

MasterCard Dispute Workflows

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All new MasterCard disputes are processed through the MasterCard Dispute Resolution (MDR) Initiative. MasterCard issues pre-arbitration disputes when the issuer continues a transaction dispute. The time frames the issuing bank must follow are shown in Figure 1, which illustrates the workflow.

Any first-time disputes are designated as Collaboration. The Collaboration workflow, illustrated in figure 1, is for all MasterCard disputes. Opt to respond within the recommended time frame of **sixteen days** to *Accept* or *Respond* to this type of dispute from the incoming dispute date. We recommend the same **response time** for all card brand disputes, irrespective of workflow type. You will be automatically debited for the disputed amount on receipt of this dispute type. If you respond, the dispute's amount will be adjusted and credited to your bank account. If you choose not to respond, we will automatically accept the dispute with MasterCard on your behalf. The dispute status will be updated to "Time frame Expired (E)." If you accept the dispute, the status will be updated to "Merchant Accepted (A)."

Selecting to respond and initiating a dispute response will require the issuing bank to respond to the dispute within forty-five days of the response date. Suppose the issuing bank rejects your response and creates a pre-arbitration. In that case, the current case's Dispute status will be updated to "Issuer Rejected (D)." A new dispute case will be created to track the pre-arbitration. You will be automatically debited for the disputed amount on receipt of this dispute type. If you respond, the dispute's amount will not be adjusted to your bank account until a final decision. You will have the option to *Accept* or *Challenge* within **forty days** of the incoming dispute date. If no action is taken, we will automatically accept the dispute with the issuer on your behalf and expire the time frame of the dispute. The status will be updated to "Time frame Expired (E)." If you accept the dispute, the status will be updated to "Merchant Accepted (A)."

Challenging the dispute will give the issuer seventy-five calendar days from the initial dispute response to respond to the pre-arbitration response. Next, the pre-arbitration dispute status will be updated to "Arbitration (Z)," and an arbitration dispute case will be created. Then MasterCard will make a final ruling on the dispute. Once the final decision is made, monies will be adjusted to the appropriate party.

Figure 1: MasterCard Dispute Resolution Initiative

