



American Express Notification of Changes - U.S.

October 2012



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U.S. Merchant Policy



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Summary of Changes - Merchant Policy

effective date	subject	description of change	page number
October 31, 2012	Mobile Contactless Acceptance	Merchants whose Point of Sale Systems are enabled with our contactless readers can now accept Charges from contactless-enabled mobile phones.	9
October 31, 2012	No Signature Program in U.S. Territories	The No Signature Program will be expanded to include qualifying Establishments in Puerto Rico, the U.S. Virgin Islands, and all other US territories and possessions.	13
October 2013	Chargeback and Inquiry Policy	The Chargeback and Inquiry chapter will be updated to reflect our new Disputed Charge process, to include: <ul style="list-style-type: none"> ○ the addition of Chargeback reasons with examples of information that will be provided to support Chargebacks and documentation that must be provided with a Chargeback Reversal request, and ○ addition of Inquiry reasons. 	15



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About this Section - Merchant Policy

purpose

The Notification of Changes - U.S. contains the release of scheduled changes in the Merchant Regulations.

how this document is organized

The Notification of Changes contains detailed information about specific policies. Each change is listed separately and includes:

- overview
- effective date
- Merchant benefits and implications
- edition of the Merchant Regulations in which the change will appear
- updated text in the Merchant Regulations - for each subject, there are cross references to the Merchant Regulations where text is updated

when changes are released and when they become effective

The Notification of Changes is published twice a year, in April and October, in accordance with the release of the Merchant Regulations. Each change will have an effective date.

- Changes published in the April release shall take effect in the following October (or in a later) edition of the Merchant Regulations or during the period between the two editions of the Merchant Regulations.
- Changes published in the October release shall take effect in the following April (or in a later) edition of the Merchant Regulations or during the period between the two editions of the Merchant Regulations.

Where a change is to take effect during the period between two editions of the Merchant Regulations, the change will be included in the edition of the Merchant Regulations covering the period during which the change shall take effect, noting the effective date of the change therein and marked with a change bar in the margin.

contact information

If you have additional questions, contact Merchant Services at 1-800-528-5200, or contact your American Express representative.



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Mobile Contactless Acceptance

overview

The emergence of mobile commerce offers an opportunity to build your business through increased sales. American Express is pleased to offer Merchants the ability to accept contactless mobile payments at the point of sale. Merchants whose Point of Sale Systems are enabled with our contactless readers can now accept Charges initiated from contactless enabled mobile phones.

This policy only addresses Charges initiated through a contactless reader. It does not address Charges made with a mobile device but initiated through a web browser or other payment functionality.

effective date

October 31, 2012

merchant benefits and implications

Contactless enabled mobile phones differ from traditional plastic Cards in that they lack a magnetic stripe or chip that can be swiped or inserted into the Point of Sale System to initiate a Charge, and can only initiate Card Present Charges through a contactless reader. The existing contactless readers offered by American Express will support mobile contactless Charges, so Merchants who already possess a contactless reader will not need to upgrade to a new reader in order to take advantage of this policy.

In order to accept mobile contactless Charges at the point of sale, Merchants will have to follow revised Card acceptance procedures. For Charges that do not qualify for the No Signature Program, these will include a requirement to validate the Cardmember's signature against a companion plastic Card or valid form of identification that contains a signature (e.g. a drivers license).

You may need to work with your Processor, Terminal Provider, or (if you have a direct link to American Express) your American Express representative to make changes to your Point of Sale System.

edition of the merchant regulations

October 2012

text in the merchant regulations

Review the highlighted text in the following sections:

- Chapter 4, "transaction processing," section 4.3
- Chapter 4, "transaction processing," subsections 4.5.1.4, and 4.5.2.

4.3 American Express payment options (U.S.)



American Express offers many products and services. If you are interested in a service that is not listed here, contact your American Express representative.

Contactless technology allows the transfer of payment information wirelessly when an embedded Chip is held up to a contactless reader. For more information, contact Merchant Services.

Payment options available in your area include:

Credit and Charge Cards

- Charge Cards and Standard Credit Cards such as the Blue from American Express® Card
- Cash Rewards Cards
- Sports and Special Interest “Loyalty” Cards
- Airline and Hotel Rewards Cards
- Small Business and Corporate Cards
- Many more

Additional Products and Services

- Prepaid Cards
- Travelers Cheques
- Gift Cheques
- **Contactless (both physical Cards and contactless-enabled mobile phones) transactions** from American Express®

4.5.1.4 mobile contactless charges (U.S.)

Contactless enabled mobile phones do not have the same security features as a traditional plastic Card. For instance, the screen on the mobile phone may not display all the digits of the Card Number and expiration date, or the Cardmember name. Likewise, there may not be a CID visible on the handset screen.

A mobile contactless Transaction is a Transaction initiated through a contactless-enabled mobile phone at a contactless-enabled Point of Sale System. These mobile phones contain a payment application which can initiate a contactless Transaction when the phone is waved in close proximity to a contactless-enabled Point of Sale System.

When presented with a contactless-enabled mobile phone, you must:

1. Capture Magnetic Stripe or Chip Card data by waving the contactless-enabled mobile phone in close proximity to the contactless reader,
2. Obtain an Authorization Approval,
3. Obtain signature (excluding Charges at CATs), unless the Charge qualifies for the No Signature Program (see [section 4.18, "no signature program" for additional information](#)),
4. Compare the signature (when obtained) on the Charge Record with the signature on the companion physical Card or a valid form of formal identification (e.g. driver's license). You must not record or store the information from such formal identification in any way.

