

Visa Acceptance Guide for the Lodging Industry

VISA





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About This Guide

What

As part of Visa's® commitment to support the hotel industry, we've developed the *Visa Acceptance Guide for the Lodging Industry*. This tool is designed to help you get the most from every Visa card transaction and provide your guests with the highest levels of service and convenience. It is a result of extensive research with industry professionals.

Who

This guide is a tool for hotel managers, front desk staff, reservations staff, lodging sales and marketing professionals, and finance and operations executives outside of the jurisdiction of Visa Europe, which may have different practices and requirements. It is also a valuable resource for acquirers and card issuers who offer services and support to Visa hoteliers.

How

All of the information in this guide has been organized for quick and easy access. Here, you'll find:

- Answers to nearly any question you might have about accepting and processing a Visa card.
- Useful procedures for handling reservation authorizations, no-shows, overbookings, copy requests, chargebacks, and more.
- Practical tips for helping you prevent fraud.

Why

Visa is dedicated to protecting and supporting our business partners. With this commitment in mind, we've developed this reference guide to meet the unique needs of lodging industry professionals like you. The guide provides a basic set of operating procedures that will help your business get the most from every Visa card transaction that is processed.

If, after going through this guide you have any additional questions, please call your merchant relations representative at your acquirer.

Important Note About Country Differences in This Guide

Most of the information and best practices contained in this document pertain to all regions; however in some countries, there are specific products, services, and regulatory differences that must be noted. In these instances, country or region-specific details have been identified with an icon for the country under discussion. Please see *Appendix 2: Visa Europe Territory* for a list of countries within Visa Europe.

The country icons are as follows:

-  United States
-  Canada
-  Latin America and Caribbean (LAC)
-  Asia Pacific (AP)
-  Central Europe, Middle East, and Africa (CEMEA)

Guide Navigation

The *Visa Acceptance Guide for the Lodging Industry* provides icons that highlight additional resources or information:

Icon:



Definition:

Additional resources related to the topic that is being covered.



A quick tip, caution, or stay alert offers merchants key best practices and tools related to the topic being covered.

Disclaimer

The information in this guide is current as of the date of printing. However, card acceptance and processing procedures are subject to change. This guide contains information based on the current *Visa International Operating Regulations*. If there are any differences between the *Visa International Operating Regulations* and this guide, the *Visa International Operating Regulations* will prevail in every instance. Your merchant agreement and the *Visa International Operating Regulations* take precedence over this guide or any updates to its information. To access a copy of the *Visa International Operating Regulations*, visit www.visa.com/merchant and click on Operations and Procedures.

All rules discussed in this guide may not apply to all countries. Local laws and rules may exist and it is your responsibility to ensure your business complies with all applicable laws and regulations.

The information, recommendations or “best practices” contained in this guide are provided “AS IS” and are intended for informational purposes only and should not be relied upon for operational, marketing, legal, technical, tax, financial or other advice. This guide does not provide legal advice, analysis or opinion. Your institution should consult its own legal counsel to ensure that any action taken based on the information in this guide is in full compliance with all applicable laws, regulations and other legal requirements.

Visa is not responsible for your use of the information contained in this guide (including errors, omissions, inaccuracy or non-timeliness of any kind) or any assumptions or conclusions you might draw from its use. Visa makes no warranty, express or implied, and explicitly disclaims the warranties of merchant ability and fitness for a particular purpose, any warranty of non-infringement of any third party’s intellectual property rights, any warranty that the information will meet your requirements, or any warranty that the information is updated and will be error free.

For further information about the rules or practices covered in this guide, contact your acquirer.

Quick Tip



To access additional card acceptance resources for merchants, visit visa.com. Current merchant publications are available as downloadable PDF files.

Visa Card Acceptance and Authorization

Visa Card Acceptance Rules

What Are Visa's Policies on Card Acceptance?

Merchants must follow basic card acceptance rules for all Visa transactions. Careful and consistent adherence to the Visa rules outlined in this section will help you to enhance customer satisfaction and operate your business efficiently. If you have any questions about any of the Visa rules presented here, contact your acquirer.

Taxes

Include tax in the total transaction amount. Any tax that you are required to collect must be included in the total transaction amount. Never collect taxes separately in cash.

Card Acceptance

Accept all types of valid Visa cards. To offer the broadest possible range of payment options to cardholder customers, merchants must accept all categories of Visa debit, credit, and prepaid cards. **Note:** Visa debit and credit cards may have different acceptance policies if you are located in the U.S., Australia, New Zealand, or Canada. For specifics on regional differences, refer to the *Visa International Operating Regulations* at www.visa.com.

Minimum Transaction Amount

Ensure minimum transaction amounts, which may be no greater than \$10, are imposed on Visa credit card transactions only. Merchants in the U.S. or a U.S. territory may impose a minimum transaction amount on a Visa credit card. For specifics on regional differences, refer to the *Visa International Operating Regulations* at www.visa.com.



Surcharges

Surcharges are not permitted, except in the U.S. and AP (Australia and New Zealand).



In the U.S. region or in a U.S. territory (e.g., Guam in AP and Puerto Rico in LAC), a registered merchant may assess a fixed or variable surcharge on a Visa credit card transaction, subject to certain conditions and applicable laws or regulations. Additional information about U.S. conditions is available at www.visa.com/merchantsurcharging.

In the AP (Australia and New Zealand) region, a merchant may assess a fixed or variable surcharge on a Visa transaction, subject to certain conditions and applicable laws or regulations.

To ensure surcharges are properly assessed, please contact your acquirer.

Suppressed
Account
Number and
Expiration
Date

Ensure that the Visa account number is suppressed in accordance with Visa rules and local laws and regulations. Effective 1 October 2014, Visa will require the account number be partly suppressed on the receipt; however, rules will vary by region.

The expiration date should not appear at all on the cardholder copy of the transaction receipt. Existing point-of-sale terminals must comply with these requirements. To ensure that your point-of-sale terminals are properly set up for account number and expiration date suppression, contact your acquirer.

Quick Tip



When prominently displayed, Visa decals and point-of-sale signage are helpful tools for encouraging your customers to use their Visa cards to pay.

Visa Card Authorization

What is an Authorization?

An authorization is the process in which the card issuer approves or declines a transaction. An authorization can be obtained in two ways:

- Online authorization using a point-of-sale (POS) terminal
- Voice authorization (Please call your acquirer to obtain an authorization telephone number.)

When Do I Request an Authorization?

You should **always** obtain an online or voice authorization, if you have a:

- Total transaction amount above your floor limit. **Note:** In some regions, the floor limit is zero, and you must obtain an authorization for all transactions.
- Card that has not been signed.
- Handwritten sales draft that has no card imprint.
- Expired card
- Transaction that involves suspicious or unusual circumstances.

Do not use a \$1 authorization status check to verify if the cardholder's account is in good standing.



If operating in the U.S., use the \$0 Account Number Verification Service instead.

How Do I Handle Authorizations Below the Floor Limit?

For "below-floor-limit" transactions, your hotel has the option of doing the following:

- For magnetic-stripe card transactions, seek authorization
- For chip card transactions, either obtain offline approval or seek online authorization
- Not seek the authorization, but compare the card number to the current Card Recovery Bulletin (CRB). **This action is no longer a requirement for merchants using chip terminals, or under certain circumstances in certain Visa regions. Check with your Visa representative to confirm the status in your location.**

Point to Remember



CRB applies to regions outside of the U.S.

How Long Does Authorization Remain Valid?

Authorization remains valid for the estimated length of a guest's stay. When a guest stays beyond the original estimate of the length of the customer's hotel stay, you should obtain an incremental authorization approval for the additional transaction amount that you expect will be generated during the extended lodging period.

How Do I Process an Incremental Authorization?

1. Contact the customer to confirm the extended length of stay.
2. Follow standard Visa authorization procedures provided by your acquirer to obtain an incremental authorization approval for the additional transaction amount. **Note:** Exceptions may vary by region.
3. If you receive a decline response on an incremental authorization, contact the customer and ask for another form of payment.

If a hotel stay extends beyond 2 weeks, you should settle the transaction and obtain authorization for a new transaction.

Types of Authorization

Estimated Authorization

When the guest arrives to check in, you may estimate the guest's total charges and obtain an authorization for the estimated amount.

This estimate of the guest's total charges must be based on:

- Expected length of stay
- Room rate including tax
- Incidental charges that the hotel expects and are related to the guest stay (e.g., such as room service, telephone calls, and parking)

Point to Remember



Incidental charges do not include expenses such as damages to the room.

Final Authorization and 15% Rule

When the guest checks out, authorization is required in the following instances:

- If there was no previously estimated authorization and the actual transaction amount is above your hotel's floor limit, authorize the actual transaction amount.
- If there was a previously estimated authorization amount, apply the "15% rule" to determine whether or not an incremental authorization is required. To do this:
 - Add 15% to the previously estimated authorization amount.
 - Compare the total (sum of the previously estimated authorization amount plus 15%) to the actual (or final) transaction amount.

