

Navigating the Chargeback Challenge

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Issuer

90, 120 or 540 days depending upon reason code and dispute

Presentment

First Chargeback

Second Presentment



Acquirer

45 days

Pre-arbitration required 30 days prior to arbitration case escalation for these reasons. Escalation to an arbitration case must be within 75 calendar days of the second presentment.

Pre-arbitration Case

- Cardholder Dispute Chargeback
- Point of Interaction Error (except ATM disputes)
- No Cardholder Authorization
- Questionable Merchant Activity
- Cardholder Dispute—Not Elsewhere Classified (U.S. region only)
- Participating Countries—Installment Billing Dispute
- When there is a chargeback reason code change

- Acquirer may accept pre-arbitration (Mastercard moves funds in payment) *Or*
- Reject the pre-arbitration with rebuttal (Issuer would have option to escalate)

Reminder: An acquirer's failure to accept or reject a dual message case will trigger the auto accept functionality for cases submitted on or after 15 October 2021. Auto accept occurs 30 days from the Case Filing submit date (counted as Day 0) if the acquirer fails to accept or reject a dual message case.

Issuer may file arbitration case if item is not accepted and still in dispute:

- **Pre-arbitration required:** Escalate cases requiring pre-arbitration to arbitration within 75 calendar days of second presentment date
- **Pre-arbitration not required:** Submit arbitration case within 45 calendar days of second presentment date when pre-arbitration not required for these reasons

Arbitration Case

- Authorization Related Chargeback
- Chip Liability Shift
- Chip Liability Shift—Lost/Stolen/Never Received Issue (NRI) Fraud
- ATM Disputes

Mastercard will make ruling decision and move funds/fees as applicable.

Note: Acquirer may accept any case or issuer may withdraw any case at any time prior to ruling while the case does not yet have a final status attached.