If a mobile contactless Transaction cannot be processed for any reason, you should request that the Cardmember provide the companion physical Card and complete the Transaction by following the relevant Card acceptance procedures outlined in:

- [subsection 4.5.1.1, "magnetic stripe Card charges"](#), or
- [subsection 4.5.1.2, "contact chip Card charges"](#)

4.5.2 key-entered charges

In-Person Charges that must be key-entered because the Magnetic Stripe cannot be read are more likely to be fraudulent. See [chapter 9, "fraud prevention"](#) to learn how to inspect the Card and for procedures to follow when you suspect fraud.

When keying Charges, ensure:

- the Card Number is keyed correctly, and
- the Expiration Date is entered in an YY/MM format.

4.5.2 key-entered charges (U.S.)

There are instances when you will need to key-enter an In-Person Charge. This occurs most often when the POS System cannot read the Card.

If the Card cannot be read electronically, you must:

1. Verify that the Card is not visibly altered or mutilated (see [chapter 9, "fraud prevention"](#) for additional information),
2. Verify that the customer is the Cardmember* (Cards are not transferable),
3. Key-enter the data,
4. Obtain an Authorization Approval,
5. Obtain signature and verify that the signature is identical to the name on the Card.* Failure to obtain a signature, when required, can render you liable for Chargebacks if the Cardmember disputes the Charge. Obtaining a signature may not be required if your Establishment and the Charge qualify for the No Signature Program (see [section 4.18, "no signature program"](#) for additional information),
6. Compare the signature (when obtained) on the Charge Record with the signature on the Card,
7. Verify the Card's Expiration Date,
8. Match the Card Number and the Expiration Date on the Card to the same information on the Charge Record,
9. Validate the Card's presence by taking an imprint of the Card (the imprint is for your records). Failure to validate the Card's presence by taking an imprint of the Card can render you liable for Chargebacks if the Cardmember disputes the Charge.

* Except when the Cardmember name is not captured on the Charge Record or for Prepaid Cards that do not show a name on their face.

You may also validate the Card's presence by ensuring the Charge meets the criteria of the Keyed No Imprint Program. See [section 4.17, "keyed no imprint program \(U.S.\)"](#) for additional information.

Key-entered Charges are subject to a fee. See [subsection 14.2.2, "authorization fees \(U.S.\)"](#).

Charges initiated with a contactless-enabled mobile phone must not be key-entered.



No Signature Program in U.S. Territories

overview

The No Signature Program will be expanded to include qualifying Establishments in Puerto Rico, the U.S. Virgin Islands, and all other U.S. territories and possessions.

effective date

October 31, 2012

merchant benefits and implications

Until now, the No Signature Program has applied only to qualifying Establishments in the U.S. 50 states. The program will now be expanded to cover qualifying Establishments in Puerto Rico, the U.S. Virgin Islands, and all other U.S. territories and possessions.

The No Signature Program eliminates the requirement that Merchants obtain a signature from Cardmembers for qualifying Charges that are \$50 or less. Expanding the geographic scope of the program may benefit more Merchants by reducing the time Cardmembers spend at the point of sale, potentially increasing sales and customer satisfaction.

You may need to work with your Processor, Terminal Provider, or (if you have a direct link to American Express) your American Express representative to make changes to your Point of Sale System.

edition of the merchant regulations

October 2012

text in the merchant regulations

Review Chapter 4, "transaction processing," section 4.18.

The following text has been deleted:

Your Establishments in Puerto Rico, U.S. Virgin Islands, or other U.S. territories and possessions may not participate in our No Signature Program.

4.18 no signature program (U.S.)

The established threshold for charges to qualify under the No Signature Program is \$50.00 or less.



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Chargeback and Inquiry Policy

overview	The Chargeback and Inquiry chapter will be updated to reflect our new Disputed Charge process.
effective date	October 2013
merchant benefits and implications	<p>American Express is changing the way we service Disputed Charges. The change will ensure a consistent global Disputed Charge servicing experience with us and will more closely align our process with payment industry practices.</p> <p>Updates have been made to Chapter 11, "chargebacks and inquiries", to support the change in servicing including:</p> <ul style="list-style-type: none"> ○ addition of Chargeback reasons which includes examples of information that will be provided to support a Chargeback and documentation that must be provided if a Chargeback Reversal is requested ○ addition of Inquiry reasons
edition of the merchant regulations	October 2013
text in the merchant regulations	<p>Review the highlighted text throughout Chapter 11, "chargebacks and inquiries".</p> <p>NOTE: Due to the changes and reorganization of Chapter 11, the entirety of the chapter has been included here.</p>

11.1 introduction

This chapter describes how American Express processes **Chargebacks and Inquiries**.