If the actual transaction amount is more than the sum of the previously estimated authorization amount plus 15%, **an incremental authorization is required for the difference between the previously estimated authorization amount and the actual transaction amount.**

Example #1

The actual transaction is **\$500.00**. As shown below, this is **more** than the previously estimated authorized amount plus 15%.

Previously estimated authorized amount	\$350.00
15% Added	53.00
<hr/>	
Total	\$403.00

For this situation, an incremental authorization is necessary.

\$500.00	- \$350.00	= \$150.00
Actual transaction amount	Previously estimated authorized amount	You obtain incremental authorization for this amount*

Example #2

The actual transaction is **\$400.00**. As shown below, this is **less** than the previously estimated authorized amount plus 15%.

Previously estimated authorized amount	\$350.00
15% Added	53.00
<hr/>	
Total	\$403.00

In this instance, **no incremental authorization is required.**

* The total sum of the incremental authorization amount plus the previously authorized amount should equal the actual (or final) transaction amount.

How to Handle an Authorization Reversal

If the actual transaction amount is less than the previously estimated authorization amount, you must process an authorization reversal, which is the difference between the previously estimated authorization amount and the value of the actual transaction amount.

Example

The actual transaction is **\$400.00** and the previously estimated authorization amount is \$500.00. As shown below, this is **less** than the previously estimated amount.

Previously estimated authorized amount	\$500.00
Actual transaction amount (final bill)	\$400.00
<hr/>	
Difference	\$100.00

You must obtain an **authorization reversal for \$100.00.**

Point to Remember



You must also process an authorization reversal for the amount of previously estimated authorization amount, whenever a transaction is subsequently voided or cancelled, or if clearing is for less than authorized amount.

Did You Know

Even if you request and obtain an authorization, you are not guaranteed protection against claims for fraud. To help you avoid losses:

- Obtain proof that the card was electronically read and present by obtaining an electronic read of the card or an imprint of the information embossed on the card (this can be done either at check in or check out). In the U.S., in case of magnetic-stripe failure, follow procedures on pages 8 through 9.
- Ask the cardholder to sign the hotel agreement, **and/or**
- Take appropriate action(s) to avoid other dispute-related issues that may apply to your industry and could result in a chargeback of the card transaction.

Point to Remember



A chargeback is invalid if a legible imprint is obtained or the card was electronically read.

Authorization at a Glance

You can complete an authorization in just a few quick steps, as outlined below:



1. Dip the card into a chip-reading device*, swipe the card through a magnetic-stripe card reader, or wave the card in front of a Visa payWave reader.



2. Request an authorization for estimated charges via a POS terminal or phone.



3. Take appropriate action based on the authorization response.

Response	Meaning
Approved	Card issuer approves the transaction. This is the most common response.
Declined or Card Not Accepted	Card issuer does not approve the transaction. The transaction should not be completed. Return the card and instruct the cardholder to call the card issuer for more information on the status of the account.
Call, Call Center, or Referrals	Card issuer needs more information before approving the sale. Most of these transactions are approved, but you should call your authorization center and follow whatever instructions you are given. In most cases, an authorization Agent will ask to speak directly with the cardholder or will instruct you to check the cardholder's identification.
Pick Up	Card issuer wants to recover the card. Do not complete the transaction. Inform the customer that you have been instructed to keep the card, and ask for an alternative form of payment. If you feel uncomfortable, simply return the card to the cardholder.



4. Make sure the authorization code is printed or written on your sales transaction receipt, in case you receive a request for copy from your acquirer.

Point to Remember



The card and chip-reader work with the card to determine the appropriate cardholder or verification method for the transaction either signature, PIN, or Visa Easy Payment Service (VEPS). If a chip card is PIN-preferring and your POS terminal supports PIN, the cardholder must follow the POS prompts and enter the PIN as directed. (For additional information about VEPS transactions, see page 10 of this guide.)

Stay Alert



Before completing a Visa transaction, always check the card's security features to make sure the card is valid and has not been altered in any way. You should also compare the signature on the sales transaction receipt to the signature on the card to make sure they match. See the *Identification and Fraud Prevention* section in this guide for further details.

*Many Visa cards have a chip that communicates information to a POS terminal with a chip reading device. If the terminal has a chip card reader, preference must always be given to chip card processing before attempting to swipe the stripe. The card should remain in the terminal until the transaction is complete.

If the Terminal Cannot Read the Chip

If the chip-reading device cannot read the chip on the card, it could mean a mechanical failure, or the card and chip-reading device have no applications in common. In this case, you should follow “fallback” requirements. Because the fallback transaction is swiped or keyed, the normal rules of transaction processing for magnetic-stripe or key entry as applicable will come into play. For key-entered transactions, manual imprints will be required.

If the Card Won't Read When Swiped

If a card won't read when swiped, you should:

- Check the terminal to make sure that it is working properly and that you are swiping the card correctly.
- If the terminal is okay, take a look at the card's security features to make sure the card is not counterfeit or has not been altered in any way (See *What to Look for on All Visa Cards* on page 27 of this guide.)
- If the problem appears to be with the magnetic-stripe, follow hotel procedures. You may be allowed to use the terminal's manual override feature to key-enter transaction data for authorization, or you may need to make a call to your voice-authorization center.
- For key-entered or voice-authorized transactions, make a manual imprint of the front of the card. The imprint proves the card was present at the point-of-sale and can protect your business from potential chargebacks if the transaction turns out to be fraudulent. The imprint can be made either on the sales receipt generated by the terminal or on a separate manual sales receipt form signed by the customer.

Visa Easy Payment Service Transactions

What is VEPS? Visa Easy Payment Service (VEPS)* is a program that allows merchants to eliminate cardholder verification and receipts on qualifying low value transactions to help deliver greater efficiency and convenience to both merchants and cardholders.

The VEPS program provides face-to-face merchants with the ability to accept Visa card for purchases without requiring a cardholder signature or PIN and foregoing a receipt unless requested by the cardholder. This program has the potential to increase speed at the point-of-sale (POS), enhance customer satisfaction and deliver operating efficiencies for merchants. It can boost customer throughput and build customer loyalty by helping cardholders use their Visa cards safely, quickly and easily. Transactions that cannot be electronically read at the POS are not eligible for the VEPS program. You must continue to obtain a cardholder signature on transactions that are key-entered at POS.

Some hotel transactions may be eligible for VEPS.

What are the VEPS Program Qualification Requirements?

Transactions qualify for the VEPS program if they meet the following criteria:

- Value is less than or equal to the country transaction limit
- Face-to-face environment
- Authorized
- Applies to all Merchant Category Codes (MCC exceptions are listed in the Visa Merchant Card Acceptance Guide).
- Terminal must read and transmit unaltered magnetic-stripe track data, unaltered chip data, or unaltered contactless payment data

VEPS Transaction Restrictions

The following transactions do not qualify for the VEPS program:

- Fallback transactions
- Account funding transactions
- Cash-back transactions
- Manual cash disbursement transactions
- Quasi-cash transactions
- Prepaid load transactions
- Transactions where Dynamic Currency Conversion is performed

* Signatures are not required on transactions of \$50 or less for U.S. merchants in two major category codes: Supermarkets (5411) and Discount Stores (5310). VEPS is not available in Canada; however, Visa payWave can provide the same benefit as VEPS when higher thresholds are set.

How to
Process
a VEPS
Transaction

If the transaction is eligible, run the transaction as you normally would and eliminate the steps of PIN entry, unless the transaction is an EMV®* PIN transaction, or checking and collecting the cardholder's signature. In addition, you need to provide a transaction receipt only if the cardholder requests one.

* EMV stands for Europay, MasterCard and Visa, a global standard for inter-operation of chip cards, ATMs and POS terminals for authenticating credit and debit card transactions.

Visa Card Cash Disbursements

Can I Make Cash Disbursements on a Guest's Visa Card?

Hotels are allowed to make cash disbursements on a Visa card to a registered guest if all of the following conditions apply:

- The guest indicates at registration the intent to pay for the hotel's services with a Visa card.
- Before the cash disbursement, the hotel reviews positive identification (such as a passport or driver's license) and, if permitted under applicable law, records type and number on the transaction receipt.
- The hotel completes a cash disbursement transaction receipt and writes on the front of the transaction receipt the cardholder's positive identification and the 4 digits printed below the account number on the card.
- The hotel does **not** disburse more than U.S. \$250, or local currency equivalent, during the cardholder's stay.
- The hotel does **not** include any additional fees, excluding taxes or charges imposed by law, to the transaction amount.

