisation code has expired, known as Late Presentment.

How should you respond?

For Duplicate Processing:

- If you agree that the second transaction is an error, please accept the case. Do not make new refunds. Mastercard regulations clearly state that once a chargeback is opened, no other refunds or sales to reclaim the amount should be made.
- If you disagree, provide proof of sale for both transactions. Remember that the terminal receipt only proves that there were multiple transactions, so you need to provide any other proof that shows the cardholder ordered/ used the same service twice.
- If you cannot see a duplicate payment on your side, please check your reports on Elavon Connect to see if the second transaction went through. Check any additional Merchant IDs, or other Acquirers processing your transactions. If you still cannot see the second transaction, provide an official written statement that the second transaction does not belong to you and we will attempt to verify that situation.

For Incorrect amounts

- If the transaction amount is correct, provide evidence such as till receipts, invoices, order confirmations, and any customer communication which confirms the amount.

For incorrect currency

- If the chargeback is opened for the full transaction amount, please respond confirming which currency should be used. The chargeback will be accepted, and the transaction reprocessed once again in the correct currency. In this scenario, the cardholder will be debited again and your account credited. However, please keep in mind that reprocessing the transaction may result in a Late Presentment chargeback.
- If the chargeback is for a partial amount (difference between what the cardholder paid if you offered a choice of currency v what was actually paid), please provide proof that cardholder accepted the currency used during the transaction. This can be a signed receipt, email conversation, written request, or show where on your website the customer can change the currency.

For sale instead of refund

- If the disputed sale was not supposed to be a refund, please provide proof of sale. This can be a sale receipt from the cash register, invoice, digital details about the sale, and it must connect to the transaction.
- If the refund was not due to processing error or fraud, please provide documentation proving the validity of the original sale. This could be an order confirmation, invoice, correspondence, contract, Terms & Conditions and disclosure.
- If the refund was due to a processing error or fraudulent transaction, the liability for currency conversion lies with the merchant. You should accept the case.

How can I prevent Point-of-Interaction Error chargebacks?

- You should always try to minimise or technical human error, so provide training and guidance to your staff.

Helpful information:

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. Do not implement any refunds on your own after a chargeback has been opened.

- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount.
- Make sure you react accurately to the terminal asking about the currency and you are not skipping this part while making the transaction. Ask the cardholder to choose the currency by themselves.
- If you have a website that shows amounts in a different currency but process only in your local currency, make sure that the cardholder is aware what they see is a possible amount after conversion, not confirmation they will pay in their own currency.

Reason code 4831: Transaction Amount Differs/ Incorrect Transaction Amount

Opening timeframe: frequency v. all chargebacks 2024:	Transaction date + 90 days	Code usage 0.09%
Code usage frequency vs all Mastercard chargebacks 2024:		0.18%



Why might this happen?

The cardholder claims that the amount of the transaction that was settled is different from what was agreed.

How should I respond?

1. If the amount of the transaction is correct, please provide evidence such as till receipt, invoice, order confirmation. Provide any communication with the customer which shows how and why the amount was altered.
2. If the amount of the refund differs but the reason and the chargeback is the same, please provide your Refund Policy along with an example how your Refund Policy is shown for the customers.

How can I prevent Transaction Amount Differs/ Incorrect Transaction Amount chargebacks?

- Make sure that customers clearly understand the amount of their purchase and what is included.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount and currency.

Helpful information:

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. Do not implement any refunds on your own after a chargeback has been opened.

Reason code 4846: Correct Transaction Currency Code Not Provided

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	0%
Code usage frequency vs all Mastercard chargebacks 2024:	0%



Why might this happen?

This is an older reason code, although it is still active. Mastercard now recommends using code 4834.

The cardholder claims you have either not offered the choice of currency they wish to pay with, or that another option was chosen without their agreement.

How to respond to such a case?

- If the chargeback is opened for the full amount of the transaction, please respond with confirmation of which currency should be used. The chargeback will be accepted, and the transaction reprocessed once again in the correct currency. The cardholder will be debited again and your account credited. However, please keep in mind that reprocessing the transaction may result in a Late Presentment chargeback.
- If the chargeback is for a partial amount (the difference between what the cardholder paid if you offered a choice of currency vs. what was actually paid), please provide proof that cardholder accepted the currency used during the transaction. This can be a signed receipt, email conversation with customer's written request of the currency, or you can demonstrate where on your website the customer can change the currency along with confirmation of the currency chosen for disputed transaction.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. Do not implement any refunds on your own after a chargeback has been opened.