Highlights of this chapter include:

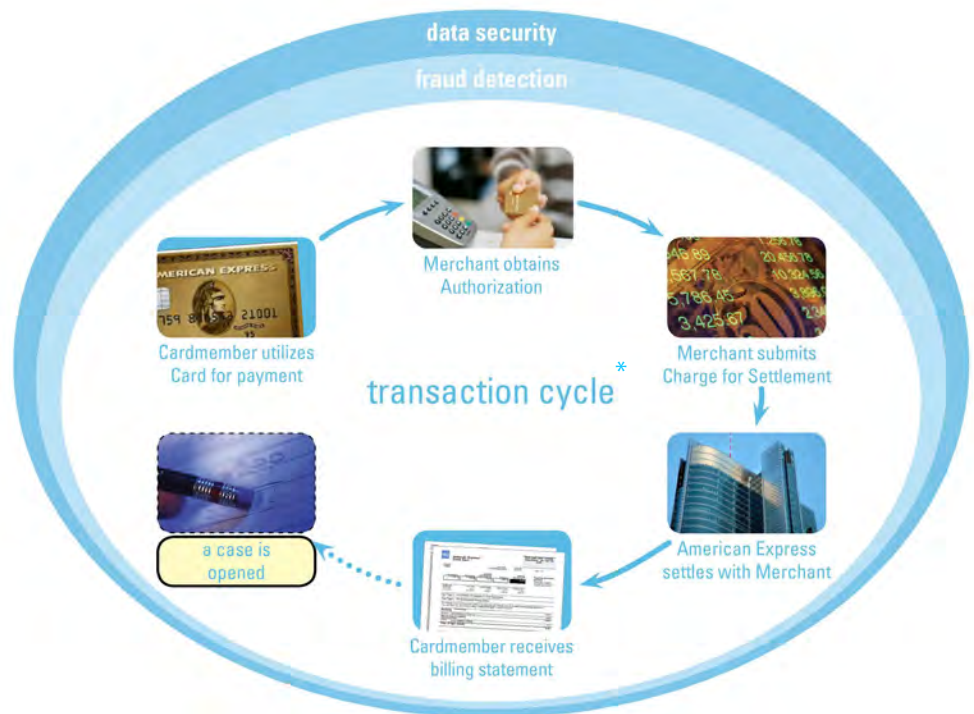
- a discussion of the American Express Disputed Charge process,
- a review of **Chargeback and Inquiry reasons**,
- an overview of the American Express Chargeback policies, and
- tips for avoiding **Chargebacks and Inquiries**, and preventing fraud.

11.2 transaction cycle

Charges may be disputed for a variety of reasons. In general, most Disputed Charges stem from:

- **Cardmember dissatisfaction with some aspect of the purchase, (e.g., a failure to receive the merchandise, duplicate billing of a Charge, incorrect billing amount),**
- **an unrecognized Charge where the Cardmember requests additional information, or**
- **actual or alleged fraudulent Transactions.**

If a Cardmember disputes a Charge, American Express opens a case. We may also open cases when Issuers or the Network initiates disputes. **If a case is opened, we may initiate a Chargeback to you immediately or send you an Inquiry.**

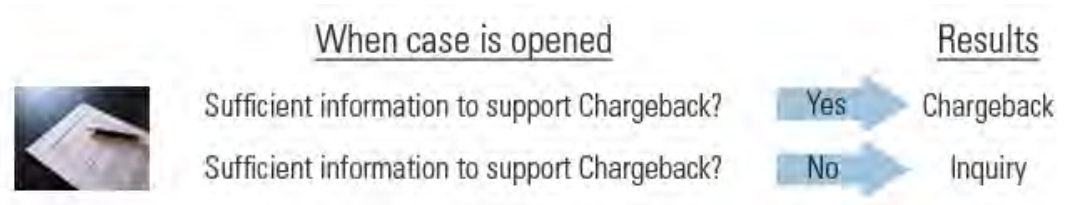


*This graphic is for illustration purposes only and is not to be construed as limiting or waiving American Express's rights with respect to Cardmember Information or other information.

11.3 disputed charge process

With respect to a Disputed Charge:

- we may send you an Inquiry prior to exercising Chargeback, or
- we have Chargeback rights, prior to sending you an Inquiry, if we determine that we have sufficient information to resolve the Disputed Charge in favor of the Cardmember.



We have Chargeback rights:

- whenever Cardmembers bring Disputed Charges, as described in this chapter, or have rights under Applicable Law or contract to withhold payments,
- in cases of actual or alleged fraud relating to Charges,
- if you do not comply with the Agreement (including omitting any Transaction Data from Charge Submissions), even if we had notice when we paid you for a Charge that you did not so comply and even if you obtained Authorization for the Charge in question, or
- as provided elsewhere in the Agreement.

All judgments regarding resolution of Disputed Charges are at our sole discretion.



11.4 chargeback reasons

When we process a Chargeback to you, we will provide information about the Chargeback.

For each Chargeback reason, the following tables include:

- Description - brief description of the Chargeback reason,
- Information provided with Chargeback - type of information provided by the Cardmember or Issuer (or both) to support the Chargeback (documentation may not be provided with the Chargeback if it was preceded by an Inquiry),
- Inquiry required prior to Chargeback - indicates if an Inquiry must be sent prior to Chargeback,
- Support required to request a Chargeback Reversal - examples of required documentation if you request a Chargeback Reversal.

The tables in the following subsections list the Chargeback reasons and information related to each Chargeback reason.