Visa Assistance Center

Visa cardholders can take advantage of assistance services by calling the Visa Assistance Center (VAC) at 1-800-VISA-911 (847-2911). The VAC provides 24-hour emergency service,* seven days a week, to Visa cardholders around the world. This service reports lost or stolen Visa cards, arranges for emergency card replacements and cash disbursements, and provides customer information services.

*Certain services do not apply to all Visa cards. The cardholder may contact their card issuer for full terms and conditions governing their use of the VAC.

Visa Priority Check-Out Service

The Visa Priority Check-Out Agreement

The Visa Priority Check-Out Service is a quick and convenient procedure for you and your guests. It gives Visa cardholders the flexibility they need to avoid delays at peak check-out times. To offer your guest the convenience of this service, you must use a Priority Check-Out Agreement and a Visa sales transaction receipt. A Priority Check-Out Agreement must include the following information:

- Merchant name and location
- A statement from the cardholder to the hotel's cashier to check the cardholder out of Room Number XXXXX on departure date MMDDYY
- In the US region, the merchant telephone number



Space must be provided for the cardholder (guest) name and signature with a statement that the cardholder (guest) authorizes a charge to their Visa account for the amount of all costs incurred during their stay.

If requested by the cardholder (guest), the hotel must send a copy of the following:

- Visa sales transaction receipt
- Hotel bill
- Copy of the Priority Check-Out Agreement

The hotel may include space for the cardholder name, company name and address, including state/province and country in order to mail the receipt(s) to the cardholder.

Once completed, the agreement is Visa Confidential.

Points to Remember



- To offer this service, you must have a Visa Priority Check-Out Addendum in your merchant agreement.
- To obtain a Priority Check-Out Agreement, contact your Visa acquirer.
- Make sure the cardholder understands and agrees to your hotel policy regarding charges posted after check-out.

How Do I Use the Visa Priority Check-Out Service?

For a Priority Check-Out where the card is no longer present, take these steps:

1. Finalize the guest's bill and folio.
2. Complete the sales transaction receipt by entering the total charges incurred during the stay. (i.e., restaurant, telephone, and miscellaneous charges).
3. Compare the final bill amount with the total amount of authorized estimates. (See the *Visa Card Authorization* section, pages 4 through 9 of this guide for details.)

How Do I
Use the Visa
Priority Check-
Out Service?
(continued)

4. Keep the terminal transaction receipt. Attach it to the guest record
5. Make sure the sales transaction receipt includes:
 - Cardholder name
 - A suppressed Visa account number*
 - Total charges incurred during the stay
 - Delayed charges
 - Authorization number if necessary
6. If requested, send the following information by mail or e-mail to the guest within three business days after check-out:
 - A completed sales transaction receipt indicating the final amount with the words "priority check-out" on the signature line, or a printout of the Visa billing
 - The itemized hotel bill
 - A copy of the signed Visa Priority Check-Out Agreement

If the guest does not request this information, the hotel must still mail/e-mail the information within the required timeframe.
7. File your copy of the documentation. Retain a copy of the itemized bill and completed signed Priority Check-Out agreement for at least six months after the transaction date.

* Ensure that the Visa account number and expiration date are suppressed on the documentation provided to the cardholder in accordance with Visa rules and local laws and regulations. Visa recommends that all but the last four digits of the account number be suppressed unless local law or regulations require otherwise.

Delayed or Amended Charges

How Do We Process Charges to a Visa Card After Check-Out?

If any additional charges are discovered after check-out (e.g., room service, telephone or mini-bar), the hotel may amend a guest's bill.

Listed below are the steps you should use when billing for delayed or amended charges. This process assumes that the revised amount is higher than the hotel's floor limit. However, even if it is less than the floor limit, it is strongly recommended that you seek electronic authorization anyway.

1. After the guest checks out, deposit a separate sales transaction receipt for the delayed charges, with the words "signature on file" on the signature line.
2. Obtain electronic authorization, if applicable.
 - Enter the card details.
 - If the card is declined, contact the cardholder at the address provided to request another form of payment.
3. Keep the terminal transaction receipt. Attach it to the guest record.
4. Mail/e-mail the additional charge information to the cardholder. This should include:
 - The sales transaction receipt with the words "signature on file" on the signature line.
 - A copy of the sales draft with a detailed explanation of the additional charges.

Quick Tip



At the time of check-in make sure your guest signs an agreement to pay for delayed or amended charges as defined by your terms and conditions.

Points to Remember



- You may **not** submit a separate or amended sales transaction receipt for loss, theft, or damage to the room.
- Failure to provide the sales transaction receipt will result in cardholder queries and possible complaints.

Reservations, Cancellations, and No Shows

Visa Hotel Reservation Service

How Do I Guarantee a Reservation?

The Visa Hotel Reservation Service* helps you guarantee room reservations and ensure payment if a cardholder fails to claim the room or cancel the reservation. When using this service, apply these simple steps to **all** reservations, whether made directly with the lodging merchant or through a third party booking agent such as travel agencies.



In the U.S., the Visa Hotel Reservation Service is referred to as the Visa Reservation Service.

1. Always obtain the following information from the guest:
 - Visa card account number
 - Card expiration date
 - Cardholder's name
 - Cardholder's billing address, phone number, and e-mail address (if available)
2. Confirm with the guest:
 - The room rate (including tax)
 - The hotel name and physical address
 - The confirmation code for the guaranteed reservation (advise the cardholder to keep this for future reference).
3. Explain your cancellation policy. Let the guest know if the rules below (or other rules) apply:
 - Cancellation notification may be required up to 72 hours before the scheduled arrival date.
 - If the cardholder makes the reservation within 72 hours of the scheduled arrival date, the cancellation deadline must be no earlier than 6:00 p.m. (local time) on the scheduled arrival date.
 - Guaranteed rooms must be held until check-out time on the day following the scheduled arrival.

If the room is not claimed or cancelled on time, the cardholder may be billed for one night's stay (plus tax).

Point to Remember



If your deadline is earlier than 6:00 p.m. (local time) on the scheduled arrival date, confirm with the guest the date and time of your deadline, then send a follow-up mailing with the cancellation policy.

*A merchant may participate in either the Hotel Reservation Service or the Advance Deposit Service (ADS). A merchant may not, however, apply both of these services to one transaction.

How Do I Guarantee a Reservation? (continued)

4. If your guest requests a written confirmation, include the following:
 - A suppressed Visa account number*/expiration date
 - Cardholder's name as it appears on the card
 - Room rate, inclusive of tax and any other appropriate details about the accommodation
 - Hotel name and physical address
 - Confirmation code
 - Cardholder's rights and responsibilities
 - Date and time that cancellation privileges expire

What if the Guest Cancels?

Accept all reservation cancellations if requested **prior** to the cancellation cut-off time.

While speaking with the guest...

1. Provide the guest with a cancellation code.
2. Advise the guest to keep a record of the code for future reference.

Then...

3. Write "cancelled" on the reservation form and record the cancellation code provided to the guest.
4. If requested, provide a written cancellation that contains:
 - A suppressed Visa account number*
 - Cardholder's name as it appears on the card
 - The cancellation code

How Should a "No Show" Be Handled?

If a cardholder fails to cancel a reservation or claim a room by check-out time or the day following the scheduled available date, you may submit a Visa sales transaction receipt for one night's accommodation, plus applicable tax

To do this:

1. Write "No-Show" on the sales transaction receipt.
2. Complete all the portions of the sales transaction receipt including:
 - A suppressed Visa account number*
 - Cardholder's name as it appears on the card
3. Obtain an authorization if the amount exceeds the floor limit.

*Ensure that the Visa account number and expiration date are suppressed on the documentation provided to the cardholder in accordance with Visa rules and local laws and regulations. Visa recommends that all but the last four digits of the account number be suppressed unless local law or regulations require otherwise.

How are Overbookings Handled?

If guaranteed accommodations are not available when the guest arrives, you must at the very least provide the services listed below at your hotel's expense:

- Comparable accommodations at an establishment of equal or better quality for at least one night
- Transportation to that establishment
- Forwarding of guest's messages and calls to that establishment
- A three-minute telephone call

Point to Remember



- You must have an agreement with your Visa acquirer to take advantage of the Visa Hotel Reservation Service, which is referred to as the Visa Reservation Service in the U.S.

Points to Remember



- Cancellation deadline time and date may vary, but must not exceed 72 hours prior to the scheduled arrival date.
- If the reservation is made within 72 hours of the arrival, your cancellation deadline must be 6:00 p.m. on the arrival date.
- If you require that a cardholder cancel before 6:00 p.m. on the scheduled arrival date, you must mail the cancellation policy to the cardholder.
- You must provide proof that the cardholder received a copy of your cancellation policy. It is recommended that you fax a copy of the policy to the cardholder and have the cardholder sign the agreement prior to confirming the reservation.

Advance Deposit Service (ADS)

How Do I Handle an ADS Reservation?



