How to prevent Chargebacks?

Business Processes – Operations

27/06/2023

- **What is a chargeback?**

- A chargeback is a transaction which is formally disputed by the cardholder or the cardholder's issuing bank.

- There are many reasons for chargebacks, but the most common are returned goods, cancelled services, quality disputes or processing errors and fraud.

- Excessive chargeback rates may result in loss of revenue, penalties imposed by card schemes (Visa, Mastercard etc.)

- **It is essential that you minimize chargeback risk** at the time of sale by complying with card schemes guidelines and requirements, **making sure that the payment processes are followed correctly.**

- In this document you will find tips and best practice to reduce the hassle and cost of chargebacks.

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All manual transactions ("CARD NOT PRESENT") are not fully secured so, in case of dispute, the hotel will be fully liable.

Credit card holder must match with the guest staying at the hotel.

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100% prepaid reservations

Reservations paid by 3rd parties

At the time of booking

Inform the client that the credit card used for the prepayment will be requested at check in.

⚠️ Do NOT accept authorization forms.

Request prepayment by bank transfer and inform the client that, in case of not receiving it, the guest will be asked to pay at check in.

At check in

For all manually prepaid reservations ALWAYS request the credit card used for the prepayment.

In case of manually prepaid reservations, charge to the physical credit card with PIN at check in and refund the manual prepayment to the guest. ***

*** Mandatory in case of use of authorization form, for large amounts, long stays and suspicious reservations. Highly recommended for all the other reservations.

Rest of reservations

When the guest stays at the hotel ALL the operations must be CARD PRESENT, with physical card and PIN validation. There is no reason to use MOTO operations.

In signature-needed transactions, you should verify that the signature and name on the card matches the signature on the receipt and the guest ID.

Pre-authorizations and charges used to guarantee reservations with flexible rates prior to arrival must be canceled on the same day and never used for a final payment.

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Chargebacks in future reservations

If you received a chargeback for a future reservation (MOTO OPERATION for a guaranteed prepaid reservation) -> Cancel de deposit in the TMS reservation using the same Payment Method but do not refund the amount to the client

In case of hotels working with Payment Gateway, no movement must be performed on the credit card. You must use the option Change payment method and select the same credit card option to register an offline operation (without no movements on the credit card)
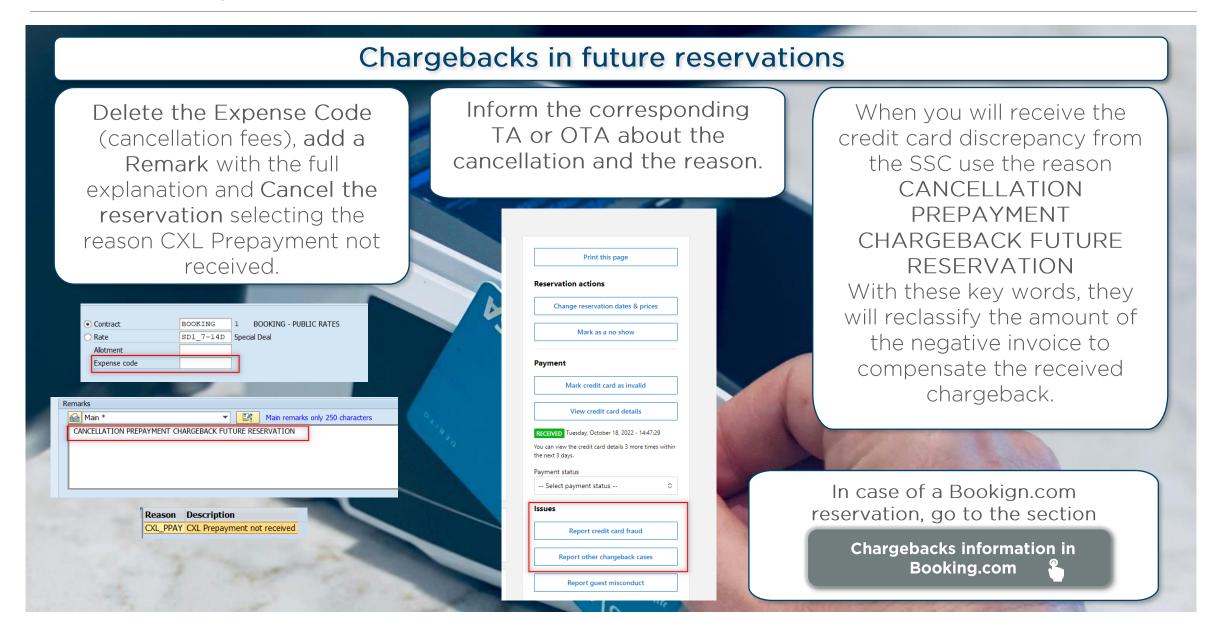
Check for complete information

TMS4P PAYMENT GATEWAY MANUAL

Chargebacks in future reservations

Delete the Expense Code (cancellation fees), **add a Remark** with the full explanation and **Cancel the reservation** selecting the reason CXL Prepayment not received.

Inform the corresponding TA or OTA about the cancellation and the reason.

When you will receive the credit card discrepancy from the SSC use the reason CANCELLATION PREPAYMENT CHARGEBACK FUTURE RESERVATION
With these key words, they will reclassify the amount of the negative invoice to compensate the received chargeback.

In case of a Bookign.com reservation, go to the section

Chargebacks information in Booking.com 👆

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Hotel reservation fraud

Things to look out for:

Fraudulent reservations with cancellation and request for money transfer to another account or card as a refund.

Organized criminals attempt large reservations on one or several cards via email. They ask for payment to be taken for the entire reservation period.

- Fraudsters request email confirmation once the cards have been charged successfully.
- Often, attempts at authorization fail and further credit card numbers are provided.
- Later the hotel receives a cancellation under some pretext, requesting a refund either via a different credit card or via money transfer.

- Free or anonymous email accounts used in connection with an inconsistent name part, e.g., bloom7986@xxxx.xxx
- The drama presented (illness, accident or loss of the card) in the cancellation email.
- Reservations where multiple card numbers are presented, often with the same first 6 digits. (BIN Code)
- Declines during authorization (which may return a "pick-up" reason code, where the issuing bank requests to retain the card).
- Never process refunds via money transfer or on another card! Instead, always refund the card number presented for the debit.

Fraudulent transactions by entering a card in the terminal with the "manual" option.

The Front Office team member believes the payment is confirmed with a PIN, which is certainly not the case.