11.4.1 authorization

charge amount exceeds authorization amount (A01)

Description	The amount of the Authorization Approval was less than the amount of the Charge you submitted. Certain exceptions apply, see section 12.9, "restaurants (U.S.)" and section 12.12, "travel industries" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a valid Authorization Approval was obtained for the full amount of the Charge in accordance with the Agreement unless exceptions apply, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

no valid authorization (A02)

Description	The Charge you submitted did not receive a valid Authorization Approval; it was declined or the Card was expired.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a valid Authorization Approval was obtained in accordance with the Agreement, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

authorization approval expired (A08)

Description	The Charge was submitted after the Authorization Approval expired. See section 5.10, "authorization time limit" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a valid Authorization Approval was obtained in accordance with the Agreement, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.4.2 Cardmember dispute

credit not processed (C02)	
Description	We have not received the Credit (or partial Credit) you were to apply to the Card.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Copy of the Credit Record or details showing that you were to provide Credit to the Cardmember.
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ If no Credit (or only partial Credit) is due, a written explanation of why credit is not due with appropriate documents to support your position, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

goods/services returned or refused (C04)	
Description	The goods or services were returned or refused but the Cardmember did not receive Credit.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ If returned: Details of the return (e.g. returned date, shipping documentation, etc.), or ○ If refused: Date of the refusal and the method of refusal
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Written explanation refuting the Cardmember's claim that goods were returned to your business, or ○ If returned: A copy of your return policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the return policy, or ○ A copy of the Charge Record indicating the terms and conditions of the purchase with details explaining how the Cardmember did not follow the policy, or ○ If goods/services refused: Proof that the goods/services were accepted (e.g. signed delivery slip if the goods were delivered, screen print showing use of the service if service was provided via internet), or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.2 Cardmember dispute (continued)

goods/services cancelled (C05)	
Description	The Cardmember claims that the goods/services ordered were cancelled.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Cancellation details (e.g. cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgment that cancellation request was received)
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ A copy of your cancellation policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the cancellation policy, or ○ A copy of the Charge Record indicating the terms and conditions of the purchase and details explaining how the Cardmember did not follow the policy, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

goods/services not received or only partially received (C08)	
Description	The Cardmember claims to have not received (or only partially received) the goods/services.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Written description of the goods/services the Cardmember purchased, or ○ Documentation showing return, or attempt to return, the partially received goods (e.g. pick-up/delivery confirmation)
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof of Delivery including delivery date and full shipping address, or ○ Proof that the services were provided and the dates the services were provided, or ○ Signed completion of work order showing the Cardmember received the services and dates that the services were used/provided, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.2 Cardmember dispute (continued)

paid by other means (C14)	
Description	The Cardmember has provided us with proof of payment by another method.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Documentation or written explanation describing how the Cardmember paid with another form of payment
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Documentation showing that the Cardmember's other form of payment was not related to the Disputed Charge, or ○ Proof that the Cardmember provided consent to use the Card as a valid form of payment for the Disputed Charge, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

"no show" or CARDeposit cancelled (C18)	
Description	The Cardmember claims to have cancelled a lodging reservation or a Credit for a CARDeposit Charge was not received by the Cardmember.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Cancellation details (e.g. cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgement that cancellation request was received)
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Documentation that supports the validity of the "no show" reservation or CARDeposit Charge, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.2 Cardmember dispute (continued)

cancelled recurring billing (C28)	
Description	Cardmember claims to have cancelled or attempted to cancel Recurring Billing Charges for goods or services. Please discontinue all future billing for this Recurring Billing Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Cancellation or attempted cancellation details (e.g. cancellation number, cancellation date, email notification, written documentation requesting cancellation, acknowledgement that cancellation request was received)
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ A copy of your cancellation policy, an explanation of your procedures for disclosing it to the Cardmember, and details explaining how the Cardmember did not follow the cancellation policy, or ○ Proof that the Cardmember has not cancelled and continues to use the service or receive the goods, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

goods/services not as described (C31)	
Description	The Cardmember claims to have received goods/services that are different than the written description provided at the time of the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ A description of the Cardmember's claim that the goods/services received differ from your written description provided at the time of Charge, and ○ In the case of goods: written description of the Cardmember's attempt to return the goods
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof refuting the Cardmember's claim that the written description differs from the goods/services received, or ○ Proof that the Cardmember agreed to accept the goods/services as provided, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.4.2 Cardmember dispute (continued)

goods/services damaged or defective (C32)	
Description	The Cardmember claims to have received damaged or defective goods/services.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Description of the damage or defective goods/services, date of receipt of the goods/services, extent of the damage to the goods or how the service was defective, and ○ Details of how you were notified or how the Cardmember attempted to notify you of the issue, and ○ If returned: Details of how the Cardmember returned, or attempted to return, the goods to you
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof refuting the Cardmember's claim that the goods/services were damaged or defective (provided that, in the case of goods, they were not returned to you), or ○ Proof that the Cardmember agreed to accept the goods as delivered, or ○ Proof that the goods/services were not returned to you, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.2 Cardmember dispute (continued)

vehicle rental - capital damages (M10)	
Description	The Cardmember claims to have been incorrectly billed for Capital Damages. See <u>subsection 12.12.4.3, "capital damages (U.S.)"</u> .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Copy of the Cardmember acknowledgement of responsibility for Capital Damages, signed by the Cardmember showing the agreed-upon amount (the Charge amount submitted must not exceed 110% of the agreed-upon amount), or ○ Cardmember's statement that they did not sign a separate acknowledgement of responsibility for the Capital Damages
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that the Cardmember agreed to and signed an acknowledgement of responsibility for Capital Damages and that the Charge did not exceed 110% of the agreed-upon amount, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

vehicle rental - theft or loss of use (M49)	
Description	The Cardmember claims to have been incorrectly Charged for theft, loss of use, or other fees related to theft or loss of use of a rental vehicle.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that the Charge was valid and not for theft, loss of use, or other fees related to theft or loss of use of the rental vehicle, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed.