Visa's Advance Deposit Service (ADS)* makes it convenient for your hotel guests to use their Visa card for advance deposits. It also protects your hotel from the delays and confusion of handling personal or foreign checks.

In the U.S., the Advance Deposit Service is referred to as the T&E Advance Deposit Service.

When using this service, apply these simple steps to all reservations, whether made directly with the lodging merchant or through a third party booking agent such as travel agencies.

1. Always obtain from the guest:
 - The Visa card account number
 - Card expiration date
 - Cardholder's name as it appears on the card
 - Cardholder's billing address, phone number, and e-mail address (if available)
 - Expected arrival date and length of stay
2. Provide the guest with the following details:
 - Room rate (including tax)
 - Amount of the advance deposit that will be billed on the Visa card, which must not exceed the cost of 14 nights accommodation
 - The accommodation will be held for the period covered by the advance deposit
 - Deposit deduction from the final bill
 - Hotel name and physical address
 - Confirmation code for the reservation (advise the guest to keep this for future reference).
3. Make sure the guest is aware and agrees to your cancellation policy. Go over policy details. This can include, but is not limited to the following:
 - Your hotel's cancellation requirements
 - An explanation of how all or part of the deposit may be forfeited if cancellation requirements are not met
 - The date and time the cancellation privileges expire
 - A confirmation that a written copy of the cancellation policy will be mailed to the cardholder

*A merchant may participate in either the Hotel Reservation Service or the Advance Deposit Service (ADS). A merchant may not, however, apply both of these services to one transaction.

How Do I Handle an ADS Reservation? (continued)

4. When preparing the ADS written reservation confirmation and sales transaction receipt, include these details:
 - A suppressed Visa account number*, CVV2** (from the reverse of the card), and cardholder's name Note: CVV2 should be verified when completing the ADS transaction and should not be stored or shown on the customer's confirmation or transaction receipt.
 - Cardholder's billing address and telephone number
 - Hotel name
 - Words "advance deposit" on the sales transaction receipt
 - Scheduled arrival date
 - ADS reservation confirmation code
 - Transaction date
 - Authorization code, if required under normal Visa procedures
 - Date and time of cancellation deadline
 - Amount of the advance deposit
 - Number of nights' accommodation covered by the advance deposit
5. Mail the written reservation confirmation, along with a copy of the ADS sales transaction receipt, within three business days. The confirmation must include:
 - Hotel's cancellation policy
 - Cardholder's rights and responsibilities under ADS
 - Hotel's refund policy, which must allow for a complete cardholder deposit refund if a reservation is cancelled before the specified deadline

What if the Cardholder Cancels an Advance Deposit?

While speaking with the guest...

1. Provide the guest with a cancellation code.
2. Advise the guest to keep a record of the code for future reference.

When following up...

3. Write the word "cancelled" on the reservation form, along with the cancellation code provided to the guest.
4. If applicable, determine the refund amount and prepare a credit voucher, which must include these details:
 - A suppressed Visa account number,* expiration date* and the cardholder name
 - Cardholder's billing address
 - Hotel name
 - Cancellation code

* Ensure that the Visa account number and expiration date are suppressed on the documentation provided to the cardholder in accordance with Visa rules and local laws and regulations. Visa recommends that all but the last four digits of the account number be suppressed unless local law or regulations require otherwise.

**In certain markets, CVV2 is required to be present for all card-absent transactions.

What if the Cardholder Cancels an Advance Deposit? (continued)

- Words “advance deposit” on the sales transaction receipt
 - Transaction date
 - Amount of the advance deposit to be refunded
5. Mail the guest a copy of the credit voucher within three business days.
 6. Include the credit voucher with your daily deposits within three business days for international advance deposit cancellations, and five business days for U.S. cancellations.

Point to Remember



The advanced deposit may be forfeited if a guest fails to cancel within the required timeframe. The hotel, however, must not charge the guest for a “no-show” transaction.

Quick Tip



Cardholders must receive a copy of your hotel’s cancellation policy, even for reservations made through a travel agent.

What Happens if a Room Isn’t Available When a Guest Arrives?

If guaranteed accommodations are not available when a guest arrives, provide the following at your hotel’s expense:

- Comparable accommodations at an establishment of equal or better quality until the room is available, or the number of nights specified in the reservation (not to exceed 14 nights)
- Transportation between that establishment and your hotel
- Forwarding of guest’s messages and calls to that establishment
- Two three-minute telephone calls

In addition, complete a credit voucher for the total advance deposit transaction amount and deliver the cardholder copy to the guest.

Point to Remember



You must have an ADS agreement with your Visa acquirer to take advantage of this service.

Internet Reservation Best Practices

The more a guest knows about your hotel website and online reservation requirements, the better! Unfortunately, guests aren't mind readers, so you can't expect them to automatically know the "in's" and "out's" of your hotel operation; particularly when it comes to policies covering no-shows, advance deposit rates, and cancellations. Full disclosures in these areas can help reduce guest misunderstandings and downstream disclosure-related chargebacks.

Here are some essential Internet disclosure best practices:

Confirmation Information

- Ensure your e-mailed confirmation contains the following information:
 - Cardholder name, billing address, phone number, and a suppressed Visa account number*
 - Exact name and physical location of your establishment
 - Hotel accommodation rate, reservation dates, and any other necessary reservation details
 - Clearly stated cancellation policy and procedures
 - Hotel Customer Service contact phone number(s)
- Prominently display the hotel reservation confirmation code in the e-mail to assure your guests that their hotel reservations were successful. Advise the guest to retain the confirmation code.

Cancellation Policy Requirements

- Ensure your cancellation policy meets Visa requirements:
 - The hotel's cancellation deadline policy cannot exceed 72 hours prior to the guest's arrival date.
 - If the reservation is made within 72 hours of the arrival, the cancellation deadline must be no earlier than 6:00 p.m. on the arrival date.
- Issue a cancellation code to the guest and advise the guest to retain it. In accordance with Visa Hotel Reservation Service requirements, you must provide a cancellation number when a hotel room is properly cancelled.

Point to Remember



In the U.S., the Visa Hotel Reservation Service is referred to as the Visa Reservation Service.

*Ensure that the Visa account number and expiration date are suppressed on the documentation provided to the cardholder in accordance with Visa rules and local laws and regulations. Visa recommends that all but the last four digits of the account number be suppressed unless local law or regulations require otherwise.

Cancellation Policy and Proper Disclosure

- Display your cancellation policy during the reservation process.
 - This allows the guest to review your cancellation policy before making a reservation commitment. You can reduce guest inquiries and disputes by informing your guests in advance of the terms and conditions of your cancellation policy, and the amounts of fees that will be assessed if booked hotel reservations are changed.
 - The cancellation policy must be:
 - On the same screen view as the screen that is used to present the reservation details, **or**
 - Within the same sequence of web pages that the guest accesses during the checkout process
 - The cancellation policy cannot be a separate link.
- Require that the guest use either the “click to accept” button, or type in his or her initials to accept the cancellation policy disclosure statement.
- Design your website so that the cancellation policy cannot be bypassed and must be accepted before the reservation is completed.

No-Show Policies and Proper Disclosure



- Ensure your hotel no-show policy meets the Visa Hotel Reservation Service or Visa Reservation Service requirements.
 - A No-Show transaction occurs when a guest fails to cancel or show up to claim his or her hotel reservation, which can only be charged after the check-out time on the day following the scheduled arrival day.
 - Your establishment is only allowed to charge one night's rate, plus tax if a guest fails to cancel a reservation, which can only be charged after the check-out time on the day following the scheduled arrival day.
- Always display the words “No-Show” on the signature line of the sales transaction receipt/confirmation e-mail/electronic folio provided to the cardholder.

Identification and Fraud Prevention

Visa Card Features and Security Elements

Every Visa card contains a set of unique design features and security elements developed by Visa to help merchants verify a card's legitimacy. By knowing what to look for on a Visa card, your sales associates can avoid inadvertently accepting a counterfeit card or processing a fraudulent transaction.

Train your sales staff to take a few seconds to look at the card's basic features and security elements after they swipe, dip, or wave the card and are waiting for authorization. Checking card features and security elements helps to ensure that the card is valid and has not been altered in any way.

What to Look For On All Visa Cards

Visa Brand Mark Card Security Features

The **Signature Panel** must appear on the back of the card and contain an ultraviolet element that repeats the word "Visa®." The panel will look like this one, or have a custom design. It may vary in length.

The words "Authorized Signature" and "Not Valid Unless Signed" must appear above, below, or beside the signature panel.

If someone has tried to erase the signature panel, the word "VOID" will be displayed.

Card Verification Value (CVV) is a unique three-digit code that is encoded on the magnetic-stripe of all valid cards. CVV is used to detect a counterfeit card.

The **Mini-Dove Design Hologram** may appear on the back anywhere within the outlined areas shown here. The three-dimensional dove hologram should appear to move as you tilt the card.