Forma de pago	
MASTER CARD	0,01 EUR

Fecha y Hora:	08.07.2020 15:28:35	Num. de Tarj.:	************1014	Total	0,01 EUR
Num. de Trans.:	0045000118720034	Num. de Oper.:	87088	Tipo de Tarj.:	Master Card
Num. de Comercio:	323896233	Cod. de Aprob.:	629632	Captura:	Manual
Ubicación ID:	NHES735488	ID Terminal:	00000001		

FIRMA ES NECESARIA

- **Never accept a manual processing operation if the customer is present. The physical card must be inserted in the pin pad and the operation must be validated with PIN.**
- Pay attention to all invoices paid by card, to see if the invoice states "SIGNATURE IS NEEDED" instead of the regular "VERIFIED BY PIN, SIGNATURE NOT NEEDED". Please ensure the invoice is signed and verify the card holder, card type and the last 4 digits of the card match the last 4 digits printed on the invoice.

Fraudulent pre-paid 3rd party bookings

Using compromised/stolen credit card numbers fraudsters buy attractive hotel stays as pre-prepaid reservations via:

- Genuine online booking portals.
- Mail order (e-mail).
- Hotel reservation websites.

They subsequently resell them posing as travel agencies to unwary people that pay directly to them.

Fraudsters approach the hotels posing as:

- Affluent private individuals paying for another person.
- Known or unknown travel agencies booking for a customer.
- In both cases <u>fraudsters may send scanned copies of forged credit cards and counterfeit passports</u> to the hotels in order to confirm cardholder's identity.

This results in a financial loss to the hotel as the genuine cardholder will raise a chargeback which cannot be defended. "Guests" may also be involved in further criminal activities.

MANDATORY preventive measures:

- **When the credit card holder does not match the person who is going to stay at the hotel** (gifts, company credit card, agency without credit, etc.), we must **request prepayment by bank transfer.**
- Please note that **CRO will never accept the "Authorization Form"** and will always request a transfer in these cases.
- **Reservations with a check-in of less than 7 days will be considered as "direct payment",** processing the full payment of the reservation at the check-in (the hotel may accept the "Authorization Form" as an exception and in very specific cases, depending on the trust on the requestor).
- A signed template / authorization is not accepted as justifying a charge back request. Only the receipt of payment with the physical card and validated with a PIN (or with a signature when it is a credit card configured with that validation) will be accepted.

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Futher checks and mandatory actions

- Pay attention to suspicious large amounts and transactions with the same card.

- Fraudsters use to lie about the credit card presenting at the hotel a false confirmation from the bank in order to request the fraudulent refund (via a different credit card or via money transfer).

- Fraudsters also pretend to be a fictitious travel agency.

- Suspect the reservation in which the guest's name is modified after the payment is made and before the stay takes place.

- If customer is claiming that the credit card has a more than 4 digits pin, and consequently it can't be automatically processed, the first 4 digits of the long code will work as a pin for an automatic transaction.

- Not all signature needed payments are fraudulent, many Credit Cards issued in the USA do not have a PIN-code yet.

- **Always try to process the transaction in card present environment. Key entered transactions have high chargeback risk.**

- Apply all the payments before the guest has left the hotel, in card present environment.

- **Make sure the refunds are always done to the same card. Never do the refunds to different cards, by cash, or bank transfers.**

- Please report your cases to codeofconduct@nh-hotels.com so they can keep track of them, including reservation number, invoice number and possible a screenshot from the CCTV identifying the guest, so cases could be grouped and reported to the police correctly if needed.

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How to attend disputes communications?

Receiving the dispute communication

Always should be received in the generic email address of the hotel.

EMAIL ADDRESSES CHARGEBACKS

It must include all necessary details for the identification of the client, the stay and the credit card charge.

If we have not received the dispute communication but the chargeback is already posted, we can also claim.
Use the following email addresses and send all related information and documentation:

- ❑ Elavon: chargebacks@elavon.com. Also for Pay By Link operations in all hotels.
- ❑ AMEX: premiumservicinggcg@aexp.com
- ❑ Santander REDSYS: gestiondefotocopias@redsys.es
- ❑ BBVA REDSYS: c014490b@bbva.com

We can continue fighting the chargebacks even once they are debited in our bank account, because the refund is possible!!!

How to attend disputes communications?
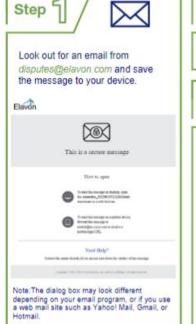
Receiving the dispute communication

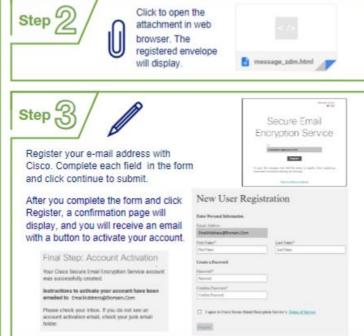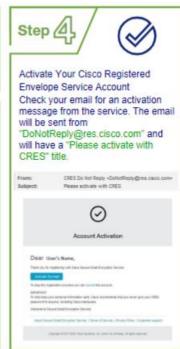## How to create your own Elavon Secure email account

In order to view the received messages, you will need to register your email address with Cisco first. This is a one-tome requirement. After this registration, you can login with your credential to open your secure email message. Follow these steps (some of them may vary).

If you continue facing any problem, please sent an email premier.arklow@elavon.com

How to attend disputes communications?

Response from the hotel

Search for all available documentation that supports the operation and respond within the specified timeframe (max. 2 working days).

If Front Desk Manager detects that the chargeback come from other till - POS (F&B, SPA, etc.), must request all the documentation to the POS Manager / Responsible.

File all the documentation submitted in an electronic folder in the hotel server (if necessary to prove that documentation has been submitted on time and correctly).

Respond within 1 working day any additional requirement related to the dispute.

Support documentation to attend the disputes

General documentation

- Reservation details.
- Terms & Conditions.
- Email conversations with the cardholder.
- Signed check in/registration form.
- Signed tickets during the stay.
- Signed check out.
- TMS Invoice.
- Signed TID (signed credit card receipts/TMS invoices, credit card receipts/TMS invoices paid with PIN number).
- Any signed template provided by the customer expressly authorizing a specific charge in the credit card.
  - *Only applicable for countries where these types of templates are accepted as justifying a credit card charge when the physical card is not available at the moment of the payment. I.e. In European countries a signed template / authorization is not accepted as justifying a charge back request. Only the issued credit card receipt signed by the client (or without signature when it is a credit card with pin number) will be accepted"*
- Satisfaction survey.
- Explanation of the situation when the cardholder disputes quality of the service.
- Every document related to the disputed transaction.

Special cases - Additional documentation to attend the disputes

Service not provided

- Signed check-out. Signed check-in is not considered as proof of service provided.

- Signed sale slip for final payment (with card present) made the last day of the stay.

