ACH Payment NACHA WEB Debit Account Validation Rule

Last Modified on 07/18/2024 5:50 pm PDT

In March 2022, we integrated with a NACHA-certified provider to verify first-use account information per the NACHA WEB Debit Account Validation Rule. ACH customer account information collected via the internet will be sent for verification through our third-party NACHA-certified provider. We will send any net new requests to tokenize, verify, or transact using full routing and account number data. A verification fee of $0.25 will be passed through to you and will be assessed with your other monthly fees on your statement.

ACH payments that do not meet the verification standards set by NACHA will receive a failure with a reason code (rcode) of 119 ACH payment data is invalid. Any sale or authorization requests will return the response from the third party in the *auth code* field.

To view transactions receiving a 119 response code, login to Merchant Manager, select **Transactions**, and add the *Payment Gateway Response Code* equal to 119. To view all ACH requests with an ACH verification, choose **Reports** and **ACH Validation Report**. To view further information on the 119 response code and verification responses, visit ACH Payment and Validation Response Codes knowledge base article.

In addition, we are now tracking any returns you are currently receiving for previously processed account information. We will now fail net new payment transaction requests with the same information instead of triggering the expense of receiving a return.

A benefit of account verification is that you can ask your customer to correct the account information or provide a different form of payment if the account provided fails to validate. You will not have to wait several days for the customer's bank to decline the transaction for invalid account data. It can be corrected before they leave your site.

The verification process is not a guarantee of payment. This NACHA program is a tool for alleviating fraud on ACH transactions done via the internet.