The **Magnetic-Stripe** is encoded with the card's identifying information.

Card Verification Value 2 (CVV2)* is a three-digit code that appears either in a white box to the right of the signature panel, or directly on the signature panel. Portions of the account number may also be present on the signature panel. CVV2 is used primarily in card-absent transactions to verify that customer is in possession of a valid Visa card at the time of the sale.

Embossed/Unembossed or Printed Account Number on valid cards begins with "4." All digits must be even, straight, and the same size.

Four to Six Digit Bank Identification Number (BIN) must be printed directly below the account number. This number must match exactly with the first four digits of the account number.

Expiration or "Good Thru" date should appear below the account number.

Ultraviolet "V" is visible over the Visa Brand Mark when placed under an ultraviolet light.

Visa Brand Mark must appear in blue and gold on a white background in either the bottom right, top left, or top right corner.

If you do not see a mini-dove on the back of the card, check for the traditional dove hologram above the Visa Brand Mark on the front of the card.

Chip cards contain a small embedded microchip that is virtually impossible to copy or counterfeit.

Chip Antenna for contactless cards, the interface can be an antenna embedded into the back of the card and connected to the chip. A contactless transaction works at terminals through the radio frequency wave between the card and the terminal.



* In certain markets, CVV2 is required to be present for all card-absent transactions. Also, U.S. merchants who work in the face-to-face sales environment may include (CVV2) in the authorization request for U.S. domestic key-entered transactions in lieu of taking a manual card imprint.

Did You Know Always request authorization on an expired card. If the card issuer approves the transaction, proceed with the sale. Never accept a transaction that has been declined.

Unembossed Visa Card Acceptance

The unembossed Visa card (e.g., prepaid card) may look and feel different, but it is a valid card that can be accepted at any Visa merchant location that has an electronic terminal. Unlike an embossed Visa card with raised numbers, letters, and symbols, the unembossed card has a smooth, flat surface. From a merchant perspective, the processing of an unembossed card at the point-of-sale should be seamless. There's no need for new software, special hardware, or modified terminal procedures. You simply swipe, dip, or wave the unembossed card just as you would an embossed card, then wait for an authorization and obtain the cardholder's signature. Because of the unembossed card's flat surface, it cannot be used for transactions that require a manual card imprint. A merchant should not attempt to hand-write receipts or key-enter the account number for unembossed cards.

Full Magnetic-Stripe Data must be transmitted as part of the unembossed Visa card transaction authorization. Merchants are required to swipe an unembossed card through the terminal to prove that the card was present at the time of the transaction.

Unembossed 16-digit Account Number, Cardholder Name, and Expiration Date are laser-engraved, thermal or indent-printed securely on the front of the card. The card's flat, smooth surface makes it impossible to take a manual imprint.

If the Dove Hologram is on the front of the card, the account number will be printed outside the hologram. The numbers may be smaller and placed closer together.

Cardholder Name or a Generic Title may appear on an unembossed card. This field may be blank on some Visa cards.



ELECTRONIC USE ONLY communicates to cardholders and merchants that this card is a limited acceptance product and it can only be used at electronic point-of-sale terminals. Merchants without an electronic terminal should ask for another form of Visa payment. Electronic Use Only may be displayed on the front or back of the card.

Visa Mini Card



A Visa Mini Card is a miniature version of a standard size Visa Card.

Visa Vertical Card



This card has a vertical orientation and account information is laser printed on the card, not embossed. It includes a magnetic-stripe just like its embossed counterpart, and a card verification code on the back.

When
Something
Doesn't Look
Right

If any of the Visa card security features are missing or look altered, adhere to your hotel lodging procedures and respond accordingly.

Cardholder Verification and Identification

How Do I Check Cardholder Signature and Identification?

The final step in the card acceptance process for transactions that require a signature is to:

- Ensure that the guest signs the sales transaction receipt.
- Compare the guest's signature with the signature on the back of the card.

The guest should be in full view when signing the receipt.

1. Match the signature on the back of the card to the signature on the receipt. The first initial and spelling of the surname must match. **Note:** *Embossed name and signature do not need to be the same.*
2. If possible, check the two signatures closely for any obvious inconsistencies in spelling or handwriting.
3. Make sure the last four digits of the account number on the card match those printed on the hotel agreement.
4. For suspicious or non-matching signatures, adhere to your hotel lodging procedures and respond accordingly.

What If the Card Has Not Been Signed?

If the signature panel is blank:

1. Ask the guest for some form of positive identification that bears the guest's signature, such as a passport or driver's license.
2. Write the number and expiration date of the identification on the sales transaction receipt, **if allowed by local law.**
3. Ask the cardholder to sign the card. The card should be signed within your view, and the signature checked against the customer's signature on the ID.
4. If the guest refuses to sign the card, do not accept it.

Caution



A refusal to sign the card means the card is still invalid and cannot be accepted.

Copy Request and Chargeback Management

Copy Requests

What Happens When a Visa Cardholder Wants a Copy of the Transaction Document?

When cardholders don't recognize transactions on their Visa statements, they often ask their card issuer for a copy of the transaction document.

If asked by your acquirer to fulfill a copy request, do the following:

1. Fulfill any copy requests you receive, except for chip card, EMV PIN (except in the case of T&E document requests, cash and quasi-cash transactions), and Visa Easy Payment Service (VEPS) transactions where the merchant is not required to provide copy.

2. Fulfill all requests in a timely manner.

Note: When you send the copy to the acquirer, use a delivery method that provides proof of delivery. If you mail the copy, send it by registered or certified mail. If you send the copy electronically, be sure to keep a written record of the transmittal.

3. Provide a legible photocopy of the original document/sales transaction receipt, or a facsimile.
4. Provide transaction details that may assist the cardholder in recognizing the transaction.
 - Cardholder signature (if available)
 - Suppressed Visa account number*
 - Cardholder name
 - Guest name (If different than the cardholder name)
 - Dates of entire stay
 - Transaction amount
 - Authorization code information for U.S. only. (Use for international transaction only if information is available).
 - Your hotel name and address
 - All itemized charges
5. If you send a facsimile, be sure to adhere to your acquirer's requirements for facsimiles.

Your acquirer will forward the copy to the card issuer, who will then send it to the requesting cardholder. The question or issue the cardholder had with the transaction. In many cases is resolved by this means.

*Visa requires that all new and existing electronic POS terminals provide suppressed account numbers on sales transaction receipts.

Quick Tip



Providing a legible copy in response to a request and responding in a timely manner can help you avoid further dispute or compliance action, as well as improve your customer service and profitability.

Chargebacks

What is a Chargeback?

A “chargeback” provides an issuer with a way to return a disputed transaction. When a cardholder disputes a transaction, the issuer may request a written explanation of the problem from the cardholder and can also request a copy of the related sales transaction receipt from the acquirer, if needed. Once the issuer receives this documentation, the first step is to determine whether a chargeback situation exists. There are many reasons for chargebacks—those reasons that may be of assistance in an investigation include the following:

- Merchant failed to get an authorization
- Merchant failed to obtain card imprint (electronic or manual)
- Merchant accepted an expired card

How Does the Chargeback Process Work?

When a chargeback right applies, the issuer sends the transaction back to the acquirer and charges back the dollar amount of the disputed sale. The acquirer then researches the transaction. If the chargeback is valid, the acquirer deducts the amount of the chargeback from the merchant account and informs the merchant.

Under certain circumstances, a merchant may re-present the chargeback to its acquirer. If the merchant cannot remedy the chargeback, it is the merchant’s loss. If there are no funds in the merchant’s account to cover the chargeback amount, the acquirer must cover the loss. **The diagram on the next page provides a high level look at the events and actions involved.**