- In case of confirmed stays, we must proof that the cardholder was at the hotel until the check out date and the service was fully provided so any ticket or invoice signed the check out day must be provided.

Cancelled / Returned services
GUARANTEED CANCELLED & NO SHOW RESERVATIONS (MOTO OPERATIONS)

- In case of guaranteed reservations, we should send the copy of the cancellation/refund policy and T&C accepted by the guest when she/he made the reservation.

- Cancellation/refund policy.

- T&C and how they are disclosed (signed T&C or contract, e-mail confirmation).

- Screenshot of check out process with Click-to-Accept and links or T&C on page).

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Special cases - Additional documentation to attend the disputes

Cancelled / Returned services   GUARANTEED CANCELLED & NO SHOW RESERVATIONS

NH Web reservations

We use the "Confirmation Letter" from TMS but "hiding" the prices to download a pdf document with the rate conditions.

DESCRIPTION AND RATE CONDITIONS

Rate: NHR Special Deal

Guarantee: The total amount of this reservation will be charge prior to arrival in the credit card provided. This reservation does not allowdany modification or cancellation and in this case, there will be no refund*.

The room will be held for late arrival.

The room is available from 15h (upon availability) and it will be held until 12h on the day after the original arrival day.

*10% will be refunded in German hotels.

Cancellation fees: Total of stay

Booking.com reservations   Go to the section

Chargebacks information in Booking.com

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Special cases – Completion of a CARD PRESENT Preauthorization

Hotel	Sequence	Reservation	Invoice	Payment me	Till ID	Date	Time	Credit card Nº	Expiry	Transactio	Cshier	Trade	Terminal	Authorisat	Text check	Canc.	Operation type	Flag: Manu	CVM
NLNH.CARLT	000130583171	105307609		AMEX		03.09.2022	17:26:23	371304xxxxx1010	1023	89872	HNLCARLTREC3	NHNL710204	71020407	802362	APPROVAL		Pre-authorization		F
NLNH.CARLT	000130666830	105307609	4759296991	RECEPTION		07.09.2022	07:03:32	371304xxxxx1010	1023	90263	HNLCARLTREC3	NHNL710204		802362	Approved		Confirm pre-authorization	X	
				AMEX															

Trans. Num.: 0759000130583171   Oper. Num.: 90263   Card Type: American Express
Merchant Num.: 9530072388   Approval Code: 802362   Capture: Manual
Location ID: NHNL710204   Terminal ID: 50051219

In TMS the completion is shown as a MANUAL operation (CARD NOT PRESENT) but it's an incidence of 3C and it is not correct. In 3C website, the information is correct so **we must not send the copy of the TMS invoice**.

Payment Gateway Transactions

Actions	TransactionStatus	Location	LocationID	TransDate	ShiftDate	Currency	Amount	CardType	CardNumber	AuthCode	TerminalIdentifier	UserTransRef	CardReadMethod
View Receipt ✓ ⊘	Transaction	NH Carlton Amsterdam	710204	09/07/22 07:03:32	09/07/22	EUR	1,487.84	AMEX	371304*****1010	802362		075900013058317	Contactless - ICC

We should send the copy of the RECEIPT available from 3C-Planet platform (option View Receipt – Print -> download a pdf document with the details of the operation)

TEMPORARY

Special cases – Completion of a CARD PRESENT Preauthorization

Receipt

Print   E-mail Receipt

```
============================================
                  Transaction
============================================
Merchant Name:        NH Carlton Amsterdam
Transaction Date:     Wed, Sep 07, 2022, 07:03:32 AM

Merchant Address:     Vijzelstraat 4
                      Amsterdam
                      1017 HK

Card Type:            AMEX
Card Number:          371304*****1010
Amount:               EUR 1487.84
Auth Code:            802362
Transaction Ref:      90263
Transaction Type:     DEBIT
Card Read Method:     Contactless - ICC

Transaction Status:   Completed
Merchant ID:          9530072388
User Ref:             HNLCARLTREC3
User Data 1:          |||/-

============================================
```

"ICC-Contactless" means that the transaction was performed where the customer used tap to pay (card present).

TEMPORARY

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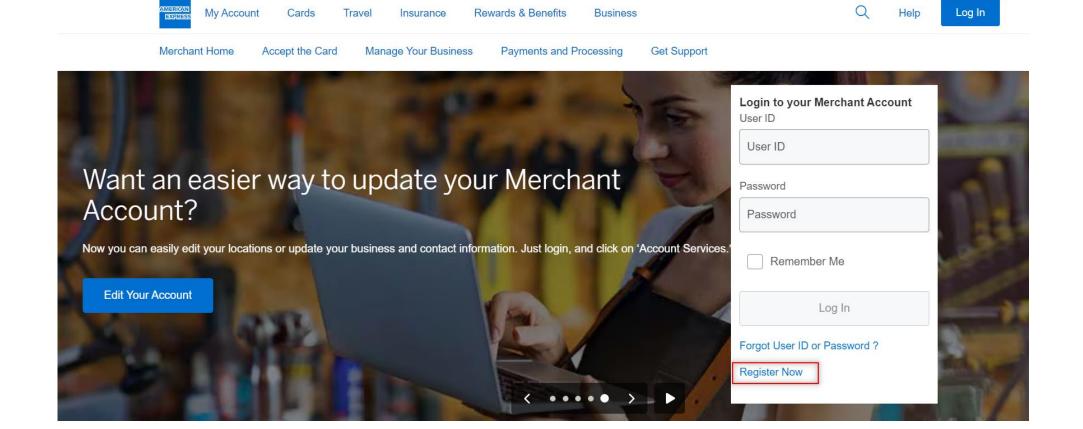## Create an account to receive disputes communications by email

- Access to one of these URLs depending on the language to create an account.

https://www.americanexpress.com/es/merchant/

https://www.americanexpress.com/uk/merchant/

https://www.americanexpress.com/fr/merchant/

https://www.americanexpress.com/de/merchant/

AMERICAN EXPRESS

My Account   Cards   Travel   Insurance   Rewards & Benefits   Business   🔍   Help   Log In

Merchant Home   Accept the Card   Manage Your Business   Payments and Processing   Get Support

Want an easier way to update your Merchant Account?

Now you can easily edit your locations or update your business and contact information. Just login, and click on 'Account Services.'

Edit Your Account

Login to your Merchant Account

User ID

User ID

Password

Password

☐ Remember Me

Log In

Forgot User ID or Password ?