How can I prevent Correct Transaction Currency Code Not Provided chargebacks?

- Make sure you react accurately to the terminal asking about the currency and you are not skipping this part while making the transaction. Ask the cardholder to choose the currency by themselves.

Helpful information:

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- Please be advised that CCTV images are not considered as valid documentation.

- Provide training and guidance to your staff.
- If you have a website that shows amounts in a different currency but process only in your local currency, make sure that the cardholder is aware what they see is a possible amount after conversion, not confirmation they will pay in their own currency.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount.

Reason code 4842: Late Presentment

Opening timeframe:	Transaction date + 90 days
Code usage frequency v. all chargebacks 2024:	0.02%
Code usage frequency vs all Mastercard chargebacks 2024:	0.05%



Why might this happen?

This is an older reason code, although it is still active. Mastercard now recommends using code 4834.

The authorisation code used to process the transaction has expired.

How should you respond?

If authorisation was not properly used, and the amount was not refunded to the same card before the chargeback, it cannot be defended.

- If the claim is valid, please accept the case.
- If you refunded the customer, please provide a refund receipt. Don't initiate any refunds once a chargeback process has begun

How can I prevent Late Presentment chargebacks?

- Check your balances daily, compare them to your income and sales from the cash register to make sure any transactions that were authorised completed, on the same day. Even if the authorisation code is valid for 30 days, if the bank is unable to charge the account (e.g. it was closed), the chargeback will be valid.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount and currency.
- Provide training and guidance to your staff.
- Authorisation codes are assigned to one specific transaction, for the exact amount. If you are trying to increase the transaction amount, don't use a previously obtained code.

Consumer Dispute Chargebacks

Reason code 4853: Consumer Dispute

Opening timeframe:

Transaction date + 120 days
Date merchandise/service was
expected + 120 days (no more
than 540 days after transaction date)

Code usage frequency v. all chargebacks 2024:

14.88%

Code usage frequency vs all Mastercard chargebacks 2024:

33.65%



This is a mass reason code used by the banks whenever the chargeback is related to issues with services or merchandise. There are multiple scenarios, some of which scenarios are also covered by an old but active separate reason code.

Merchandise/Service Not Received (also covered in reason code 4855)

Why might this happen?

The cardholder claims that the service or merchandise they paid for was not received within the agreed time. This could include scenarios where the service or merchandise you provide is delayed, without cardholder's agreement.

How should you respond?

- If the merchandise or service was provided, we require undeniable, signed proof of delivery. The signature should be clear, and not an 'x' or such. If delivery of the merchandise was done through a drop-box, we require confirmation showing the drop box was opened by the person who made the order, or a person authorised (by using a code or application). Please contact the courier company to obtain such information
- If the delay in receiving service/merchandise was previously known to the cardholder, please confirm how it was communicated, along with your

Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

- If the delay is a result of the customer's absence, please provide an explanation, with proof (for example, written communication with the customer).
- If the chargeback is a result of non-refundable cancellation, please provide proof of the cancellation, along with your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If the transaction relates to service that is still to be provided, please provide the details of the corresponding sale.
- If the transaction is a part of a sale waiting for full payment, or a deposit, please provide your contract along with your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If you contacted the customer and they confirmed they no longer dispute the transaction, please ask them for written confirmation and provide it along with your rebuttal. Please do not rely on your response only. If the case is escalated, we will not be able to defend it.
- If your business transactions happen only at the point of sale/service provision, please provide your terminal receipt, till receipt/invoice and official statement confirming that your business operates as sold-as-seen.
- If the shipment was held by customs in cardholder's country, please provide tracking details showing status.
- It is possible that this reason code is used to bypass Fraud Group reason code criteria, e.g. the claim that that service was not received as the transaction was fraudulent. In that case, please respond with your official statement and what the transaction was for.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- Do not implement any refunds on your own after a chargeback has been opened.
- If you refunded the customer, please provide a refund receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

Helpful information:

What is considered to be a properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

How can I prevent Consumer Dispute: Merchandise/Service Not Received chargebacks?

