

Visa Compelling Evidence 3.0 (CE 3.0) and April 2023 Changes

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Effective April 18, 2023, Visa introduced a new ruleset to help challenge invalid disputes by adding *Remedy - Prior Undisputed Non-Fraud* as a response to fraud disputes 10.4 (Fraud Card Not Present) and updating previously used compelling evidence choices. At the same time, Visa made an update for issuers using consumer disputes reason code 13.2 (Canceled Recurring Transaction). Visa rules now require issuers to provide the date a customer canceled a recurring transaction and the cancellation details.

The new option introduced in response to 10.4 reason code (Fraud dispute) is Remedy, and if you use subscriptions or support any type of repeat customer purchases as part of your business model, you will now be prompted to reference transactions processed between 120 to 365 days before the disputed transaction and select two to represent the previous relationship with your customer. Only non-disputed transactions apply. When a customer initiates a [Fraud dispute](#) with a 10.4 reason code (Fraud Card Not Present), the cardholder claims that they did not recognize a transaction, nor did they participate or provide permission for the transaction to be charged to their account. The assumption is that the cardholder's payment information has been used without their knowledge. Now, you can establish the customer as a longstanding customer.

When responding to 10.4 by selecting **Remedy - Prior Undisputed Non-Fraud** in the **Response Reason**, you are required to have the IP address, device id/device fingerprint, along with an email address, phone number, address, or customer account login for the disputed transaction. Also, you need to have two transactions that have never been disputed for fraud, are between 120 to 365 days old, and contain matching information to the disputed transaction. Maast will support suggesting identified transactions when responding via Merchant Manager or via API.

In addition to the requirements mentioned earlier, you will also need to indicate whether you sold merchandise or services and be able to provide the shipping status and tracking number information for the merchandise delivered. As you review the evidence, take a moment to understand what you are collecting and storing during the sales process. Consider including additional information required for Remedy to take advantage of the option.

For the two undisputed transactions, we will present a table of potential transactions that fit the Visa criteria. Once selected, you will enter specific information about the identified transactions that match the information for the disputed transaction.

If no two prior undisputed transactions are determined by Maast (that meet the necessary criteria), you will be presented with a message to select another **Dispute Response**. The alternative option available is *Evidence of one or more non-disputed payments for same merchandise or service*. This requires only one undisputed transaction and additional matching information to the disputed transaction. Visa now also requires you to select three evidence options instead of one from an email address, IP address, phone number, physical address, customer account login id, and device ID/device fingerprint.

The table below outlines what is needed for each to help you pick the best option to use when responding to 10.4 for establishing a previous relationship with the consumer.

Table 1: Options Available for reason code 10.4 when the cardholder claims not to recognize the transaction and a previous relationship can be established.

Response Reason	Select Compelling Evidence Reason	Undisputed Transactions Required?	Undisputed Data Matching Disputed Transaction	Additional Data
Remedy - Prior Undisputed Non-Fraud	N/A	Yes, 2. Maast will present a table with options	<p>TWO of the following (one data element MUST BE one of the highlighted items.</p> <ul style="list-style-type: none"> • Device ID/Device Fingerprint • IP Address • Customer Account Login ID • Delivery Address 	<p>Merchandise* or Services sold?</p> <p>Date sold</p> <p>Description of Merchandise or Services</p> <p>*Delivery Information</p> <p>*Delivery Status</p> <p>*Tracking ID</p> <p>Description of EACH undisputed transaction</p> <p>Attach Documentation</p>
Compelling Evidence	Evidence of one or more non-disputed payments for the same merchandise or service.	Yes, 1. Maast will present a table with options	<p>THREE of the following:</p> <ul style="list-style-type: none"> • IP Address • Email Address • Physical Address • Phone Number • Device ID/Device Fingerprinting • Customer account/login ID 	<p>Comment about dispute response</p> <p>Attach Documentation</p>

In addition, as part of the April 18, 2023 changes, Visa has also updated the Compelling Evidence response option, *Photographic or email evidence documentation to prove the cardholder is in possession of and/or using the merchandise or services* by limiting the evidence to be either photographic or email. Examples of evidence include:

- A social media post showing the customer using the product.
- Snapshots of security footage at the location showing the customer paying for the merchandise.

- Photos of customers receiving their goods upon delivery and emails between you and the customer asking how to use the purchased product.

To upload supporting documentation, use the document upload option that is available when responding within Merchant Manager.