11.4.3 fraud

missing imprint (F10)	
Description	The Cardmember claims they did not participate in this Charge and you have not provided a copy of an imprint of the Card. Note: Not applicable to Card Not Present Charges or Charges that qualify under the Keyed No Imprint Program. See section 4.17, "keyed no imprint program" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that the Charge qualifies under the Keyed No Imprint Program. See section 4.17, "keyed no imprint program", or ○ Proof that this was a Card Not Present Charge, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

missing signature (F14)	
Description	The Cardmember claims they did not participate in this Charge and you have not provided a copy of the Cardmember's signature to support the Charge. Note: Not applicable to Card Not Present Charges, Charges at CATs or Charges that qualify under the No Signature Program. See section 4.18, "no signature program" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that this was a Card Not Present Charge, or ○ Proof that the Charge qualifies under the No Signature Program, or ○ Proof that the Charge was completed at a Customer Activated Terminal, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.4.3 fraud (continued)

expired or not yet valid card (F22)	
Description	The Cardmember denies participation in the Charge you submitted and the Card was expired or was not yet valid when you processed the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that you obtained an Authorization Approval, or ○ Proof that the Charge was incurred prior to the Card Expiration Date or within the Valid Dates, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed
no cardmember authorization (F24)	
Description	The Cardmember denies participation in the Charge you submitted and you have failed to provide proof that the Cardmember participated in the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.3 fraud (continued)

card not present (F29)	
Description	The Cardmember denies participation in a mail order, telephone order, or internet Charge.
Information provided with the Chargeback	<ul style="list-style-type: none">○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none">○ Proof that the Cardmember participated in the Charge (e.g. billing authorization, usage details, contract), or○ Proof that you attempted to validate the CID and you did not receive a response or you received an "unchecked" response, or○ Proof that you validated the address via Authorization and shipped goods to the validated address, or○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.4 inquiry/
miscellaneous

insufficient reply (R03)	
Description	Complete support and/or documentation were not provided as requested.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

no reply (R13)	
Description	We did not receive your response to our Inquiry within the specified timeframe. See section 11.10, "deadline for responding" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof you responded to the original Inquiry within the specified timeframe, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

chargeback authorization (M01)	
Description	We have received your authorization to process Chargeback for the Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	Yes
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed.



11.4.5 processing error

unassigned card number (P01)	
Description	You have submitted a Charge using an invalid or otherwise incorrect Card Number. Note: You may resubmit the Charge to us if you are able to verify and provide the correct Card Number.
Information provided with the Chargeback	<ul style="list-style-type: none">○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none">○ Copy of the imprint that confirms Card Number, or○ Proof that you obtained an Authorization Approval for such Card Number, or○ Copy of the Charge Record from the terminal that electronically read the Card Number, or○ Proof that a Credit which directly offsets the Disputed Charge has already been processed.

credit processed as charge (P03)	
Description	The Cardmember claims the Charge you submitted should have been submitted as a Credit.
Information provided with the Chargeback	<ul style="list-style-type: none">○ Charge Data, and○ Copy of the Credit Record or details showing you agreed to provide Credit to the Cardmember.
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none">○ Proof that the Charge was submitted correctly, or○ Proof that a Credit which directly offsets the Charge has already been processed.



11.4.5 processing error (continued)

charge processed as credit (P04)	
Description	The Cardmember claims the Credit you submitted should have been submitted as a Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Credit Data, and ○ Copy of the Charge Record or details of the Charge
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that the Credit was submitted correctly, or ○ Proof that a Charge that directly offsets the Credit has already been processed

incorrect charge amount (P05)	
Description	The Charge amount you submitted differs from the amount the Cardmember agreed to pay.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Copy of the Charge Record and details describing the discrepancy
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that the Cardmember agreed to the amount submitted, or ○ Proof that the Cardmember was advised of and agreed to pay for any additional or delayed Charges using the Card the Charge was submitted to, or ○ Itemized contract/documentation substantiating the Charge amount submitted, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



**11.4.5 processing error
(continued)**

late submission (P07)	
Description	The Charge was not submitted within the required timeframe. See section 6.5, "submission requirements - electronic" .
Information provided with the Chargeback	<ul style="list-style-type: none">○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none">○ Proof the Charge was submitted within the required timeframe, or○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

duplicate charge (P08)	
Description	The individual Charge was submitted more than once.
Information provided with the Chargeback	<ul style="list-style-type: none">○ Charge Data for each Charge
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none">○ Documentation showing that each Charge is valid, or○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



11.4.5 processing error (continued)

non-matching card number (P22)	
Description	The Card Number in the Submission does not match the Card Number in the original Charge.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data, and ○ Supporting documentation showing the Card Number on the Charge Record is different than on the Submission
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Copy of the Card imprint confirming the Card Number, or ○ Copy of the Charge Record from the terminal that electronically read the Card Number, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

currency discrepancy (P23)	
Description	The Charge was incurred in an invalid currency. See section 6.5, "submission requirements - electronic (U.S.)" .
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed

11.4.6 Chargeback programs

fraud full recourse program (FR2)	
Description	The Cardmember denies authorizing the Charge and your Establishment has been placed in the Fraud Full Recourse Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that you had not been placed in the Fraud Full Recourse Program at the time of the Chargeback, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed
immediate chargeback program (FR4)	
Description	The Cardmember has disputed the Charge and you have been placed in the Immediate Chargeback Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that you had not been placed in the Immediate Chargeback Program at the time of the Chargeback, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed
partial immediate chargeback program (FR6)	
Description	The Cardmember has disputed the Charge and you have been placed in the Partial Immediate Chargeback Program.
Information provided with the Chargeback	<ul style="list-style-type: none"> ○ Charge Data
Inquiry required prior to Chargeback	No
Support required to request a Chargeback Reversal	<ul style="list-style-type: none"> ○ Proof that you had not been placed in the Partial Immediate Chargeback Program at the time of the Chargeback, or ○ Proof that a Credit which directly offsets the Disputed Charge has already been processed



- | | |
|--|--|
| <p>11.5 requesting a chargeback reversal</p> | <p>You may request a Chargeback Reversal if you provide the supporting information as described in <u>section 11.4, "chargeback reasons"</u>. You must request the Chargeback Reversal within the timeframe listed in our country specific policies.</p> <p>Additionally, if the Chargeback was preceded by an Inquiry, you must have responded to the Inquiry by the deadline (see section 11.10, "deadline for responding").</p> <p>If you have questions regarding the status of the reversal, contact <u>Merchant Services</u>.</p> |
| <p>11.5 requesting a chargeback reversal (U.S.)</p> | <p>Requests for Chargeback Reversals must be made no later than twenty (20) days after the date of the Chargeback.</p> |
| <p>11.6 resubmission of disputed charge</p> | <p>You must not resubmit a Disputed Charge after it has been resolved in favor of the Cardmember. We will Chargeback all such Disputed Charges that are resubmitted.</p> |
| <p>11.7 inquiry</p> | <p>American Express tries to resolve Disputed Charges by first using information available to us. In instances where we cannot resolve a Disputed Charge, we will send you an Inquiry.</p> <p>The form of Inquiry that we will send you includes information about the Charge in question, explanations of the material you must send us to support the Charge, and a deadline by which your response must be received.</p> |

11.8 inquiry reasons

The following table lists the Inquiry reasons and information related to each Inquiry reason.

inquiry reason	description
(024)	The Cardmember claims the goods received are damaged or defective and requests return authorization. If a return is not permitted, please provide a copy of your return or refund policy.
(059)	The Cardmember requests repair or replacement of damaged or defective goods received. Please provide return instructions and make the appropriate repairs, or provide a copy of your return/replacement policy and explain why the goods cannot be repaired/replaced.
(062)	The Cardmember claims the referenced Charge should have been submitted as a Credit. Please issue Credit, or provide support and itemization for the Charge and an explanation of why Credit is not due.
(127)	The Cardmember claims to not recognize the Charge. Please provide support and itemization. In addition, if the Charge relates to shipped goods, please include Proof of Delivery with the full delivery address. If this documentation is not available, please issue Credit.
(175)	The Cardmember claims that a Credit is due but has not appeared on his/her account. Please issue Credit or provide support for the Charge and an explanation of why Credit is not due.
(176)	The Cardmember claims to not recognize the referenced Card Not Present Charge(s). Please issue Credit or provide signed support and itemization and explain why Credit is not due.
(177)	The Cardmember claims this Charge was unauthorized. Please issue Credit or provide support for the Charge and an explanation of why Credit is not due.
(187)	The Cardmember requests replacement for goods or services that were not as described by your Establishment, or Credit for the goods or services as the Cardmember is dissatisfied with the quality.
(193)	The Cardmember claims the Charge incurred at your Establishment is fraudulent. For a Card Present Charge, provide a copy of the Charge Record and an imprint of the Card, if one was taken. For a Card Not Present Charge, provide a copy of the Charge Record (or Substitute Charge Record), any contracts or other details associated with the purchase, and Proof of Delivery (when applicable) with the full shipping address.
(680)	The Cardmember claims the Charge amount you submitted differs from the amount the Cardmember agreed to pay. Please issue Credit or explain why Credit is not due.
(684)	The Cardmember claims the Charge was paid by another form of payment. Please issue Credit or provide proof that the Cardmember's payment by other means was not related to the Disputed Charge or that you have no record of the Cardmember's other payment.
(691)	The Cardmember is not disputing the Charge at this time, but is requesting support and itemization. Please provide this requested documentation.

11.9 substitute charge records

In some cases, you may provide a Substitute Charge Record as supporting documentation for Card Not Present Charges in place of the original Charge Record. You must also provide any additional information requested in the Inquiry. Substitute Charge Records may be used in response to the following Inquiry reasons:

- (127)
- (176)
- (177)
- (193)
- (691)

See [section 11.8, "inquiry reasons"](#) for additional information regarding Inquiry reasons.

The Substitute Charge Record must include the following:

- Card Number
- Cardmember name
- Merchant name
- Merchant location
- Transaction date/date goods or services were shipped or provided
- Transaction amount
- Authorization Approval
- description of goods/services

Additionally, the following optional information should be included, if available, on Substitute Charge Record:

- date goods/services were ordered
- website address
- your customer service's telephone number/email address
- "ship to" name and address
- Automated Address Verification response code
- order confirmation number
- electronically captured Cardmember signature

11.10 deadline for responding You must respond in writing to our Inquiry and provide **the requested information as described in section 11.8, “inquiry reasons”**. For additional information, see **section 11.17, “response methods”**.

11.10 deadline for responding (U.S.) You must respond in writing to our Inquiry within twenty (20) days.

11.11 Cardmember re-disputes We may reinvestigate an Inquiry if a Cardmember provides new or additional information after we review the initial supporting documentation regarding a Disputed Charge (e.g., the Cardmember claims that the Charges are fraudulent). In such case, you may be required to provide additional information to support the validity of the Charge.