- Make sure your delivery options include valid proof of delivery. Tracking confirmation and pictures of packages are not always sufficient proof of delivery (packages can be stolen). Only signed proof of delivery and drop box pickup confirmations are considered acceptable.
- Make sure you have properly disclosed the delivery period and potential delays on your website or during the sale.
- If you run a business focused on pre-paid face-to-face sales (for example wedding dresses which are usually paid for up front) make sure you have a contract and eventually, signed proof of provision.

- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount.

Not as Described/Defect

Why might this happen?

Cardholder claims the service or product they purchased does not match the description offered at the time of purchase. This might be due to outdated descriptions, or to incorrect product being sent. This reason code can also be used if the received product or services were damaged or defective, including damage during shipping.

For virtual cards issued by travel and accommodation agencies using Mastercard, this code can be used if the contractual agreement between agency and merchant was not honoured.

How should you respond?

- You will need to provide as much evidence as you can, including invoices, contracts (remember that documentation signed by the cardholder has strongest value), service reports (such as detailed job summaries, MOT etc.), and correspondence with the customer.
- If the customer reviewed your service online positively and you are able to prove connection between the reviewer and the cardholder, this can be used as evidence.
- You may also find it useful to secure expert opinion, agreeing that your services are verified, certified and not defective.
- Remember that there must be a link between the product provided and the one sent for external expertise (for example serial number).
- If the product or service was not returned/cancelled, please provide an official statement. Remember that for fake returns (replacements which are false products, empty packaging, the same model but older) you need to provide proof that the returned product is not the one you sent.
- If you've replaced/repaired/resolved product or services, please provide evidence. This could be a job report, shipping details, documentation linking your action with the claim, proof of resolution provided (discounts/ vouchers, room upgrades/switches accepted by the cardholder).
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. Do not implement any refunds on your own after a chargeback has been opened.
- If the refunded amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

How can I prevent Consumer Dispute: Not as Described/Defective chargebacks?

- Ensure that your product and service descriptions are clear and frequently updated.

Helpful information:

What is considered to be a properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

- As a merchant selling products and services, you are responsible for their quality. Never refer your customers to manufacturers.
- Try to resolve issues and ensure your policies adhere to card scheme regulation. Accepting card transactions means you accept card scheme rules.
- Be aware that your Ts & Cs and especially no return policies do not apply to returns/cancellations when your product or service is defective/not as described. As a merchant you are obligated to provide a valid service or product.
- Keep all documentation and correspondence until the chargeback timeframes expire. After each verbal agreement, please make sure that the sale is finalised with cardholder' written, or signed confirmation to your offer (e.g. contracts and email confirmations).
- If you decide to refund the transaction, make sure the refund goes to the same card as the original sale and for the same amount.

Counterfeit Merchandise

Why might this happen?

The cardholder identifies a product as counterfeit and has obtained a confirmation from the owner of the intellectual property, an authorised representative, a customs agency, governmental or law enforcement agency or a neutral third-party expert.

How should you respond?

- You will need to provide as much evidence as you can, including invoices, contracts (remember that documentation signed by the cardholder has strongest value), service reports (such as detailed job summaries, MOT etc.), and correspondence with the customer.
- If the customer reviewed your service online positively and you are able to prove connection between the reviewer and the cardholder, this can be used as evidence.
- You may also find it useful to secure expert opinion, agreeing that your services are verified, certified and not defective.
- Remember that there must be a link between the product provided and the one sent for external expertise (for example serial number).
- If the product or service was not returned/cancelled, please provide an official statement. Remember that for fake returns (replacements which are false products, empty packaging, the same model but older) you need to provide proof that the returned product is not the one you sent.
- If you've replaced/repaired/resolved product or services, please provide evidence. This could be a job report, shipping details, documentation linking your action with the claim, proof of resolution provided (discounts/ vouchers, room upgrades/switches accepted by the cardholder).
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. Do not implement any refunds on your own after a chargeback has been opened.

Helpful information:

What are considered to be properly disclosed terms & conditions and refund policies?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

- If the refunded amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

How to prevent Consumer Dispute - Counterfeit Merchandise chargebacks?

