

Rapid Dispute Resolution: Proper Identification of RDR Transactions and Service Activation

Canada, CEMEA, Europe, U.S. | Acquirers, Issuers, Processors
 Visa, Interlink, Plus Networks; V PAY; Europe Processing



Overview: Visa will activate the Rapid Dispute Resolution (RDR) service for all issuers / issuer processors effective with the April 2021 Visa Resolve Online release. In addition, Visa is reminding acquirers and processors of required changes that must be made to support RDR.

Visa enhanced its Visa Resolve Online (VROL) RDR service with the July 2020 VisaNet Business Enhancements release to better serve issuers and acquirers. These enhancements included using the existing Dispute Financial message to shift financial liability from the issuer to the seller upon acceptance of the RDR request by the seller, and identifying the transaction appropriately for issuers and acquirers as being accepted by the seller with a new indicator to identify it as a RDR-resolved transaction instead of an actual dispute. Issuers and acquirers now have better visibility to provide necessary tracking and reporting in this pre-dispute space to better service their clients.

Based on results obtained from the launch of RDR and to benefit the ecosystem, Visa will activate issuers / issuer processors in the Canada, CEMEA, Europe and U.S. regions in the RDR service through VROL **effective with the April 2021 VROL release.**

Visa will automatically activate the RDR service for all issuers/issuer processors with a VROL organization, which will initiate an RDR request for any transaction with a participating seller prior to that transaction being sent for formal dispute processing. If the seller accepts the liability, the dispute process will be avoided. Issuers and issuer processors may opt out of the RDR service through an updated VROL enrollment request.

There are no required VROL system changes, but issuers should review their internal processes to determine if any impact to processing exists. An RDR transaction will flow down the existing dispute process and will be flagged accordingly if the issuer wishes to identify and report on RDR-resolved disputes.

As announced in Article 2.6—Mandatory Changes for Visa Resolve Online, in the *April 2020 and July 2020 VisaNet Business Enhancements Global Technical Letter and Implementation Guide Effective: 12 March 2020*, all acquirers / processors are required to make the following system and processing changes **by the April 2021 release** to support RDR:

- Reclassify all TC 15 Dispute Financial, Sales Draft; TC 17 Dispute Financial, Cash Disbursement and 0200 Full financial request messages received with a Financial ID of “m” in the applicable systems and reports to correctly identify these messages as RDR resolved transactions, which equals a merchant-initiated credit. These messages must not be classified as disputes.
- Identify RDR-resolved transactions by using the VROL Financial ID that starts with “m.”

- Distinguish between RDR-resolved and dispute transactions and fees in the applicable workflow, including:
 - Merchant-facing user interfaces (including dispute systems)
 - Transaction activity
 - Daily and monthly online and offline reporting
 - Billing reports
- Prevent merchants from responding to disputes resolved through the RDR process, as the seller systems and reports have already provided a response to credit the cardholder through the RDR process. Any additional response will be blocked by Visa.
- Do not count RDR-resolved transactions as disputes or as impacting the merchant's dispute ratio, as Visa will not recognize RDR-resolved transactions as disputes.
- Account for RDR-resolved transactions in other dispute mitigation services operated by the acquirer / processor where applicable. For instance, services that leverage confirmed fraud records to trigger merchant credits (TC 06) should evaluate if the referenced transaction has been resolved through RDR or received a corresponding dispute record to avoid duplicate refunding and reconciliation issues.

Acquirers / processors must also review dispute billing and implement changes for RDR-resolved transactions, as these transactions must not be identified as disputes in any billing system, invoice, or statement. RDR-resolved transactions do not require the same level of service as disputes, and if the above changes are not made, acquirers / processors and sellers will be negatively impacted, as described below:

- If the seller receives a dispute that they cannot respond to, it will create unnecessary work for the seller and the acquirer / processor.
- Dispute rejections will increase, as RDR-resolved dispute responses will be blocked.
- Not making the changes could result in improper reporting of dispute counts and ratios to sellers.
- Not making the changes could result in seller friction and/or dissatisfaction with the process.

How RDR Works

The July 2020 RDR enhancement provided an improved process for the processing of seller credits. Through the RDR service, when a participating seller replies with a credit response, VROL will submit a Dispute Financial message (via a TC 15, TC 17 or 0200). This Dispute Financial message and corresponding advice (TC 33 or SMS equivalent messages) will include the existing VROL Financial ID element with a structured definition so that acquirers and issuers can more easily identify the financial type. Acquirers / processors must be prepared to receive this message and must re-classify any transaction with this value as an RDR-resolved transaction rather than a dispute. This enhancement provides the desired visibility from acquirers / processors into the existing pre-dispute process.

Furthermore, acquirers receiving this reclassified Dispute Financial message may not respond to it with a dispute response or pre-arbitration. VROL will provide relevant information in the "Awaiting Actions" dispute queue, provide a new case status of Merchant Credit, and close the case.

The VROL Financial ID will include an "m" to provide visibility to acquirers of transactions resolved through the RDR process, as described below.

VROL Financial ID structure for TC 15 / RDR:

- mnn.c.c-YDDD
- where m = Merchant indicator ("M")
- nn = Dispute Category
- c.c = Dispute Condition

Additional Resources

Documents & Publications

["Rapid Dispute Resolution: Processing Impact Considerations for Acquirers and Processors,"](#) *Visa Business News*, 14 May 2020

Online Resources

[April 2021 and July 2021 VisaNet Business Enhancements Global Technical Letter and Implementation Guide, Effective 15 October 2020](#)

- [Article 2.3—Mandatory Changes for Visa Resolve Online](#)

[April 2020 and July 2020 VisaNet Business Enhancements Global Technical Letter and Implementation Guide Effective: 12 March 2020](#)


- [Article 2.6—Mandatory Changes for Visa Resolve Online](#)

Note: For Visa Online resources, you will be prompted to log in.

For More Information

Canada, CEMEA, U.S.: Contact your Visa representative.

Europe: Contact Visa customer support on your country-specific number, or email CustomerSupport@visa.com.

Notice: This Visa communication is furnished to you solely in your capacity as a customer of Visa Inc. (through its operating companies of Visa U.S.A Inc., Visa International Service Association, Visa Worldwide Pte. Ltd, Visa Europe Ltd., Visa International Servicios de Pago España, S.R.L.U. and Visa Canada Corporation) or its authorized agent, or as a participant in the Visa payments system. By accepting this Visa communication, you acknowledge that the information contained herein (the "Information") is confidential and subject to the confidentiality restrictions contained in the Visa Rules, which limit your use of the Information. You agree to keep the Information confidential and not to use the Information for any purpose other than in your capacity as a customer of Visa Inc. or as a participant in the Visa payments system. You may disseminate this Information to a merchant participating in the Visa payments system if: (i) you serve the role of "acquirer" within the Visa payments system; (ii) you have a direct relationship with such merchant which includes an obligation to keep Information confidential; and (iii) the Information is designated as "affects merchants" demonstrated by display of the storefront icon  on the communication. A merchant receiving such Information must maintain the confidentiality of such Information and disseminate and use it on a "need to know" basis and only in their capacity as a participant in the Visa payments system. Except as otherwise provided, the Information may only be disseminated within your organization on a need-to-know basis to enable your participation in the Visa payments system. Visa is not responsible for errors in or omissions from this publication.