Register Now

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AMERICAN EXPRESS

1. Enter Email Address   2. Create Profile

Our digital tools can help you manage your business

Creating an online Merchant account is simple and takes only few minutes. Please enter your email below to get started.
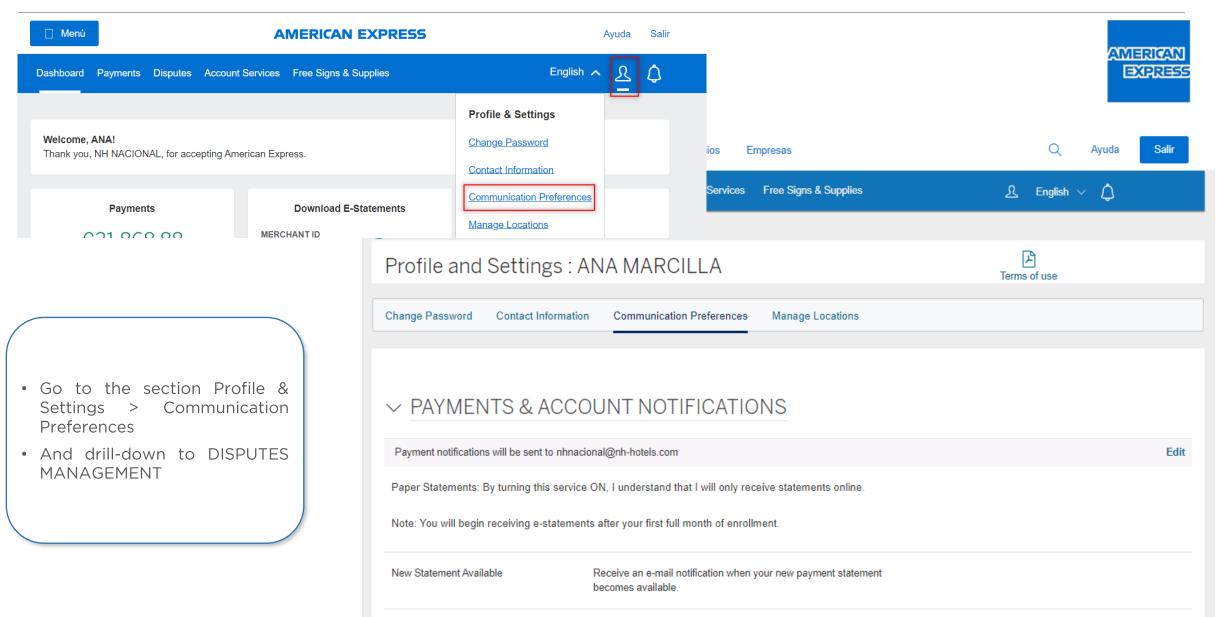
Email Address

address@email.com

Please do not use a generic email address (such as info@, admin@ or sales@). To ensure our communications reach you, and that we accurately capture your mailing preferences we ask that you use an individual email address.

- Despite the Amex reference, it's is highly recommended to <u>use the generic email address of the hotel</u>.

- In the following steps, you must create a USER and a PASSWORD.

- And you need the AMERICAN EXPRESS MERCHANT ID and the HOTEL BANK ACCOUNT to complete and the creation of the new account.
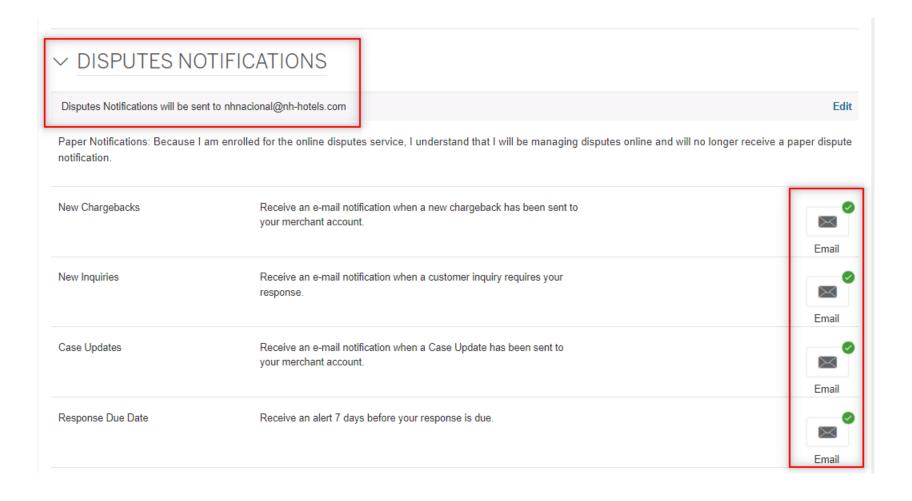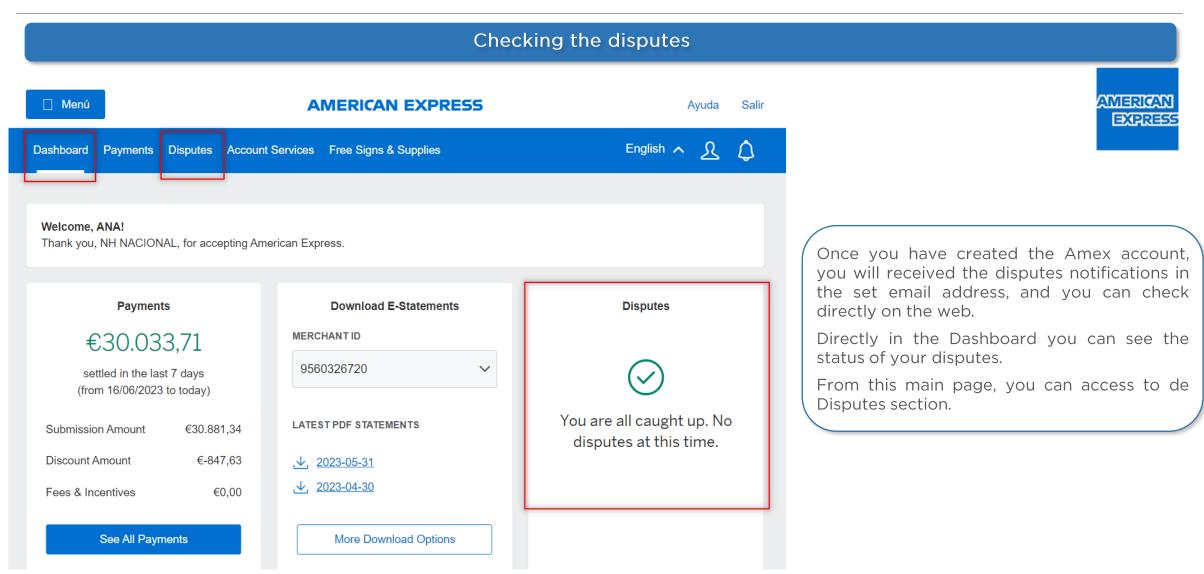
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☐ Menú

AMERICAN EXPRESS

Ayuda   Salir

Dashboard   Payments   Disputes   Account Services   Free Signs & Supplies

English ∧   👤   🔔

Profile & Settings

Change Password

Contact Information

Communication Preferences

Manage Locations

Welcome, ANA!
Thank you, NH NACIONAL, for accepting American Express.