- Ensure you always receive products from a liable source that you have verified.
- Make sure you advertise your products accurately and fairly.
- Make sure you secure your intellectual property sufficiently to prove ownership.
- Be aware that your Ts & Cs and especially no return policies do not apply to returns/cancellations when your product or service is found to be counterfeit. As a merchant you are obligated to provide a valid service or product.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount.

Cancelled Recurring or Digital Goods (also covered in reason code 4841)

Why might this happen?

The cardholder claims they withdrew their permission to charge their account as they no longer use the service. The card may also be cancelled but still charged despite that.

The cardholder claims the terms of purchase were misrepresented. This is different from Not as Described/Defective, as it does not relate to the product or service, but to how the sale is processed. For example, misrepresenting dissatisfaction refunds (advertising that the customer can return the product and receive 100% refund, but not honouring it), misrepresenting cancellation of a free trial, misrepresenting terms of investments, misrepresenting payments installments and misrepresenting during outbound telemarketing.

How should you respond?

- If the cardholder used the service or subscribed products were delivered and not returned, please provide proof of use (proof of delivery (postal or electronic), system logs showing the customer logged in and used service).
- If you have already refunded the customer, please provide proof of the refund.
- Note that Mastercard does not accept a minimum period of recurring transactions and service usage. Even if your contract with the cardholder is for minimum 12 months, any cancellation request should be actioned. If it was not, please accept the case.
- It is possible that this reason code is used to bypass Fraud Group reason code criteria, e.g. the claim that that service was not received as the transaction was fraudulent. In that case, please evidence what the transaction was for (invoice, till receipt etc.) and your official statement, denying processing recurring transactions.

Helpful information:

What are considered to be properly disclosed terms & conditions and refund policies?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- Provide proof that the customer was aware and agreed to the terms and that you have followed them. This can be written or signed by the customer, in confirmation under your terms or contracts.
- Provide proof that the cardholder has untrue expectations of the future payments and they were properly disclosed and accepted by the cardholder.
- Provide any correspondence that you have with the customer.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- Do not implement any refunds on your own after a chargeback has been opened.

How can I prevent Consumer Dispute - Cancelled Recurring Transaction chargebacks?

- Ensure you cancel the customer's subscription and recurring transactions without a delay.
- Maintain access to details which can prove that the cardholder used the service or received product despite cancellation, to offer proof that service was not cancelled.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount.

Cancelled Merchandise/Services and Credit Not Processed (also covered by reason code 4860)

Why might this happen?

The cardholder claims they have returned merchandise or cancelled services within the time frames allowed by your company, but either they were offered no refund, or they didn't receive one.

How should you respond?

- If the refund was made, please provide proof of the refund.
- If the claim is valid, please accept the case.
- If no credit is due, please respond according to the situation (e.g. if the cardholder claims that credit was promised for service not received, your rebuttal should follow the requirements of Service Not Received with an additional statement).
- Verify cardholder' documentation and correspondence carefully and see if they provided any proof to support their claim. If you have doubts, please refer and provide supporting evidence (e.g. contact details from your website proving the email address is incorrect). If you find that the correspondence is valid but made in error by your employee, liability will

Helpful information:

What is considered to be a properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

stay with your business.

- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount and provide proof of the refund.
- Do not implement any refunds on your own after a chargeback has been opened.
- If the refund was made in a different way, in particular by bank transfer, please provide correspondence from the cardholder, where they provide you with bank details. In general, refunds by a different method (cash, bank transfer, different card) should never happen.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If you refunded the customer, please provide a refund receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If this relates to a non-refundable deposit, you need to show evidence that the policy was accepted by the cardholder.

How can I prevent Consumer Disputes - Cancelled Merchandise/Services and Credit Not Processed chargebacks?

- Make sure you process refunds immediately after the offer has been accepted.
- Ensure you process refunds using the same method as the original transaction was made and using the same acquirer.
- Never process joined refunds. Each sale should be refunded separately. This will help the bank to locate the refund without resorting to chargeback.
- Ensure you have your refund policies properly disclosed to the cardholder (on the receipt, for signature, in the email and confirmed in writing, with a click-to-accept box on your website).
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount.
- Provide training and guidance to your staff and deliver on what was promised to the cardholder.