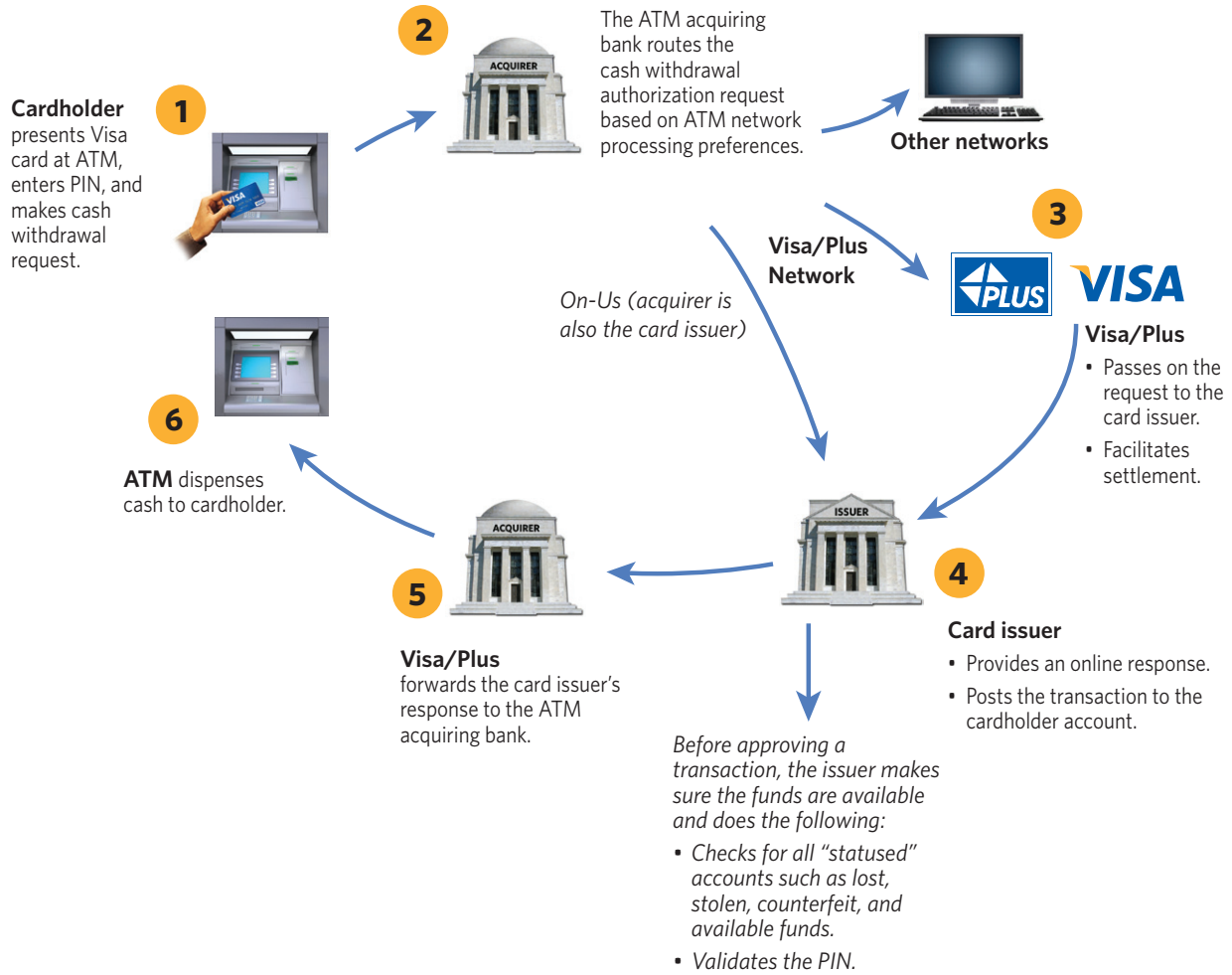
Quick Tip



If you believe a chargeback is invalid and choose to resubmit (or represent) the transaction, be sure to provide all of the requested information about the transaction and/or any additional details that might prove helpful.

All chargeback situations are subject to specific time limits for turning around a representation. Always respond to a chargeback as quickly as possible.

The Chargeback Process



Chargebacks, Reason Codes, and Recommendations

Here is a brief review of the chargebacks most commonly found in the hotel industry. Each chargeback reason code includes a brief definition that is intended to help you understand what happened from the cardholder's perspective. Merchant chargeback remedy and prevention recommendations have also been provided.

REASON CODE

30

Services Not Provided or Merchandise Not Received

Reason: The cardholder claims you were unwilling or unable to fulfill the reservation.

Example:

The cardholder claims the transaction is void because she was told at the time of check-in that fire damage rendered the accommodations unavailable. If the folio shows charges such as room service or telephone calls, you can submit these as proof.

Recommendation:

- Always get a card imprint or cardholder signature to help prove that the cardholder was at the hotel.
- Provide evidence showing that the services were provided such as telephone, room service, or mini bar.

REASON CODE

53

Not As Described or Defective Merchandise

Reason: The cardholder received merchandise that did not match the written description on the receipt provided at the time of purchase. The merchant's return policy has no bearing on description error disputes.

Example:

The hotel gift shop offered bedding for sale that was just like the sheets and bedspread provided in all of the hotel rooms. The cardholder purchased a set of king-sized sheets to be delivered to her mother as a gift and received a receipt with the correct written description. The cardholder's mother received two sets of twin-sized sheets. These sheets were returned for refund, but the merchant refused the return citing the hotel's exchange-only policy. In this situation, the merchant is responsible because the merchandise was not as described.

Recommendation:

Provide documentation/information proving the merchandise was not defective or was as described, or that the merchandise was not received back from the cardholder.

Reason: The cardholder claims the service performed was not as described in the hotel brochure.

Example:

The cardholder booked a three-bedroom suite with full butler service for her parents' wedding anniversary. The butler service for this particular suite was described in detail in the hotel brochure. The room was as promised, but there was no butler service. In this situation, you would be responsible for the transaction.

Recommendation:

Provide documentation/information proving that services were provided as described.

Quick Tip

If, in the above scenario, the cardholder did not cancel the room stay and the cost of the butler was included in the room rate and was provided, you can refute the chargeback.

REASON CODE

71**Declined Authorization**

Reason: Transaction was completed after authorization was declined.

Example:

A cardholder checked in for a one-night stay while away on a business trip. When a hotel staff member attempted to obtain an authorization, it was declined. The staff member forced-posted the authorization through without attempting another authorization request.

Recommendation:

After receiving a decline or card pickup response, never force a transaction through without attempting another authorization. In the event of a declined transaction, stop the transaction and ask the customer for another Visa card or other form of payment.

REASON CODE

72**No Authorization**

Reason: The transaction amount exceeded your hotel's floor limit and was not properly authorized.

Example:

The estimated amount of the cardholder's stay was \$450.00, which was authorized and is below your floor limit of \$500.00. However, at check-out the actual total was \$650.00 and no authorization was obtained. You would be responsible for \$150.00.

Recommendation:

Always obtain an authorization. If services were rendered to the cardholder without an authorization, you will be responsible only for the amount that exceeded the floor limit; provided the account number was not listed on the exception file.

Quick Tip

If proper authorization was obtained, simply provide the following information/documentation: folio or sales transaction receipt, showing check-in and check-out dates, dollar amounts, and authorization codes.

REASON CODE

73

Expired Card

Reason: The card's expiration date was not properly verified when the cardholder checked in.

Example:

The cardholder checks in on May 30, the expiration date on the card is May of the current year. The check out date is June 3. Even though the card had expired by check-out, you would not be responsible for the transaction.

Recommendation:

If the card presented in the transaction was expired, you will be responsible for the transaction. However, if the card expired during the cardholder's stay or authorization was obtained, you will not be responsible for the transaction.

If the card expires during the stay, you are covered for the stay by the original authorization; however any delayed or amended charges that would not be covered under the original authorization would need to be authorized with another card.

Reason: The card issuer claims the transaction date on the sales transaction receipt was after to the "valid thru" date embossed on the card.

Example:

The cardholder made a hotel reservation for a stay from 30 April to 3 May 2014. At check-in, the cardholder claimed the accommodation using a Visa card with a "valid thru" date of April 2014.

Recommendation:

Provide the folio and/or sales transaction receipt showing the card imprint and date is prior to the "valid thru" date.

Quick Tip

If the card did not expire before or during the cardholder's stay, simply provide the following information/documentation: a copy of the folio or sales transaction receipt showing a current date and authorization number if available.

REASON CODE

74

Late Presentment

Reason: The transaction was not processed within the required time limits and the account was not in good standing on the processing date, or the transaction was processed more than 180 calendar days from the transaction date.

Example:

The date on the sales transaction receipt is January 1. The transaction was processed on July 1. This is a late presentment since it is over 180 days old. If, however, the hotel folio shows the check-in date as January 1 and the check-out as January 8, you would not be responsible since the check-out date is within the 180 day time frame.

Recommendation:

- If the transaction date on the folio or sales transaction receipt was more than 180 days before it was processed, you will be responsible for this transaction.
- The check-out date generally should be used as the date of the transaction. For delayed or amended charges, however, the transaction date is the date of the transaction receipt for the charge, not the check-out date. If both an imprinted date and a handwritten date appear on the sales receipt or hotel folio, the handwritten date is used.

REASON CODE

75

Transaction Not Recognized

Reason: The card issuer received a complaint from a cardholder stating that she does not recognize the transaction on the billing statement.

Example:

The hotel name is not shown on the billing statement. Instead, the name of the corporate home office is listed. The corporation name on the cardholder's billing statement is not recognizable to the cardholder.

Recommendation:

The merchant name or location is the single most important factor in cardholder recognition of transactions. Therefore, it is critical that the merchant name, while reflecting the merchant's "Doing Business As" (DBA) name, also be clearly recognizable to the cardholder. Work with your acquirer to ensure your merchant name, city, and state are properly identified in the clearing record.