...ios   Empresas   🔍   Ayuda   **Salir**

Services   Free Signs & Supplies   👤   English ∨   🔔

Payments

~~021,968.88~~

Download E-Statements

MERCHANT ID

Profile and Settings : ANA MARCILLA

📄
Terms of use

Change Password   Contact Information   **Communication Preferences**   Manage Locations

∨ PAYMENTS & ACCOUNT NOTIFICATIONS

Payment notifications will be sent to nhnacional@nh-hotels.com   Edit

Paper Statements: By turning this service ON, I understand that I will only receive statements online.

Note: You will begin receiving e-statements after your first full month of enrollment.

New Statement Available   Receive an e-mail notification when your new payment statement
                                 becomes available.

- Go to the section Profile & Settings > Communication Preferences
- And drill-down to DISPUTES MANAGEMENT

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- And check the correct email address and marked options for DISPUTES NOTIFICACIONS.
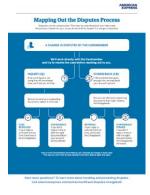
AMERICAN EXPRESS

∨ DISPUTES NOTIFICATIONS

Disputes Notifications will be sent to nhnacional@nh-hotels.com   Edit

Paper Notifications: Because I am enrolled for the online disputes service, I understand that I will be managing disputes online and will no longer receive a paper dispute notification.

New Chargebacks	Receive an e-mail notification when a new chargeback has been sent to your merchant account.	✉ Email
New Inquiries	Receive an e-mail notification when a customer inquiry requires your response.	✉ Email
Case Updates	Receive an e-mail notification when a Case Update has been sent to your merchant account.	✉ Email
Response Due Date	Receive an alert 7 days before your response is due.	✉ Email

American Express dispute management

Checking the disputes

Once you have created the Amex account, you will received the disputes notifications in the set email address, and you can check directly on the web.

Directly in the Dashboard you can see the status of your disputes.

From this main page, you can access to de Disputes section.

American Express dispute management

In the section Disputes you can access to the chargebacks grouped by status:

- **Response Needed.** Here you can check the details of the chargeback and response the claim by clicking on the dispute number.

- Review in Progress.

- Closed, with the final resolution (cardmember refunded, closed in you favor).

Click on **About Diputes** for help and additional information, about this process in Amex.

Disputes have three stages

Notification of Fraud

Alert from the issuer that the payment is fraudulent.

Action to take:

- If applicable, prevent delivery of goods
- Initiate a refund
- Blacklist suspicious shoppers

Request for Information

Cardholder does not recognise the charge. The issuer asks for details of the transaction.

Action to take:

- If applicable, prevent delivery of goods
- Blacklist suspicious shoppers
- Upload copy of invoice + proof

Chargeback

Issuer chose to skip NoF/RFI stages, or is unsatisfied with the evidence provided. A chargeback is raised and your account is debited.

Action to take:

- Accept or defend the chargeback
- Monitor outcome

Chargeback flow

- Timeframe to defend a chargeback varies per scheme.

- When you upload documents to challenge a dispute, chargeback status is set to *ChargebackReversed* while the case is up for review by the issuer.

- *ChargebackReversed* stage is **pending, not final** until the timeframe where the issuer can raise a *SecondChargeback* has expired*.

*Depending on the scheme, a second chargeback can be exercised 45-60 days from the ChargebackReversed date.

- Optional: *RequestForInformation*
- **Upload documents in Adyen Customer Area**
- *Chargeback*
- **Upload documents in Adyen Customer Area**
- *ChargebackReversed* - Pending
- *SecondChargeback* - Final stage

Adyen dispute management
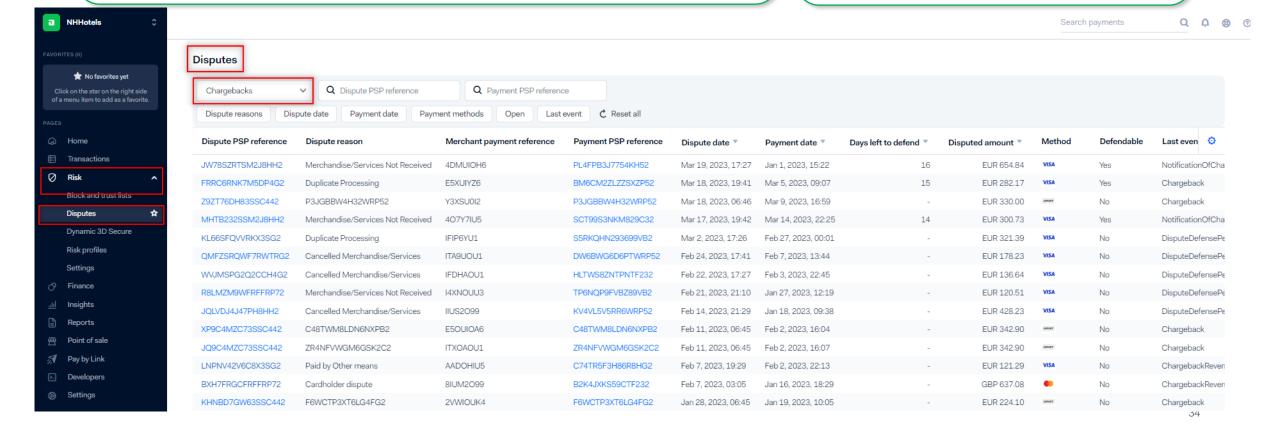
Checking the disputes
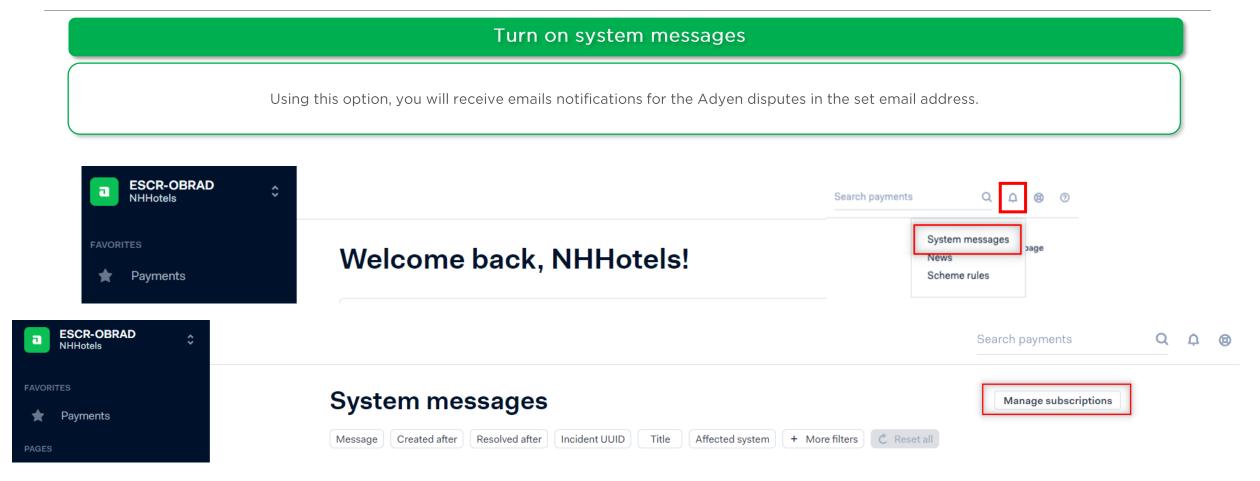
All incoming disputes are booked in the **Risk - Disputes section** of the Customer Area