Addendum Charges (also covered in reason code 4859)

Why might this happen?

- The customer noticed that they were unreasonably charged for additional amounts due to damages, rules violations, traffic violations etc. The charge may also have been the outcome of a previous dispute for a Fraud reason code,

Helpful information:

What are considered to be properly disclosed terms & conditions and refund policies?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

- When additional charges made due to violation of terms: room, device, vehicle damages, smoking fee, traffic violation, are not discussed and agreed.
- The cardholder claims they did not cause the damage.

How should you respond?

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- If you refunded the customer, please provide a refund receipt.
- If the amount is decreased by penalty fees, please provide your Terms & Conditions along with the way it was accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- Do not implement any refunds after a chargeback has been opened.
- If the refund was made in a different way, in particular by bank transfer, please provide correspondence from the cardholder, where they provide you with bank details. In general, refunds by a different method (cash, bank transfer, different card) should never happen.

How can I prevent Consumer Dispute - Addendum Charges chargebacks?

These cases can be very difficult to defend. If possible, secure evidence that shows the customers incurring the charges, e.g. ensuring that hotel rooms have smoke detectors that will immediately alarm reception desk and allow immediate reaction and card-present penalty charge. For car rentals, carry out immediate car condition checks.

- If addendum charges are inevitable for your business, we recommend contacting legal advisors to find a way to charge the customer in a legal way, if chargeback occurs.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount and provide proof of the refund.

Helpful information:

What are considered to be properly disclosed terms & conditions and refund policies?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

Reason code 4855: Goods and Services Not Provided

Opening timeframe:

Transaction date + 120 days
Date merchandise/service was expected + 120 days (no more than 540 days after transaction date)
Refund date + 120 days

Code usage frequency v. all chargebacks 2024:

0.47%

Code usage frequency vs all Mastercard chargebacks 2024:

1.06%



Why might this happen?

This is an older reason code, although still active. Mastercard recommends you use reason code 4853

The cardholder claims that the service or merchandise they paid for was not received within the agreed time. This could include scenarios where the service or merchandise you provide is delayed, without cardholder's agreement.

How should you respond?

- If the merchandise or service was provided, we require undeniable, signed proof of delivery. The signature should be clear, and not an 'x' or such. If delivery of the merchandise was done through a drop-box, we require confirmation showing the drop box was opened by the person who made the order, or a person authorised (by using a code or application). Please contact the courier company to obtain such information
- If the delay in receiving service/merchandise was previously known to the cardholder, please confirm how it was communicated, along with your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If the delay is a result of the customer's absence, please provide an explanation, with proof (for example, written communication with the customer).
- If the chargeback is a result of non-refundable cancellation, please provide proof of the cancellation, along with your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If the transaction relates to service that is still to be provided, please provide the details of the corresponding sale.

- If the transaction is a part of a sale waiting for full payment, or a deposit, please provide your contract along with your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If you contacted the customer and they confirmed they no longer dispute the transaction, please ask them for written confirmation and provide it along with your rebuttal. Please do not rely on your response only. If the case is escalated, we will not be able to defend it.
- If your business transactions happen only at the point of sale/service provision, please provide your terminal receipt, till receipt/invoice and official statement confirming that your business operates as sold-as-seen.
- If the shipment was held by customs in cardholder's country, please provide tracking details showing status.
- It is possible that this reason code is used to bypass Fraud Group reason code criteria, e.g. the claim that that service was not received as the transaction was fraudulent. In that case, please respond with your official statement and what the transaction was for.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If the claim is valid, please accept the case.
- Do not implement any refunds on your own after a chargeback has been opened.
- If you refunded the customer, please provide a refund receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

How can I prevent Goods and Services Not Provided chargebacks?

Make sure your delivery options include valid proof of delivery. Tracking confirmation and pictures of packages can be undermined as insufficient security of the delivery (stolen package). Only signed proof of delivery and drop box pickup confirmations are considered efficient.

- Make sure you have properly disclosed the delivery period and potential delays on your website or during the sale.
- If you run a business focused on pre-paid face-to-face sales (for example wedding dresses which are usually paid for before) make sure you have a contract and later sign proof of provision.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount and currency.

