

VISA CHARGEBACK MONITORING PROGRAM TIMELINES GUIDE

October 2019

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STANDARD TIMELINE

Below are two timelines for the Visa Chargeback Monitoring Program (VCMP). Merchants identified in the Standard timeline process between 100 and 1000 chargebacks and have a chargeback count to sales count ratio between 1 – 2%. Excessive timeline merchants process over 1000 chargebacks and have a ratio greater than or equal to 2%. A merchant who is assigned a high-risk Merchant Category Code (MCC) and process over 100 chargebacks and over 1% fraud to sales ratio will automatically be placed in the Excessive timeline. A merchant will be notified if they are identified as a high-risk MCC.

For the Standard program timeline, if merchant's performance does not fall below thresholds after the workout period (months 2-4), the merchant will be liable for Non-Compliance Assessment and Program Fees beginning in month five during the program's Enforcement phase. To exit the program, merchant must be below threshold with either chargeback count or ratio for three consecutive months.

At Visa's discretion, non-compliance fines are assessed monthly.

MONTH	MERCHANT RESPONSIBILITY	FINE
Notification Month 1	<ul style="list-style-type: none"> Verify sales and chargeback volume identified by Visa is accurate. Card-present merchants are identified at outlet level (physical location) and card-not-present (CNP) merchant descriptors are grouped together and evaluated. Provide a brief statement as to what the cause of the increase in chargebacks is, and what is being done to mitigate this activity moving forward, response required within 7 days of notification. 	N/A
Workout Month 2	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit remediation plan to address excessive chargebacks. The plan will provide an overview of the merchant's business activities, describe the root cause of the chargeback issue, list all prevention tools employed (such as AVS, Velocity Checking, etc.) and detail all remediation activities with associated milestone dates. Submit plan within 7 days of notification. 	N/A
Workout Month 3	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	N/A
Workout Month 4	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	N/A
Enforcement Month 5	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback

MONTH	MERCHANT RESPONSIBILITY	FINE
Enforcement Month 6	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 7	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 8	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 9	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 10	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. Visa may require a third-party review at merchant expense. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 11	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. Visa may require a third-party review at merchant expense. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 12	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. Visa may require a third-party review at merchant expense. Merchants that exceed the 12-month timeline are subject to potential disqualification from the payment system. Merchant is required to maintain three consecutive months below threshold to exit the program. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee

EXCESSIVE/HIGH-RISK (HR) TIMELINE

Excessive timeline merchants process over 1000 chargebacks and have a ratio greater than or equal to 2%. A merchant who is assigned a High-Risk Merchant Category Code (HR MCC) and process over 100 chargebacks and over 1% fraud to sales ratio will automatically be placed in the Excessive timeline. A merchant will be notified if they are identified as a High Risk MCC.

To exit the program, merchant must be below Standard threshold of either 100 chargebacks or 1% ratio for three consecutive months.

At Visa's discretion, non-compliance fines are assessed monthly beginning month one.

MONTH	MERCHANT RESPONSIBILITY	FINE
Enforcement Month 1	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit remediation plan to address excessive chargebacks. The plan will provide an overview of the merchant's business activities, describe the root cause of the chargeback issue, list all prevention tools employed (such as AVS, Velocity Checking, etc.) and detail all remediation activities with associated milestone dates. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 2	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 3	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 4	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 5	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 6	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback
Enforcement Month 7	<ul style="list-style-type: none"> Confirm sales and chargeback volume identified is correct. Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee

MONTH	MERCHANT RESPONSIBILITY	FINE
Enforcement Month 8	<ul style="list-style-type: none"> • Confirm sales and chargeback volume identified is correct. • Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 9	<ul style="list-style-type: none"> • Confirm sales and chargeback volume identified is correct. • Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 10	<ul style="list-style-type: none"> • Confirm sales and chargeback volume identified is correct. • Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. • Visa may require a third-party review at merchant expense 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 11	<ul style="list-style-type: none"> • Confirm sales and chargeback volume identified is correct. • Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. • Visa may require a third-party review at merchant expense. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee
Enforcement Month 12	<ul style="list-style-type: none"> • Confirm sales and chargeback volume identified is correct. • Submit updated remediation plan showing progress made and make adjustments as necessary to reduce chargebacks. Submit plan within 7 days of notification. • Visa may require a third-party review at merchant expense. • Merchants that exceed the 12-month timeline are subject to potential disqualification from the payment system. Merchant is required to maintain three consecutive months below threshold to exit the program. 	\$50/€45 per Chargeback + \$25,000/€21,750 fee

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