
Compelling Evidence 3.0 Merchant Readiness

March 2023

Overview:

Visa is continuing to refine and improve the rules for addressing friendly fraud or first party misuse within the payment ecosystem. This document is designed to help merchants prepare for the 15 April 2023 10.4 dispute code update for compelling evidence, known as Compelling Evidence 3.0 (CE3.0). Merchants should begin educating their internal teams about the criteria that can qualify transactions for CE3.0 and importance of proper set up via their acquirers for matching criteria. This document includes a brief overview of the data used to meet these criteria as well as the validation process for post-dispute participation. For further education please reference FAQ's document posted on Merchant Business News Digest and below links for educational webinars.

For pre-dispute processing, merchants can leverage Verifi's Order Insight® service to respond with the required information in real-time, prior to the creation and processing of the dispute within Visa Resolve Online (VROL). The same required information can be delivered during the post-dispute, pre-arbitration response process via acquirers. When merchants furnish data establishing a historical footprint and meet established CE3.0 criteria, the updated rule provides a remedy on behalf of the merchant and liability will shift back to Issuers and ultimately the responsible party.

What criteria is used for the update to dispute condition 10.4?

The updated rule for CE3.0 states that merchants must share data that helps establish a historical footprint of previous purchase history by sharing two previous transactions that meet certain criteria, including:

- The transactions must be at least 120 days* old but no older than 365 days (calculated from the dispute date).
- The transaction must have no active fraud report.
- The transaction must have no active fraud dispute. Note: Fraud reported under codes C and D will not be classed as a fraud dispute.
- At least two of the core data elements (User ID, IP Address, Shipping Address, Device ID / Fingerprint) match between prior transactions and the disputed transaction, and one of the two must be either the IP address or Device ID / Fingerprint.
- Transactions must be from the same merchant.

* The 120 calendar days does not apply if the other undisputed transactions were original credit transactions

Important CE3.0 preparation considerations for merchant setup within acquirers' systems

Visa will apply merchant matching logic to identify 2 transactions that map to the same merchant to develop a historical footprint. To maximize transaction match rate, acquirers should become fully briefed on merchant matching criteria and best practices for merchant identifiers (i.e., merchant descriptors). Effective management of merchant matching will be critical to locating criteria and to merchants benefit from CE3.0 update. (Please reference Merchant Matching Best Practices on Merchant Business News Digest)

Ensure that each transaction has a unique ARN. To find historical transactions, you must ensure there is no fraud activity on the transaction being used for historical footprint.

What should Merchants consider regarding the pre-dispute option for CE3.0 submission via Verifi's Order Insight solution?

Merchants participating in Order Insight share over 120 different order details to help issuers determine if a dispute should be filed on behalf of their cardholders. The use of this solution on a pre-dispute basis is designed to eliminate the dispute from being filed altogether, by sharing proof merchants did their due diligence when accepting the transaction, while also establishing a historical footprint between their mutual customers. Note: Order Insight data can be used for all reason codes, not just Dispute Condition 10.4: Fraud—Card-Absent Environment.

Visa offers issuers two options for Order Insight participation; both can benefit merchants when they participate in Order Insight. The first option is Order Insight Digital, the second Order Insight via VROL for their call center agents use. Order Insight Digital enables issuers to offer a real-time, self-service inquiry for their cardholders within their online and banking applications, eliminating the need for call center interactions and may prevent the dispute from being filed since cardholders can validate purchases. Merchants participating in Order Insight, gain the benefit of sharing data that generates digital receipts for a bank's online and banking applications if an Issuer chose to enable Order Insight Digital.

Visa has been sharing Order Insight details within the VROL system since 2019. When merchants participate in Order Insight, issuers performing a transaction inquiry in VROL can view purchase details for discussion purposes while a cardholder is present. Leveraging order details merchants provide may help cardholders validate purchases made, as well as identify previous purchases with the same merchant thus establishing a historical footprint and may help prevent invalid dispute submission.

How should acquirers respond on behalf of their merchant clients to pre-arbitration fraud dispute condition 10.4 with updated compelling evidence data?

Merchants should carefully compile their CE3.0 response before submission to acquirers. Merchants/Acquirers will only be able to attempt submission of CE3.0 criteria once. If acquirers attempted responses that are incorrect or incomplete, they will be declined. To respond to a 10.4 dispute condition with Compelling Evidence 3.0 data, an acquirer will submit a VROL pre-arbitration questionnaire with all the required Compelling Evidence 3.0 data elements (e.g., Device ID, IP Address, etc.)

VROL will validate the Compelling Evidence 3.0 data elements provided in the pre-arbitration; if the elements are validated, the pre-arbitration will be sent to the issuer for their review. If the data elements are not validated, VROL will allow the acquirer to resubmit the pre-arbitration for a different reason.

As part of Visa’s pre-dispute process, Issuers still need to accept the pre-arbitration or let it expire. As a reminder the pre-arbitration response process timeframe is 30 days. Issuers will have the option to decline pre-arbitration and pursue arbitration if they have proper evidence to disprove the CE3.0 qualification. Merchant and acquirers, like today have the option to file arbitration. (Note: fees apply)

Recorded Webinars for Merchants and Acquirers:

Webinar	Registration
Evolution of Compelling Evidence 301— Acceptance (NA/LAC)	Registration link- NA/LAC acceptance registration link
Evolution of Compelling Evidence 301— Acceptance (AP)	Registration link- AP acceptance registration link
Evolution of Compelling Evidence 301— Acceptance (EU and CEMEA)	Registration link- EU/CEMEA acceptance registration link

Available resources:

- [CE3.0 101 recorded presentation - Acceptance](#) (please register to view the broadcast)
- [CE3.0 201 recorded presentation - Acceptance](#) (please register to view the broadcast)

Questions? Contact your assigned Visa Account Representative or your regional Visa Resolve Online Help Desk:

- **AP:** APVROLSupport@visa.com
- **CEMEA:** CEMEAVROL@visa.com
- **Europe:** customersupport@visa.com
- **North America:** rolsupport@visa.com
- **LAC:** Open a Visa Client Support Application (VCSA) case.

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