

[October 2022]

Evolution of Compelling Evidence – Client FAQs

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Issuer FAQs

1. **What is Compelling Evidence 3.0 (CE3.0) compared to compelling evidence today and in April 2023?**

CE3.0 is an initiative title. The rules being updated with CE3.0 (effective in April 2023) will allow the acquirer to remedy the dispute rather than supply compelling evidence that the cardholder could dispute further. If a merchant is unable to meet the remedy criteria, all of the available compelling evidence types today will still be available after April 2023.

2. **What is the impact of CE3.0 on Rapid Dispute Resolution (RDR) and 3D-Secure (3DS)?**

There will be no impact on the RDR process or 3DS rules. If a fraud dispute is allowed to be processed (i.e., passed all Visa Resolve Online (VROL) dispute edits, even if the transaction is CE 3.0 qualified), then the RDR process will be kicked off just like any other RDR-qualified transaction if the merchant is participating in RDR. The 3DS edits will be applied to all fraud disputes, regardless of CE 3.0 qualifications.

3. **How can issuers receive Order Insight data (file feed vs. API)?**

Order Insight data can only be received via VROL's transaction Inquiry, which is available on VROL's User Interface or API.

4. **What if older transactions are disputed/reported as fraud late?**

To help remediate this possible issue, the undisputed transactions the system finds will have transaction processing dates beyond 120 days from the disputed transactions; therefore, the undisputed transactions will be out of time frames for a fraud dispute.

5. **If an issuer's fraud dispute was rejected based on the CE 3.0 data, how can the issuer file a review if they have evidence that the reject was incorrect?**

The issuer can request an exception review for the reject - just like any other dispute reject. As a reminder, the request should include all the information to support that the reject was invalid.

6. What is the impact on Visa Fraud Monitoring Program (VFMP) and Visa Acquirer Monitoring Program (VAMP) 's metrics?

Disputes are rejected when a merchant provides the required information via the pre-dispute option through Verifi Order Insight, thus not adding to dispute metrics or ratios. For both pre-dispute and post-dispute CE3.0 transactions, the associated fraud record (TC40) will be removed, thus not impacting the VFMP metrics.

7. What does a data package to the issuer look like?

The data package to the issuer will include two undisputed transactions, item descriptions and the matching CE 3.0 data elements for the two undisputed transactions.

8. What validation is Visa doing to ensure the merchant data is accurate?

Visa is running algorithms to review for anomalous data and issues.

Merchant / Acquirer FAQs

1. What is the impact on Visa Fraud Monitoring Program (VFMP) and Visa Acquirer Monitoring Program (VAMP) 's metrics?

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2. Is CE3.0 data in specific fields or just in the package of information?

The data elements will be supplied in specific fields. This way, they can be evaluated and compared.

3. If not physical goods, can the billing address be used?

No, if merchandise is not shipped, this data element cannot be replaced with billing address. The other 3 data elements would be available for use to meet the requirement.

4. Does CE3.0 work for recurring Merchant Initiated Transactions (MIT)? If so, how?

Yes, CE3.0 is available for recurring transactions. The merchant must provide the data elements from the initial setup for the historical footprint of two prior non-fraud dispute transactions and the current fraud dispute.

5. Will the 13.2 Cancelled Recurring Transaction questionnaire be updated based on the rule adjustments?

Yes, the questionnaire will match the rules when effective in April 2023.

6. Is Visa implementing edits for any of these Rules within the VBN AI11842?

Visa Resolve Online (VROL) strives to add edits wherever the system can validate data. In general, edits are not disclosed to clients.

7. Does the evidence have to be on the same Merchant ID (MID), or if a merchant has multiple MIDs across the ecosystem, can they all be used?

Visa will publish guidelines around the merchant matching criteria used for CE3.0, but, generally, a merchant operating multiple business lines may not supply evidence across those business lines. Visa will also highlight how the merchant descriptor must match (from left to right) to ensure merchants understand how the logic is applied.

8. Is the dispute protection meeting CE3.0 via Order Insight applicable only to fraud disputes, or can Consumer Disputes also be protected?

The new rules only provide a remedy to dispute condition 10.4 (Fraud – Card Absent Environment). Therefore only applies to card absent transactions where the cardholder advised they did not authorize or participate.

9. What will be the identifying information being sent to the seller/merchant for the five transactions identified to find the transaction?

The Transaction ID and/or Acquirer Reference Number (ARN).

10. What happens if a merchant provides evidence AHEAD of the April 2023 rule? Will the fraud transaction still apply to the merchant under the Visa Fraud Monitoring Program (VFMP) even if the merchant can prove first-party fraud occurred?

Yes, the liability shift does not come into effect until April 2023. Merchants may supply this information now under the current compelling evidence rules.

11. When will the revised questionnaires be available?

With the April 2023 Business Enhancement Release (BER) published in October 2022.

12. When will the Visa Resolve Online / Interface Element Specifications (IES)/Bulk Files be available with all these changes?

With the April 2023 Business Enhancement Release (BER) published in October 2022.

13. What is the maximum age of transactions that can be used?

365 days. So, transactions that fall 120 - 365 days after the dispute date can be utilized to meet the CE3.0 criteria.

14. How can CE3.0 apply to first-time buyers/transactions?

Under the proposed CE3.0 rules, there is no way to establish a historical footprint of 2 transactions to confirm CE3.0, and thereby it would not be available for first-time transactions.

15. What about token vs. PAN from the same account and underlying payment credential?

Visa will use the underlying PAN to confirm the merchant and Cardholder pairing.