Disputes section consists of 3 tabs:

- Chargeback
- Request for Information
- Notification of Fraud

In addition, you can turn on **system messages**

Adyen dispute management

Turn on system messages

Using this option, you will receive emails notifications for the Adyen disputes in the set email address.

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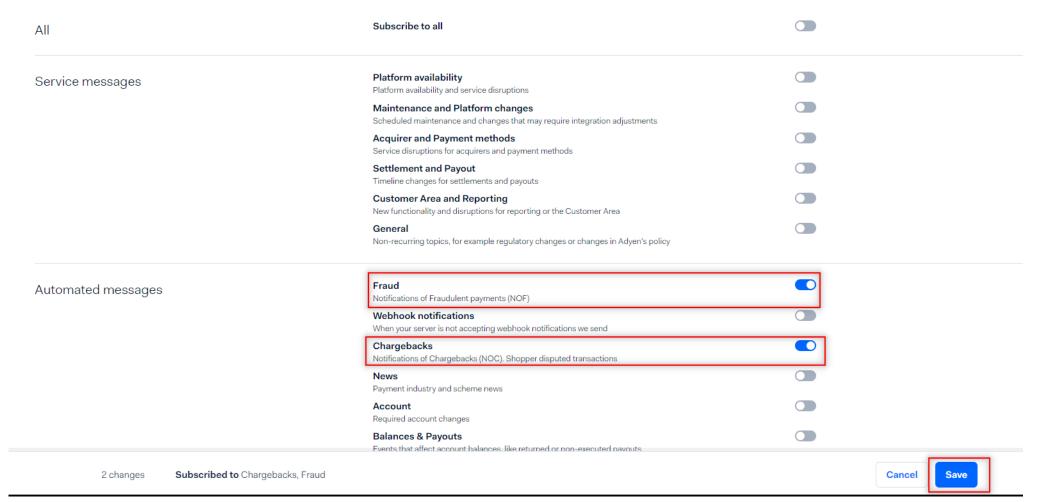
Turn on system messages

Manage system message subscriptions for ESCR-OBRAD

All	Subscribe to all	

Service messages

Platform availability
Platform availability and service disruptions

Maintenance and Platform changes
Scheduled maintenance and changes that may require integration adjustments

Acquirer and Payment methods
Service disruptions for acquirers and payment methods

Settlement and Payout
Timeline changes for settlements and payouts

Customer Area and Reporting
New functionality and disruptions for reporting or the Customer Area

General
Non-recurring topics, for example regulatory changes or changes in Adyen's policy

Automated messages

Fraud
Notifications of Fraudulent payments (NOF)

Webhook notifications
When your server is not accepting webhook notifications we send

Chargebacks
Notifications of Chargebacks (NOC). Shopper disputed transactions

News
Payment industry and scheme news

Account
Required account changes

Balances & Payouts
Events that affect account balances, like returned or non-executed payouts

2 changes   **Subscribed to** Chargebacks, Fraud

Cancel   **Save**

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Examples of received emails from do-not-reply@adyen.com

From: do-not-reply@adyen.com <do-not-reply@adyen.com>
Sent: jueves, 2 de marzo de 2023 17:27
To:
Subject: Informational [Chargebacks] - NOTIFICATION_OF_CHARGEBACK on payment S5RKQHN293699VB2

adyen

NOTIFICATION_OF_CHARGEBACK on payment S5RKQHN293699VB2

Chargebacks

Psp Reference: S5RKQHN293699VB2 Merchant Account Code: ITSI-EXCEL Payment Method: visa Payment Amount: EUR 321.39 Reason: Duplicate Processing To review the details, please use the following link: Click here to view the details

From: do-not-reply@adyen.com <do-not-reply@adyen.com>
Sent: sábado, 18 de marzo de 2023 19:57
To: MARIA TRINIDAD GOMEZ FERNANDEZ <mt.gomez@nh-hotels.com>
Subject: Informational [Fraud] - NOTIFICATION_OF_FRAUD on payment D84HKXQXPHWMTM52

adyen

NOTIFICATION_OF_FRAUD on payment D84HKXQXPHWMTM52

Fraud

Psp Reference: D84HKXQXPHWMTM52 Merchant Account Code: NHHG-GIFTS Payment Method: visa Payment Amount: EUR 1289.89 Reason: Account or credentials takeover To review the details, please use the following link: Click here to view the details

When does Adyen Auto-Defend?

- Full **refund**
- Transactions with **3D secure liability** shift and chargeback for **fraud**
- Chargeback timeframe of **120 days** expired
- The **16th fraudulent** chargeback for Mastercard
- **Invalid** chargeback reason codes for **merchant's business model**

3D Secure payments and liability shift

Take note of the distinction between fraud and non-fraud chargebacks.

For 3D Secure payments, in case of a **fraud related** chargeback, the financial liability shifts to the issuer. The liability shift is **not** applicable to consumer disputes. You are responsible to defend against them.

In case the issuer raises a chargeback on a 3D Secure payment with a fraud related reason, Adyen's **Auto - Defense** is triggered.

