

# Five Common Dispute Reasons

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There are four [dispute categories](#) for all first-time disputes. However, there are five common dispute reason descriptions:

1. Fraud - Card not present
2. Merchandise or services not received
3. Cancelled Recurring
4. Credit Not Processed
5. Defective/Not as Described

The following sections provide more in-depth information about the dispute reason descriptions and what is required to respond to these disputes.

## 1. Fraud Card-Not-Present

This dispute description falls into the dispute category of [fraud](#). It is used when a cardholder claims that they do not recognize a transaction, nor did they participate or provide permission for the transaction to be charged to their account. The following table provides the various dispute reason codes representing fraud card-not-present:

Visa VCR	MasterCard	Discover	American Express
10.4	4837	UA02	F29

The issuing bank must report "Fraud" to Visa and MasterCard to use these reason codes. You may find "friendly fraud" within this dispute reason code. Friendly fraud is caused by the cardholder knowingly or unknowingly contesting the transaction from lack of knowledge of the payment, potentially caused by a cardholder's family member using their card.

Respond to this dispute reason when you can provide [compelling evidence](#). Check your records for any previous transactions with this customer that have not been disputed. Ensure that you are not continuing to do business with a customer who has previously initiated this type of dispute.

Other tools can help prevent or fight these disputes, such as using Address Verification Service (AVS) and Card Verification Value (CVV) during the payment and Buyer Authentication and fraud detection tools. Also, ensure that your policies and products or service descriptions are clear and concise.

## 2. Merchandise or Services Not Received

This dispute description falls into the dispute category of [consumer disputes](#). It is used when the cardholder acknowledges participation in the transaction and claims that they did not receive the expected or agreed-upon merchandise or services. There could also be scenarios where the cardholder claims they canceled the services or merchandise and were still billed. The following table provides the various dispute reason codes representing merchandise or services not received:

Visa VCR	MasterCard	Discover	American Express
13.1	4855	RG	C08

Respond to this dispute reason when you can provide [compelling evidence](#). To help prevent or fight these dispute reasons, develop communication practices to deal with the different stages of selling and fulfillment. When there is a delay in delivery or when a service will be provided, update the cardholder. Maintain tracking information such as a delivery address, date & time (including receipt of a signature). For a digital download, maintain information such as IP address, device, email, time & date.

### 3. Cancelled Recurring

This dispute description falls into the dispute category of [consumer disputes](#). It may inform you that a cardholder is canceling their recurring billing payments. Unfortunately, the cardholder may not have contacted you directly. The following table provides the various dispute reason codes representing canceled recurring:

Visa VCR	MasterCard	Discover	American Express
13.2	4841	AP	C28

Respond to this dispute reason when you can provide [compelling evidence](#). To help prevent or fight these dispute reasons, develop communication practices to deal with the different stages of your recurring product or service. Include informing a cardholder when the next payment is due and, as appropriate, providing information on how to cancel the subscription. Also, ensure that your policies and products or service descriptions are clear, concise, and freely available on your website. Maintain records of the cardholder agreeing to participate in the subscription.

### 4. Credit Not Processed

This dispute description falls into the dispute category of [consumer disputes](#). It is used when the cardholder asserts that they were promised a credit or services and merchandise have been canceled. The cardholder may be attempting to solicit a refund from you or return merchandise and expect a refund. The following table provides the various dispute reason codes representing credit not processed:

Visa VCR	MasterCard	Discover	American Express
13.6	4860	RN2	C02

The cardholder's motives may not be related to any arrangement that you may have made with them and, when responding to this dispute reason, provide [compelling evidence](#). To help prevent or fight these dispute reasons, ensure that your refund and cancellation policies are easily accessible. Make sure they are clear and concise both at the time of sale and on your website. Please use the original transaction information to perform this action when responding to a request for a refund. Remember not to initiate a credit once a dispute has been processed, or the cardholder will be credited twice.

### 5. Defective/Not as Described

This dispute description falls into the dispute category of [consumer disputes](#). It is used for various scenarios where the cardholder acknowledges they participated in the transaction. Still, they are not satisfied with the service or merchandise received due to the quality, defective components, or it not being as described. The following table provides the various dispute reason codes representing defective/not as

described:

Visa VCR	MasterCard	Discover	American Express
13.3	4853 4854	RM	C31 C32

Respond to this dispute reason when you can provide [compelling evidence](#). To help prevent or fight these dispute reasons, develop communication practices to provide a clear insight of what product or service is provided. Ensure that your policies and products or service descriptions are clear, concise, and freely available on your website. At the time of sale, any invoices, contracts, or transaction receipts should be clear regarding product or service descriptions, when the customer will be billed, and any specific refund, return, or cancellation policies.

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