11.12 chargeback and inquiry monitoring We monitor the number of **Chargebacks and Inquiries** at all Merchants and Establishments on the Network. Your **Chargebacks and/or Inquiries** may be considered disproportionate if any of the following conditions are present:

- You are unable to provide supporting documentation for Charges made at your Establishment (e.g., internet delivery) consistently.
- The number of No Reply and Insufficient Chargebacks at your Establishment is deemed to be excessive relative to your prior history or industry standards.

If any of the preceding conditions, or any conditions listed in our country-specific policies are present, notwithstanding anything to the contrary in the Agreement, we may place you in any of our Chargeback programs (see section 11.14, “chargeback programs”), or create a Reserve, (or both).

The list of conditions above is not exhaustive and does not reflect all circumstances under which we will act to protect our interests.

11.12 chargeback and inquiry monitoring (U.S.) Your **Chargebacks and/or Inquiries** may be considered disproportionate if:

- The monthly ratio of Disputed Charges to gross Charges (less Credits) at an Establishment exceeds three percent in any three (3) months.

Additionally, if any of the conditions in this section or section 11.12, “chargeback and inquiry monitoring” are present, we may charge you a fee (see subsection 14.2.6, “excessive dispute fee (U.S.)”) or assessment.

11.13 how we chargeback We may Chargeback by (i) deducting, withholding, recouping from, or otherwise offsetting against our payments to you or debiting your Bank Account, or we may notify you of your obligation to pay us, which you must do so promptly and fully; or (ii) reversing a Charge for which we have not paid you. Our failure to demand payment does not waive our Chargeback rights.

11.13 how we chargeback (U.S.) In the event of a Chargeback, we will not refund the Discount or any other fees or assessments, or we will otherwise recoup such amounts from you.



11.14 chargeback programs

Certain Chargebacks arise because Merchants are in our Chargeback programs. We may place you in any of these programs upon signing, or any time during the term of the Agreement.

The reasons for which we may place you in one of our Chargeback programs are not exhaustive. We may, at our sole discretion, place you in any of our Chargeback programs at any time.

fraud full recourse program

This program allows us to Chargeback without first sending an Inquiry any time a Cardmember disputes a Charge based on actual or alleged fraud.

You may be placed in this program for one or more of the following reasons:

- You are a High Risk Merchant. For more information on the high risk criteria, see [subsection 10.3.1, "high risk merchants"](#)
- We receive a disproportionately high number of Disputed Charges relative to your prior history or industry standards.
- You engage or participate in fraudulent, deceptive or unfair business practices, illegal activities, or prohibited uses of the Card, see [subsection 10.3.2, "fraudulent, deceptive, or unfair business practices, illegal activities, or prohibited uses of the Card"](#).

11.14 chargeback programs (U.S.)

In addition to the Fraud Full Recourse Program, the following Chargeback programs may apply to you.

immediate chargeback program	partial immediate chargeback program
<p>This program allows us to Chargeback without first sending an Inquiry any time a Cardmember disputes a Charge for any reason other than actual or alleged fraud. You may be placed in this program for three reasons:</p> <ul style="list-style-type: none"> ○ You may choose to enroll in this program to avoid receiving Inquiries or Disputes. ○ We may place you in this program if you meet the disproportionate Disputed Charges and Chargebacks criteria outlined in section 11.12, "chargeback and inquiry monitoring (U.S.)". ○ Your industry has had historically high occurrences of Disputed Charges. 	<p>This program allows us to Chargeback below a predetermined amount without first sending an Inquiry any time a Cardmember disputes a Charge for any reason other than actual or alleged fraud. All disputed amounts above the predetermined amount will be processed under our standard Chargeback and Inquiry policy. You may be placed in this program for three reasons:</p> <ul style="list-style-type: none"> ○ You may choose to enroll in this program to avoid receiving Inquiries below a specific dollar amount. ○ Your Agreement with us stipulates participation in this program. ○ Your industry has had historically high occurrences of Disputed Charges.

11.15 tips for avoiding chargebacks and inquiries

Inquiries are expensive for all parties involved. Follow these general steps and you may avoid unnecessary **Chargebacks and Inquiries**:

- Keep track of all Charge Records.
- Issue Credits immediately after determining that Credit is due.
- Disclose all terms and conditions of your sale/return/exchange/cancellation policies at the point of sale, on all Charge Records and customer receipts and on your website.
- **Encourage Cardmembers at the Point of Sale to contact your business directly should there be any problems with their purchase. Include your telephone number or web address and an appropriate description of goods or services purchased in your Submission.**
- Contact your Processor or us to make sure the name that you provide to us in your Submission matches your business name
- **Inform Cardmembers of your business name that will appear on their billing statement.**
- Submit Charges only after goods have been shipped or services have been provided.
- Advise Cardmembers when goods or services will be delivered or completed, and always advise the Cardmember of any delays.
- Obtain a Cardmember's signature whenever completing a service or work order.
- **Provide a cancellation number when applicable.**
- **Remind the Cardmember to retain any documents you have provided, along with shipping information when applicable.**



11.16 ways to receive chargebacks and inquiries

American Express has a variety of options for the exchange of Inquiry information with you. In addition to the traditional paper by mail method, you can receive and respond to **Chargebacks and Inquiries** using our **My Merchant Account/Online Merchant Services (OMS)** tool, our preferred method of handling **Chargebacks and Inquiries**. For additional information and enrollment, refer to our **My Merchant Account/Online Merchant Services (OMS)** webpage.