Responding to a chargeback

Chargeback

Status
Undefended

Dispute reason description
Duplicate Processing

Dispute amount
EUR 282.17

Payment method	VISA Visa
Dispute PSP reference	FRRC6RNK7M5DP4G2
Dispute creation date	Mar 18, 2023, 19:41:58
Days left to defend	15

Dispute details

Status	○ Undefended
Days left to defend	15
Dispute PSP reference	FRRC6RNK7M5DP4G2
Auto defended	No
Reason	Duplicate Processing
Reason code	12.6.1
Acquirer reference number (ARN)	74987503064005488445070
Acquirer code	AdyenVisa_498750
Amount	EUR 282.17
Dispute creation date	Mar 18, 2023, 19:41:58
Rapid dispute resolution (RDR)	No

Card details

Card holder	INA SCHÜTTKE
Card number	487178****6013
Expiry date	02/2027
Card type	VISA Visa
Issuer country	Germany
CVC/CVV	Supplied, Matches (M)
AVS	Unknown

Payment details

Payment PSP reference	BM6CM2ZLZZSXZP52
Payment method	VISA Visa
Shopper interaction	Ecommerce
Payment date	Mar 5, 2023, 09:07:24
Amount	EUR 282.17
Merchant reference	E5XUIYZ6
Shopper DNA	BM6CM2ZLZZSXZP52
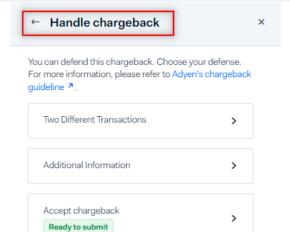
Dispute history ⓘ   Last status: Chargeback

— **OpenDispute**
Mar 18, 2023, 19:41:58

— **NotificationOfChargeback**

Handle chargeback

← **Handle chargeback** ✕

You can defend this chargeback. Choose your defense. For more information, please refer to Adyen's chargeback guideline ↗.

Two Different Transactions	﹥
Additional Information	﹥
Accept chargeback **Ready to submit**	﹥

- Defend **in time**.
- Compile the **important documents** based on the: dispute reason, disputes defense requirements and defense timeframe.
- You can only upload one complete document for each chargeback. If you have multiple documents, merge them before submitting. Once submitted, the documents are immediately forwarded to the scheme and cannot be changed.
- The documents should be in English.
- Recommended to use the **rebuttal template** proved upon request (disputes@adyen.com).
- To find more information search disputes in www.docs.adyen.com .

Resources

- Chargebacks codes   https://docs.adyen.com/risk-management/understanding-disputes/dispute-reason-codes

- Documentation to be uploaded   https://docs.adyen.com/risk-management/understanding-disputes/defense-requirements

- Adyen Help   https://help.adyen.com/knowledge/risk/dispute-management

Chargebacks cases generated by Expedia collect (reservations paid with Expedia VCC)

Why is Expedia generating chargebacks?

Billing disputes/discrepancies between its booking previsions (the total booking amount they have confirmed in their Extranet) and the final hotel billings and VCC charges.

What are the most common situations detected?

It has been charged a higher amount than the total amount confirmed (ex. incorrect rate applied, direct payment extras charged on the VCC, client leaving earlier, etc.).

It has been invoiced and charged a cancellation or no-show fee that does not apply.

What is the process that Expedia follows after receiving an "inappropriate" VCC charge?

They consider it as an OVERCHARGE and, before proceeding with the chargeback, they send an email notification to the hotel informing about the overcharge, the discrepancy and how dispute it through their own tool, as well as the deadline to handle it before processing the chargeback.

Note that the email notifications comes from expediaovercharge@expedia.com .

How to proceed once receiving the Expedia notification?

1. Issuing Credit.

If you realized that the charge was incorrect, they give you the possibility to start the refund process, indicating also the credit note and final invoice through their own Extranet.

2. Need More Information.

3. Not issuing Credit.

If you don't agree, they also give you the possibility to dispute it by providing the necessary explanations, backups or support documentation to clarify the situation.

In case not responding to their email and/or not taking corrective actions, it will result in a chargeback with the bank, with their corresponding bank fees, impacting directly in the costs account in P&L.

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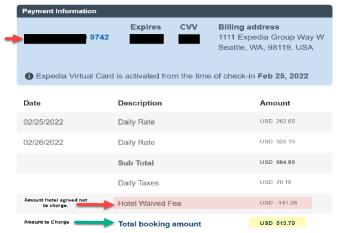
Remember that prevention is the best way to avoid a chargeback:

It is critical to make an appropriate revision of the Expedia reservations, not only in TMS, but also using their Extranet before invoicing and charging them. Through their Partner Portal you have the possibility to look up the reservation to see the correct amount to charge.

By using Partner Central tool (Expedia Extranet) you can check guest Reservation, VCC details and the amount to charge.

Payment Information

	Expires	CVV	Billing address
▶ 9742			1111 Expedia Group Way W Seattle, WA, 98119, USA

ⓘ Expedia Virtual Card is activated from the time of check-in **Feb 25, 2022**

Date	Description	Amount
02/25/2022	Daily Rate	USD 262.65
02/26/2022	Daily Rate	USD 322.15
	Sub Total	USD 584.80
	Daily Taxes	USD 70.18
Amount Hotel agreed not to charge. ▶	Hotel Waived Fee	USD -141.28
Amount to Charge ▶	**Total booking amount**	USD 513.70

It is highly recommended performing VCC charges during the night shift before the day of departure or at check out so that you can reconcile with the Expedia extranet any changes that might made to the booking during the stay, or during the days prior to arrival.

If finally results that you receive an Expedia communication related to an overcharge, please manage it on time, take corrective actions, and solve the situation with the enough time to avoid chargebacks.

EXPEDIA COLLECT QUICK GUIDE FOR VCC 👆
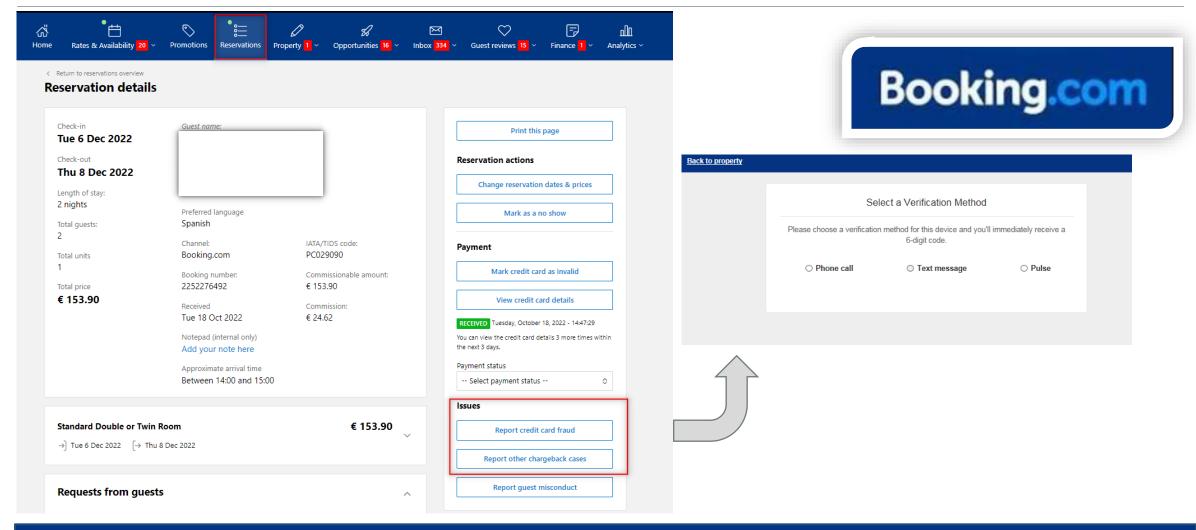
Check out the useful VCC guide received from Expedia covering this topic.

