



UStransact
915 Middle River Drive | Suite 511
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Loss Prevention Procedures

What is a Chargeback?

A Charge back occurs when a customer makes a purchase of services and/or a product and afterwards disputes or questions the charges with his/her bankcard provider. This generally happens because the customer is unable to resolve the issue with the merchant. The bankcard issuer then contacts the processor and the processor in turn contacts the merchant with a retrieval request. The burden of proof is the responsibility of the merchant to prove that a sale did take place or that a service was performed. The merchant must respond within ten business days to document that a purchase was made. Even though the merchant does have a signed receipt with an authorization code, it is important to note that this does not always protect him from **CHARGEBACK**.

UStransact is in a unique position of being able to act as an advocate on behalf of the merchant with the card provider to resolve the dispute. However, it is important to note here that this in no way relieves the merchant from his obligation of following the normal procedures that are required by Visa/MasterCard regulations for a transaction.

The most important step is **EDUCATION**. Educate yourself and your sales staff!

You MUST Have A Manual Imprinter

NON-SWIPE TRANSACTIONS

- **Manual Keyed Sales:** When the magnetic reader on a card does not work, an order is taken over the telephone or through the mail the sale has to be keyed into the terminal manually. Visa/MasterCard regulations require a manual imprint of the card is taken whenever possible and that the cardholder signs the imprint. This will provide proof that the card was present at the time of sale.
- **Equipment Failure or Off Site Sales:** In these instances a manual imprint and voice authorization is required. When a voice authorization is received it should be written on the manually imprinted receipt. The transaction will then have to be entered into the terminal as a "Post Authorization" with the 10-digit authorization number keyed in as well. If this is not done, the transaction will never charge the customer's card because a voice authorization strictly reserves the funds for 10 days. Keeping the signed manual imprint, the merchant will have proof that the card was present at the time of sale.
- **Address Verification System:** Taking a transaction over the phone, Internet or through the mail, a few steps can go a long way towards protection. The most important step is to verify the address. By utilizing our **Address Verification System** a merchant is able to verify the billing address and verify the ship to address. Merchants should also ship as "signature required". Remember, the merchant must have prior approval to process mail or telephone order transactions.



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SWIPED TRANSACTIONS:

- 1) At the point of sale - the card is properly swiped through the terminal. Before the merchant hands the receipt for signature to the cardholder, he must verify that the displayed number on the screen matches the number on the card exactly.
- 2) If the magnetic strip does not read, the merchant must take a manual imprint of the card as previously described.
- 3) Verify that the signature that appears on the card is the same as signed on the receipt.
- 4) Remember, if there is a question or doubt as to the cardholder's identity, you may only contact the 800-telephone number displayed on your terminal for a voice authorization and to verify the status of the credit card. (I.e. reported stolen or lost, etc.).
- 5) A signature is required to be on all cards. If it is not signed, you may ask that the customer sign the card or you may ask for another form of payment.
- 6) The merchant should close out his terminal daily. If the merchant does not settle his batches daily, unwanted CHARGEBACKS can and will occur.
- 7) Reasonable effort and proper physical location should be established to prevent others from observing the entry of the pin number.

Suggestions For The Merchant To Prevent Chargebacks

- Always compare signatures.
- Get an authorization code for the exact amount of the sale at the time of sale.
- Remember, if swiped ~ verify that the terminal screen shows the same number as the card.
- If non-swiped ~ make sure that the imprint is legible; get a voice authorization code for the exact amount of sale; and **HAVE THE CUSTOMER SIGN THE IMPRINTED RECEIPT.**
- If an authorization is denied, we suggest that the merchant then ask for another form of payment. If a merchant does make a second attempt for authorization, at a lesser amount, UStransact will not be able to act on his behalf should the purchase be disputed.
- Keep all credit card transaction receipts for a minimum of six (6) months.
- Establish, post and most importantly, review with all store employees a store return or refund policy. By doing so a merchant will eliminate a greater portion of CHARGEBACKS from ever occurring.
- The merchant should never use his own credit card as a means of getting cash for his own business.

Cost of the UStransact Loss Prevention Program:

FIVE MINUTES OF YOUR TIME TO APPLY THESE PROCEDURES.