Provide any documentation or information that would assist the cardholder in recognizing the transaction. This can include, but is not limited to the following:

- A sales receipt
- The guest folio
- A description of merchandise or service purchased

REASON CODE

76

Incorrect Currency or Transaction Code or Domestic Transaction Processing Violation

Reason: Transaction was processed with an incorrect transaction code, or an incorrect currency code, or one of the following:

- Merchant did not deposit a transaction receipt in the country where the transaction occurred
- Cardholder was not advised that Dynamic Currency Conversion (DCC) would occur
- Cardholder was refused the choice of paying in the merchant's local currency
- Merchant processed a credit refund and did not process a reversal or adjustment within 30 calendar days for a transaction receipt processed in error

Example:

The cardholder's account was billed twice in error and in order to correct the duplicate billing, a credit (TC06) was issued.

Recommendation:

When a processing error is made a reversal should be issued; not a credit.

REASON CODE

77

Non-Matching Account Number

Reason: The card issuer claims the account number used in the transaction does not match any account number on file.

Example:

The account number was incorrectly keyed in by the hotel clerk. This incorrect account number did not match the account number which received the original authorization at check in.

Recommendation:

Provide any information or documentation showing cardholder's card imprint and signature. This will help the acquirer determine if this was a result of data entry error or fraud.

The incorrectly entered account number should be credited and the transaction should be reprocessed to the correct account number.

REASON CODE

80

Incorrect Transaction Amount or Account Number

Reason: The card issuer claims an incorrect amount was transmitted for the transaction.

Example:

The cardholder states that their hotel stay totaled \$400, however the cardholder was billed \$4000.

Recommendation:

Supply documentation to show that the amount billed to the cardholder was correct. Your acquirer will determine if the wrong amount was the result of data entry error.

Reason: The cardholder's sales transaction receipt shows an error in addition or transposition error.

Recommendation:

Provide documentation/information showing there was not an error or showing delayed or amended charges for which the cardholder agreed to be liable.

Reason: The dollar amount on the sales transaction receipt is more than what the cardholder expected based on the folio received at check-out.

Example:

The cardholder's total charge was \$300 for a two day hotel stay. After checkout it was determined there was a \$25 meal billed to the cardholder's room prior to checkout and the hotel processed the final bill as \$325.

Recommendation:

Provide documentation/information showing valid additional charges, such as telephone calls or room service incurred during the stay, which the cardholder may have overlooked.

Quick Tip

If there was an error in addition or transposition error, you will be liable for the difference between the correct and posted amounts. Delayed or amended charges may not include loss, theft, or damage. Forward a copy of the sales transaction receipt to the cardholder showing the amended charges.

REASON CODE

81

Fraudulent Transaction-Card Present Environment

Reason: There is a written complaint from a cardholder claiming that she did not authorize or participate in the transaction that was charged to a fictitious account number for which authorization approval was not obtained.

Example:

The cardholder claims he did not make a guaranteed reservation or stay at your hotel. If you have a folio or sales transaction receipt with the cardholder's imprint and signature, you will not be responsible for the transaction.

Recommendation:

Provide either the information obtained when the reservation was guaranteed (mailing address, telephone number, confirmation code, scheduled check-in date, and cardholder's name, if available) or the folio and sales transaction receipt showing the cardholder's imprint and signature.

If the sales transaction receipt indicates the cardholder was billed for a reservation that was not properly cancelled, provide the guaranteed reservation information.

Quick Tip

When a cardholder calls to guarantee a reservation, be sure to obtain the cardholder's name, mailing address, phone number, and scheduled check-in date. Also, be sure to provide a confirmation code. Then upon arrival, get a card imprint and the cardholder's signature.

REASON CODE

82**Duplicate Processing**

Reason: The cardholder was billed more than once for a single transaction.

Example:

The cardholder stayed at the hotel and paid using her Visa card. When the cardholder looked at her Visa statement, she noticed the hotel had also charged for a "No Show." In this case, an issuer can use Reason Code 82 only if both transactions are on the same Visa card.

Recommendation:

As appropriate, provide documentation/information showing more than one transaction took place, representing different reservations.

REASON CODE

83**Fraudulent Transaction–Card-Absent Environment**

Reason:

- There is a complaint from a cardholder in regard to a card-absent transaction. The cardholder is claiming that he or she did not authorize or participate in the transaction, **or**
- A card-absent transaction was charged to a fictitious account number for which authorization approval was not obtained.

Example:

The cardholder states that she did not make a guaranteed reservation or stay at your hotel.

Recommendation:

You may resolve this dispute by providing either the hotel folio with the card imprint and cardholder's signature, or the record of the information obtained when the reservation was made. In the case of a fictitious account number, provide evidence that authorization was obtained.

Quick Tip

For card-absent transactions, consider using the Visa Address Verification Service (AVS)*, Card Verification Value 2 (CVV2), and Verified by Visa to help reduce fraud. Contact your acquirer for more information on these important risk-management tools.

*AVS is Canada and U.S. only.

REASON CODE

85

Credit Not Processed

Reason: The cardholder cancelled and credit was not processed to his/her account.

Example:

A cardholder makes a reservation for a hotel stay. Prior to the stay the cardholder cancels the reservation and states credit is due.

The merchant accepted the cancelled reservation, but the credit does not appear on the cardholder's account.

Recommendation:

Provide documentation/information that the credit was processed. If it was not processed and credit is due, you must accept the chargeback.

Reason: The cardholder was billed for a No-Show transaction but claims his reservation was properly cancelled with your hotel, and provides a valid cancellation code.

Example:

The cardholder cancelled a reservation due to a family illness and receives a cancellation code, but was later billed for a no-show. The issuer initiates a chargeback and provides the cancellation code as evidence.

Recommendation:

If the cancellation code is valid, you must accept the chargeback. If the cancellation code is not valid, provide supporting documentation/information as to why the cancellation code is not valid to your acquirer.

Reason: The cardholder claims his Advance Deposit Service (ADS) reservation was properly cancelled, but he did not receive a credit.

Example:

The cardholder makes an Advance Deposit Service reservation and subsequently cancels. The cardholder receives a cancellation code but does not receive a credit to his account. The issuer initiates a chargeback and provides the cancellation code as evidence.

Recommendation:

If the cardholder has a valid cancellation code, you must accept the chargeback.

REASON CODE

85**Credit Not Processed**

Reason: The cardholder claims he was not told that his deposit would be forfeited if his reservation was not properly cancelled.

Example:

The cardholder makes an Advance Deposit Service reservation and subsequently cancels, but does not receive credit. The issuer raises a chargeback stating that the cardholder properly cancelled.

Recommendation:

Provide evidence showing the cardholder was properly notified of the cancellation policy. Evidence should contain the cardholder's signature in close proximity to the cancellation policy, or click to accept format.

Reason: The cardholder claims alternate accommodations were provided, but did not receive a credit to his account.

Recommendation:

Provide documentation/information that the credit was processed. If credit was not processed, you must accept the chargeback.

REASON CODE

86**Paid by Other Means**

Reason: The cardholder claims services were paid for using another method of payment.

Example:

The cardholder states that a travelers cheque was used at the time of checkout.

Recommendation:

- If the hotel folio contains any additional charges that the cardholder may have incurred, such as room service charges, this would help substantiate that additional charges were incurred and not covered by the stated method of payment used for the hotel stay.
- To attempt to resolve this type of dispute, provide documentation supporting all charges the cardholder did incur during his/her rental, as well as the form of payment used for those services.

Payment Card Industry Data Security Standard Requirements

Payment Card Industry Data Security Standard Requirements

What is PCI DSS?

The PCI DSS is a comprehensive set of international security requirements to help protect cardholder data. The PCI DSS was developed by Visa and the founding payment brands of the PCI Security Standards Council to help facilitate the broad adoption of consistent data security measures on a global basis. The PCI DSS consists of twelve basic requirements. These requirements are the foundation of Visa's data security compliance program.

All Visa acquirers and card issuers must comply, and must also ensure the compliance of their merchants and service providers who store, process, or transmit Visa account numbers. This program applies to all payment channels including card-present, mail/telephone order, and e-commerce.

Separate from the mandate to comply with PCI DSS is the validation of compliance. Validation identifies vulnerabilities and helps ensure that appropriate levels of cardholder information security are maintained. Visa has prioritized and defined validation levels based on the volume of transactions and the potential risk and exposure introduced into the Visa system.

Who Must Comply?

PCI DSS compliance is required of all entities that store, process, or transmit Visa cardholder account and transaction data, although PCI DSS compliance assessment requirements vary depending on the merchant's annual card transaction volume.

Did You Know



More information about the PCI DSS, including Visa's validation requirements and a suite of security tools and resources to support compliance, are available at www.visa.com/cisp or visa.com/merchants (U.S. only). All other regions should refer to their regional sites for more information.