Chargebacks information in Booking.com

Due to the increase of fraudulent refunds received with credit card payment, a new option has been activated to report to Booking.com the chargebacks that may have been generated.

This will help us to identify the possible patterns and to establish preventive measures in order to avoid the current fraud.

Dispute_3990129
517.pdf

Please, proceed with the search of the corresponding reservation and indicate the specified option.

Immediately after, Booking.com will send a verification code in order to register the chargeback operation and will create a PDF document with all relevant information of the reservation and the cancellation policy accepted by the guest at the time of the reservation.

We can use this PDF to support the disputes of the chargebacks.

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Chargebacks Operational Dashboard

Chargebacks Operational Dashboard seeks to provide with a useful tool for analysing, discovering and extracting insights from company chargebacks and their related reservations.

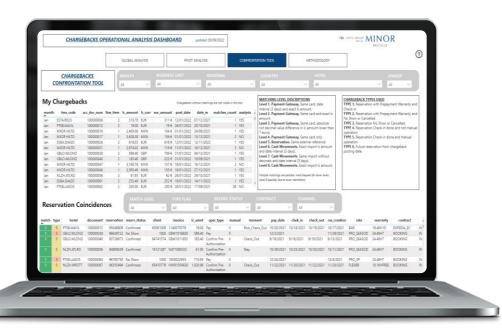### KEY POINTS of the Chargebacks Dashboard

It will be underlined updated each Thursday with the new chargebacks posted during the last 7 days!

You can access via QUEST for Excellence Dashboard or direct link available at *FO Trainings/Chargebacks Working Tool* folder at TEAMS HQ OP Organization Operational Calls

Go to the confrontation tool to see your hotel chargebacks details.

GO TO THE DASHBOARD

GO TO THE USER'S GUIDE

Display in SAP debited chargebacks using FBL3N

Chargeback debited in the bank account

- Once the chargeback is debited in the bank account, previously informed or NOT, SSC Administration (or Local Administration) will post a GL manual journal for the total amount of the debited chargeback:

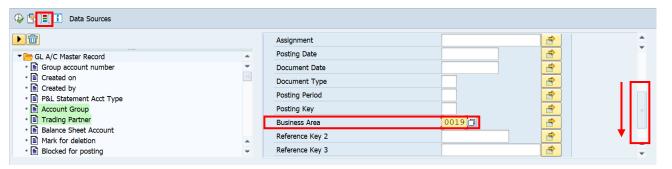 **65000000 - IRRECOVERABLE CREDIT COLLECTIONS (debit)**

  500******* - Credit Card payment method (credit)

  Display in SAP debited chargebacks using FBL3N

- Use transaction **FBL3N - G/L Account Line Items** in INFORMATION SYSTEMS > MANAGEMENT REPORTS> FINANCIAL MANAGEMENT.

- Complete GL account **65000000**, Company Code of the hotel and use Dynamic Selections
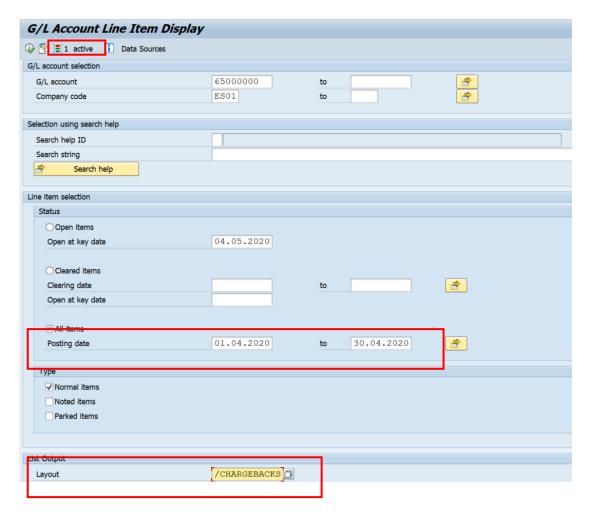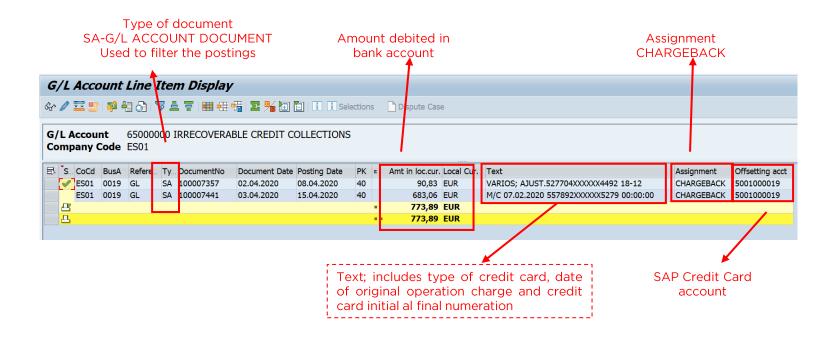

- To search the Business Area of the hotel.

- Use the option All items and select the dates to be reviewed (one month, since the beginning of the year, etc.) and select the defined layout **/CHARGEBABACKS**.

- **Data shown**

Type of document
SA-G/L ACCOUNT DOCUMENT
Used to filter the postings

Amount debited in
bank account

Assignment
CHARGEBACK

G/L Account Line Item Display

Selections   Dispute Case

G/L Account   65000000 IRRECOVERABLE CREDIT COLLECTIONS
Company Code   ES01

S..	CoCd	BusA	Refere..	Ty..	DocumentNo	Document Date	Posting Date	PK	ᴅ	Amt in loc.cur.	Local Cur.	Text	Assignment	Offsetting acct
✓	ES01	0019	GL	SA	100007357	02.04.2020	08.04.2020	40		90,83	EUR	VARIOS; AJUST.527704XXXXXX4492 18-12	CHARGEBACK	5001000019
	ES01	0019	GL	SA	100007441	03.04.2020	15.04.2020	40		683,06	EUR	M/C 07.02.2020 557892XXXXXX5279 00:00:00	CHARGEBACK	5001000019
									•	**773,89**	**EUR**			
									•	**773,89**	**EUR**			

Text; includes type of credit card, date of original operation charge and credit card initial al final numeration

SAP Credit Card account