Helpful information:

What is considered to be a properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

Reason code 4859: Addendum/No Show Dispute (also covered by reason code 4853)

Opening timeframe:

Transaction date + 120 days

Date merchandise/service was

expected + 120 days (no more

than 540 days after transaction date)

Refund date + 120 days

Code usage frequency v. all chargebacks 2024:

0.05%

Code usage frequency vs all Mastercard chargebacks 2024:

0.11%



Why might this happen?

This is an older reason code, although still active. Mastercard recommends you use reason code 4853.

The customer noticed they were unreasonably charged for additional amounts due to damages, rules violations, traffic violations etc. This may also have been outcome of a previous dispute under a Fraud reason code

Charges were made additionally due to violation of terms: room, device, vehicle damages, smoking fee, traffic violation etc. The charges were not discussed and agreed. The cardholder claims they did not cause the damage.

The cardholder was charged a no-show fee incorrectly according to the terms of the booking.

How to respond to such a case?

- Provide all contracts, Ts & Cs and disclosure.
- Remember that if a third-party agency was used for booking, you will need to provide a screenshot from their website.
- Provide reports about before and after conditions along with any repair/cleaning invoices.
- Provide proof that the cardholder was informed about and agreed to the charges.
 - For face-to-face transactions: a receipt showing cardholder verification: Chip & PIN, contactless or signature.
 - For card-not-present transactions: email correspondence.

- The customer's response is crucial to successfully defending the case. If the claim is valid, please accept the case.
- Do not do process refunds after a chargeback has been opened.
- If you refunded the customer, please provide a refund receipt. If the amount is decreased by penalty fees, please provide your Terms & Conditions along with the way it was accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).

How can I prevent Addendum/No-Show Dispute chargebacks?

- These cases can be very difficult to defend. If possible, secure evidence that shows the customers incurring the charges, e.g. ensuring that hotel rooms have smoke detectors that will immediately alarm reception desk and allow immediate reaction and card-present penalty charge. For car rentals, carry out immediate car condition checks.
- If addendum charges are inevitable for your business, we recommend contacting legal advisors to find a way to charge the customer in a legal way, if chargeback occurs.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount and provide proof of the refund.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount and currency.

Helpful information:

What are considered to be properly disclosed terms & conditions and refund policies?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing about your Terms, with attachments if they were sent as well, and customer's response).
- For e-commerce: full page screenshot showing how the customer acknowledges your terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Together with that please provide extracted in PDF terms.

Reason code 4841: Cancelled Recurring or Digital Goods (also covered by reason code 4853)

Opening timeframe:

Transaction date + 120 days
Date merchandise/service was expected + 120 days (no more than 540 days after transaction date)
Refund date + 120 days

Code usage frequency v. all chargebacks 2024:

0.29%

Code usage frequency vs all Mastercard chargebacks 2024:

0.66%



Why might this happen?

This is an older reason code, although still active. Mastercard now recommends using code 4853.

The cardholder claims they withdrew their permission to charge their account as they no longer use the service. The card may also be cancelled but still charged despite that.

The cardholder claims the terms of purchase were misrepresented. This is different from Not as Described/Defective, as it does not relate to the product or service, but to how the sale is processed. For example, misrepresenting dissatisfaction refunds (advertising that the customer can return the product and receive 100% refund, but not honouring it), misrepresenting cancellation of a free trial, misrepresenting terms of investments, misrepresenting payments installments and misrepresenting during outbound telemarketing.

How should you respond?

- If the cardholder used the service or subscribed products were delivered and not returned, please provide proof of use (proof of delivery (postal or electronic), system logs showing the customer logged in and used service).
- If you have already refunded the customer, please provide proof of the refund.
- Note that Mastercard does not accept a minimum period of recurring transactions and service usage. Even if your contract with the cardholder is for minimum 12 months, any cancellation request should be actioned. If it was not, please accept the case.