Twelve Basic Requirements

What Are the Twelve Basic PCI DSS Requirements?

All Visa members, merchants and service providers must adhere to the PCI DSS twelve basic requirements, which are supported by more detailed sub-requirements.

PCI Data Security Standard	
Build and Maintain a Secure Network	<p>1 Install and maintain a firewall configuration to protect cardholder data</p> <p>2 Do not use vendor-supplied defaults for system passwords and other security parameters</p>
Protect Cardholder Data	<p>3 Protect stored cardholder data</p> <p>4 Encrypt transmission of cardholder data across open, public networks</p>
Maintain a Vulnerability Management Program	<p>5 Use and regularly update anti-virus software</p> <p>6 Develop and maintain secure systems and applications</p>
Implement Strong Access Control Measures	<p>7 Restrict access to cardholder data by business need-to-know</p> <p>8 Assign a unique ID to each person with computer access</p> <p>9 Restrict physical access to cardholder data</p>
Regularly Monitor and Test Networks	<p>10 Track and monitor all access to network resources and cardholder data</p> <p>11 Regularly test security systems and processes</p>
Maintain an Information Security Policy	<p>12 Maintain a policy that addresses information security</p>

Where Can I Find Out More about PCI DSS?

Further details about PCI DSS requirements and compliance can be found at www.pcissc.org.

Other Merchant Data Security Requirements

What Else Should I Be Doing to Safeguard Cardholder Data?

All stored, processed or transmitted cardholder account or transaction information must comply with the PCI DSS and the *Visa International Operating Regulations*. To protect cardholder account and transaction information from compromise merchants that store, process, or transmit cardholder account or transaction data must:

- Keep all material containing account numbers—whether on paper or electronically—in a secure area accessible to only selected personnel. Merchants with paper receipts should be extremely careful during the storage or transfer of this sensitive information. Merchants should at all times:
 - Promptly provide the drafts to their acquirer.
 - Destroy all copies of the drafts that are not delivered to the acquirer.
- Render cardholder data unreadable, both in storage and prior to discarding.
- Never retain full-track, magnetic-stripe, CVV2*, and chip data subsequent to transaction authorization. Storage of track data elements in excess of name, personal account number (PAN), and expiration date after transaction authorization is strictly prohibited.
- Use payment applications that comply with the PCI Payment Application Data Security Standard (PA-DSS). A list of validated payment applications is available at www.pcissc.org.

* In certain markets, CVV2 is required to be present for all card-absent transactions.

Appendix 1: Glossary

Account Number	An issuer-assigned number that identifies an account in order to post a transaction.
Account Number Verification	A process by which a hotel determines if there is negative information on a cardholder account number for transactions that are below the floor limit and do not require authorization.
Acquirer	A client that signs a merchant or disburses currency to a cardholder in a cash disbursement, and directly or indirectly enters the resulting transaction receipt into interchange.
Authorization	A process where an issuer, a VisaNet® processor, or Visa Stand-In Processing (STIP) approves a transaction. This includes offline authorization.
Bank Identification Number	The first six digits in the cardholder account number which identify the issuer of the card.
Cancellation	Notification by a cardholder that a reservation will not be used.
Cardholder	An individual who is issued and authorized to use a card or virtual account.
Card Verification Value 2 (CVV2)*	A unique check value printed on the back of a card, which is generated using a secure cryptographic process, as specified in the <i>Payment Technology Standards Manual</i> .
Chargeback	A transaction that an issuer returns to an acquirer.
Chip	An electronic component designed to perform processing or memory functions.
Chip Card	A card embedded with a chip that communicates information to a point-of-transaction terminal.
Chip-reading Device	A point-of-transaction terminal capable of reading, communicating, and processing transaction data from a chip card.
Copy Request	A retrieval request that is processed through an electronic documentation transfer method.
Credit Voucher	A sales transaction receipt evidencing a merchant's refund or price adjustment to be credited to a cardholder's account.
Expired Card	A card on which the embossed, encoded, or printed expiration date has passed.

* In certain markets, CVV2 is required for card-absent transactions.

Floor Limit	A currency amount that Visa has established for single transactions at specific types of merchant outlets and Branches, above which authorization is required.
Guest	A person using the services of a hotel. This is not necessarily the person paying for the services (the cardholder).
Guest Folio	A lodging merchant's guest file which must contain a cardholder's transaction information.
Hotel	A merchant who sells overnight accommodations, intended for a limited period of time, at a fixed location. A hotel is sometimes referred to as a lodging merchant.
Issuer	A client that enters into a contractual relationship with a cardholder for the issuance of one or more card products.
Lodging Merchant	A merchant that sells overnight accommodations intended for a limited period of time, at a fixed location. A lodging merchant is also known as a hotel.
Merchant	Any person, firm, or corporation which has contracted with an acquirer to accept Visa as payment for sale of goods or services.
Merchant Agreement	A contract between a merchant and an acquirer containing their respective rights, duties, and obligations for participation in the acquirer's Visa or Visa Electron Program.
No-Show	A cardholder's failure to timely cancel or show up to claim a hotel reservation.
No-Show Transaction	A transaction completed by a lodging merchant, resulting from the cardholder's failure to cancel or use the hotel reservation. The sales draft evidencing such transaction must bear the words "No-Show" on the signature line.
Paper	May be either of the following: <ul style="list-style-type: none"> Original Paper is either a hotel agreement, transaction record, order form, credit voucher, cash disbursement draft, call detail report, electronic record, or other obligation arising from the use of the card and bearing either the imprint or other reproduction of embossed or encoded information contained on the card. Electronic Data is data describing original paper transmitted through VisaNet.
Payment Card Industry Data Security Standard (PCI DSS)	A set of comprehensive requirements that define the standard of due care for protecting sensitive cardholder information.
Point-of-Sale Terminal (POS Terminal)	The electronic device used for authorizing and processing Visa card transactions at the point of sale.

Processor	A client, or Visa-approved non-member acting as the Agent of a member, that provides authorization, clearing, and/or settlement services for merchants and/or members. The <i>Visa International Operating Regulations</i> refers to three types of processors: authorizing processors, clearing processors, and V.I.P. system users. See also, <i>VisaNet processor</i> .
Reason Code	A unique number assigned to each chargeback used to provide additional information on the chargeback type.
Third Party Agents	<p>An entity, not defined as a VisaNet processor, that provides payment-related services, directly or indirectly, to a member and/or stores, transmits, or processes cardholder data.</p> <p>No financial institution eligible to become a principal member of Visa may serve as a Third Party Agent.</p> <p>A Third Party Agent does not include:</p> <ul style="list-style-type: none"> ▪ Financial institutions that perform agent activities ▪ Affinity Co-Brand Partners or Global Co-Branding Partners ▪ Card manufacturers ▪ Card personalizers
Transaction	The act between a cardholder and a merchant or an acquirer that results in a transaction receipt, if applicable.
Transaction Date	The actual date on which a transaction between a cardholder and a merchant occurs. For hotel transactions it is the check-out or prepayment date.
Transaction Receipt	A paper or electronic record of a Visa card transaction which a merchant submits to an acquirer for processing and payment. In most cases, paper drafts are generated by a merchant's POS terminal. When a merchant fills out a draft manually, it must include an imprint of the front of the card.
Verified by Visa	A Visa-approved authentication method based on the 3-D Secure specification.
Visa Easy Payment Service (VEPS)	Visa point-of-transaction service that permits qualified Visa Easy Payment Service merchants to process small value transactions, as specified in the " <i>Country Level Visa Easy Payment Service Transaction Limits</i> " without requiring a cardholder verification method or the issuance of a transaction receipt unless requested by the cardholder in accordance with the procedures specified in the <i>Visa International Operating Regulations</i> .
Visa payWave	A payment method that sends card data wirelessly to a terminal reader when the cardholder holds their card in front of the reader.
VisaNet	The data processing system, networks, and operations which are used to support and deliver authorization, clearing and settlement services, exception file services, and payment services for Visa members and merchants.

Appendix 2: Visa Europe Territory

The following is a list of European economic area's where participation in the Visa payment system is governed by the *Visa Europe Operating Regulations*, as of the date of this publication.

Andorra	Latvia
Austria	Liechtenstein
Belgium	Lithuania
Bulgaria	Luxembourg
Croatia	Malta
Cyprus	Monaco
Czech Republic	Netherlands
Denmark	Norway
Estonia	Poland
Faeroe Islands	Portugal
Finland	Romania
France	San Marino
France, Metropolitan	Slovakia
Germany	Slovenia
Gibraltar	Spain
Greece	Svalbard & Jan Mayen Is.
Greenland	Sweden
Hungary	Switzerland
Iceland	Turkey
Ireland	United Kingdom
Israel	Vatican City State
Italy	