This complimentary tool allows you to reconcile your payments and resolve Disputed Charges via the internet.

My Merchant Account/Online Merchant Services (OMS) offers the following:

- allows you to address Disputed Charges and urgent Inquiries as they occur in real time,
 - helps eliminate the risk of mail delays and shuffling through stacks of paper, and
 - allows you to upload and send scanned supporting documentation.
-



11.17 response methods

You may respond to Inquiries through various channels depending on how you receive your Inquiries.

fax	mail
<p>You may fax replies directly to Customer Service Disputes. Use the fax numbers listed in the Contact Information or on the fax reply page of My Merchant Account/Online Merchant Services (OMS). For paper by mail Disputes, we prefer that you fax all responses and include the Inquiry cover sheet. This will ensure the timely receipt of your documentation.</p>	<p>If you prefer to mail your responses, use the Disputed Charge addresses listed in the Contact Information page.</p>

For fax and mail responses, you must include the claim form with your response. The claim form must include the Inquiry case number and the Merchant Number. Each page of the supporting documentation for the Disputed Charge must also include the Inquiry case number and Merchant Number. If the documentation does not contain the Inquiry case number, or you are unable to locate the Inquiry case number, you must include a copy of the initial Inquiry letter with your response. Failure to provide the Inquiry case number, Merchant Number or the Inquiry letter may result in a Chargeback.

11.17 response methods (U.S.)

You may respond to Inquiries via **My Merchant Account**/Online Merchant Services (OMS) in addition to responding by fax or mail.

- my merchant account/online merchant services (OMS)**
- My Merchant Account**/Online Merchant Services (OMS) lets you respond to Inquiries immediately and directly without time-consuming paperwork.
- My Merchant Account**/Online Merchant Services (OMS) allows you to address Disputed Charges and urgent Inquiries.
- My Merchant Account**/Online Merchant Services (OMS) is the preferred method for responding to Inquiries.



glossary

Substitute Charge Record **A document created from original Transaction data.**



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U.S. Merchant Servicing



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Summary of Changes - Merchant Servicing

effective date	subject	description of change	page number
October 2013	Dispute Servicing Process Change	American Express is changing the way we service Disputed Charges in the U.S., effective October 2013. The change will ensure a consistent global disputes servicing experience with American Express and align our process with payment industry practices.	51



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About this Section - Merchant Servicing

purpose

The Merchant Servicing section of the Notification of Changes – U.S. contains changes to how we or, in some cases, our Affiliates service Merchants. Such changes are not part of the Merchant Regulations, but rather serve to provide Merchants more information about how to interact with American Express.

how this document is organized

This section contains detailed information about specific Merchant servicing changes. Each servicing change is listed separately and includes:

- overview
- effective date of the servicing change
- type of change
- industry impact
- Merchant benefits and implications

when changes are released and when they become effective

The Notification of Changes is published twice a year, in April and October, and each change will have an effective date.

contact information

If you have additional questions, please contact Merchant Services at 1-800-528-5200, or contact your American Express representative.



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Dispute Servicing Process Change

overview

American Express is changing the way we service Disputed Charges in the U.S., effective October 2013. The change will ensure a consistent global disputes servicing experience with American Express and more closely align our process with payment industry practices.

In our current process, when a Cardmember disputes a Charge or if we have identified an error in processing a Charge, we send you, the Merchant, an Inquiry requesting supporting documentation and wait until our deadline for your response before making the determination if the dispute warrants a Chargeback.

Once the new process is implemented, we will first review all available information to determine if a decision can be reached without contacting you. For certain cases we will still need to request supporting documentation, but in many cases we will process the Chargeback immediately.

If we send you an upfront Chargeback, you do not need to take any additional action. In the event you believe that a Chargeback was processed in error, you will generally have the opportunity to submit supporting documentation to request a Chargeback reversal no later than twenty (20) days after the date of the Chargeback.

This new process will reduce the number of dispute Inquiries you receive because many of the dispute types will migrate to the new disputes process. It will help reduce your back office work and expedite the disputes process.

For No Knowledge and Unauthorized disputes types, the process remains the same as today.

For other disputes type, the process change as follows:

Overcharged, Duplicate Billing, DSS - Not As Described, DSS-Quality	<ul style="list-style-type: none"> ○ We will immediately process a Chargeback. ○ In the event you believe that a Chargeback was processed in error, you will then have the opportunity to submit supporting documentation to request a Chargeback reversal no later than twenty (20) days after the date of the Chargeback.
Returned/Cancelled, Damaged/Not Received	<ul style="list-style-type: none"> ○ We will wait fifteen (15) days before issuing a Chargeback. ○ During this time, the Cardmember will be asked to provide documentation to support the dispute.
Paid by Other Means	<ul style="list-style-type: none"> ○ We will require that Cardmember provide proof before opening a dispute. ○ Cardmember is required to provide documentation proving that another form of payment was made.



Dispute Servicing Process Change (continued)

effective date	October 2013
type of change	Disputes Processing
industry impact	All Industries
merchant benefits and implications	<p>The benefits to merchants of this change include:</p> <ul style="list-style-type: none">○ Faster case resolution○ Fewer Inquiries about Disputed Charges for you to process○ Simplified Chargeback codes to make supporting documentation requests for Chargeback reversals easier