- It is possible that this reason code is used to bypass Fraud Group reason code criteria, e.g. the claim that that service was not received as the transaction was fraudulent. In that case, please evidence what the transaction was for (invoice, till receipt etc.) and your official statement, denying processing recurring transactions.
- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- Provide proof that the customer was aware and agreed to the terms and that you have followed them. This can be written or signed by the customer, in confirmation under your terms or contracts.
- Provide proof that the cardholder has untrue expectations of the future payments and they were properly disclosed and accepted by the cardholder.
- Provide any correspondence that you have with the customer.
- If the claim is valid, please accept the case.
- If you refunded the transaction, you should provide a receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- Do not implement any refunds on your own after a chargeback has been opened.

How can I prevent Cancelled Recurring or Digital Goods chargebacks?

- Ensure you cancel the customer's subscription and recurring transactions without a delay.
- Maintain access to details which can prove that the cardholder used the service or received product despite cancellation, to offer proof that service was not cancelled.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount.

Helpful information:

What is considered as properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

Reason code 4841: Cancelled Recurring or Digital Goods (also covered by reason code 4853)

Opening timeframe:

Transaction date + 120 days

Date merchandise/service was

expected + 120 days (no more

than 540 days after transaction date)

Refund date + 120 days

Code usage frequency v. all chargebacks 2024:

0.69%

Code usage frequency vs all Mastercard chargebacks 2024:

1.57%



Why might this happen?

This is an older reason code, although still active. Mastercard now recommends using code 4853.

The cardholder claims they have returned merchandise or cancelled services within the time frames allowed by your company, but either they were offered no refund, or they didn't receive one.

How should you respond?

- If the claim is valid, please accept the case.
- If no credit is due, please respond according to the situation (e.g. if the cardholder claims that credit was promised for service not received, your rebuttal should follow the requirements of Service Not Received with an additional statement).
- Verify cardholder' documentation and correspondence carefully and see if they provided any proof to support their claim. If you have doubts, please refer and provide supporting evidence (e.g. contact details from your website proving the email address is incorrect). If you find that the correspondence is valid but made in error by your employee, liability will stay with your business.
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and for the same amount and provide proof of the refund.
- Do not implement any refunds on your own after a chargeback has been opened.
- If the refund was made in a different way, in particular by bank transfer, please provide correspondence from the cardholder, where they provide

you with bank details. In general, refunds by a different method (cash, bank transfer, different card) should never happen.

- If the customer agrees that the dispute was opened in error, or they now recognise the transaction, please provide written confirmation from the customer. Note that this will only be sufficient if the cardholder will confirm their position to the bank.
- If you refunded the customer, please provide a refund receipt. If the amount is decreased by penalty fees, please provide your Ts & Cs and how they were accepted by the customer (in writing, signed, on the receipt, on the website with a click-to-accept box).
- If this relates to a non-refundable deposit, you need to show evidence that the policy was accepted by the cardholder.

How can I prevent Credit Not Received chargebacks?

- Make sure you process refunds immediately after the offer has been accepted.
- Ensure you process refunds using the same method as the original transaction was made and using the same acquirer.
- Never process joined refunds. Each sale should be refunded separately. This will help the bank to locate the refund without resorting to chargeback.
- Ensure you have your refund policies properly disclosed to the cardholder (on the receipt, for signature, in the email and confirmed in writing, with a click-to-accept box on your website).
- If you decide to refund the transaction, make sure the refund goes to exactly same card as the original sale and with the same amount.
- Provide training and guidance to your staff and deliver on what was promised to the cardholder.

Helpful information:

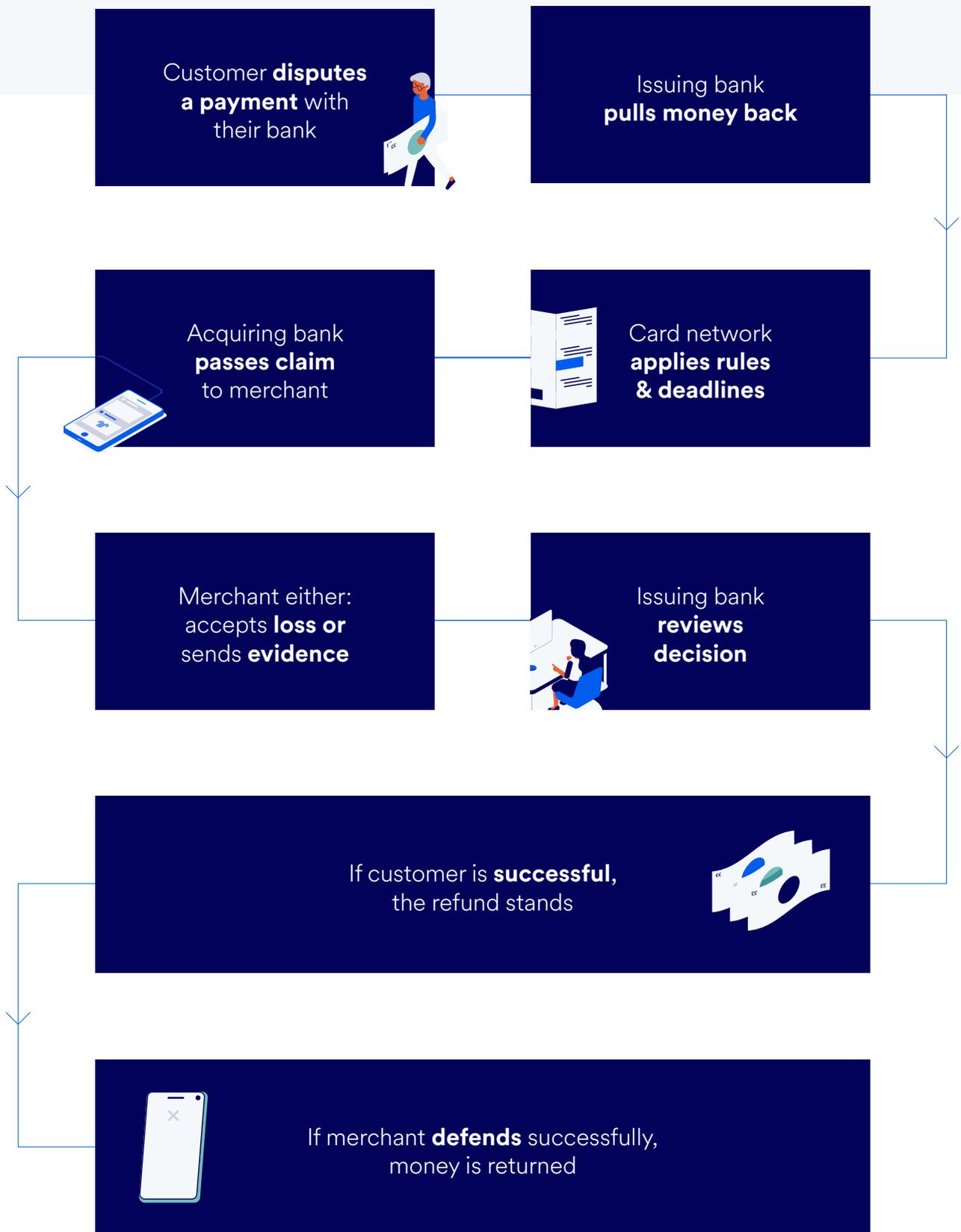
What is considered as properly disclosed Terms & Conditions and Refund policy?

- For face-to-face transactions: signed contracts, information on the receipt.
- For MOTO transactions: written correspondence (email or chat informing your Terms, with any attachments and customer responses).
- For e-commerce: a full-page screenshot showing how the customer acknowledges terms (click-to-accept box is required), next to either links to your terms, or the terms visible on the same page. Please also provide your terms in a PDF.

Card transaction cycle



Chargeback transaction cycle



How to create a secure email account

If a chargeback is raised against your business, we'll notify you by secure email. To view these messages, you will need to register your email address - here's how. You only need to do this once.

1



Look out for an email from **disputes@Elavon.com**, and save it to your device

2



Click to **open the attachment** in your web browser.

3



Register your e-mail address with Cisco.

Complete each field in the form and click continue to submit. You should see a confirmation page

4



Check your email account for an email, with a button to **activate your account**.

The email will be sent from **“DoNotReply@res.cisco.com”** and will have a **“Please activate with CRES”** title. Activate Your Cisco Registered Envelope Service Account. You may need to check your Junk folder.

5



Return to the **registered envelope**. The Register button has been replaced with an **Open button** and you will be prompted for a password.

Enter the password for your Cisco Registered Envelope Service user account and **click the Open button**.



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