

Chargeback Policy

Version 3. Last edited February 2021.



ixaris

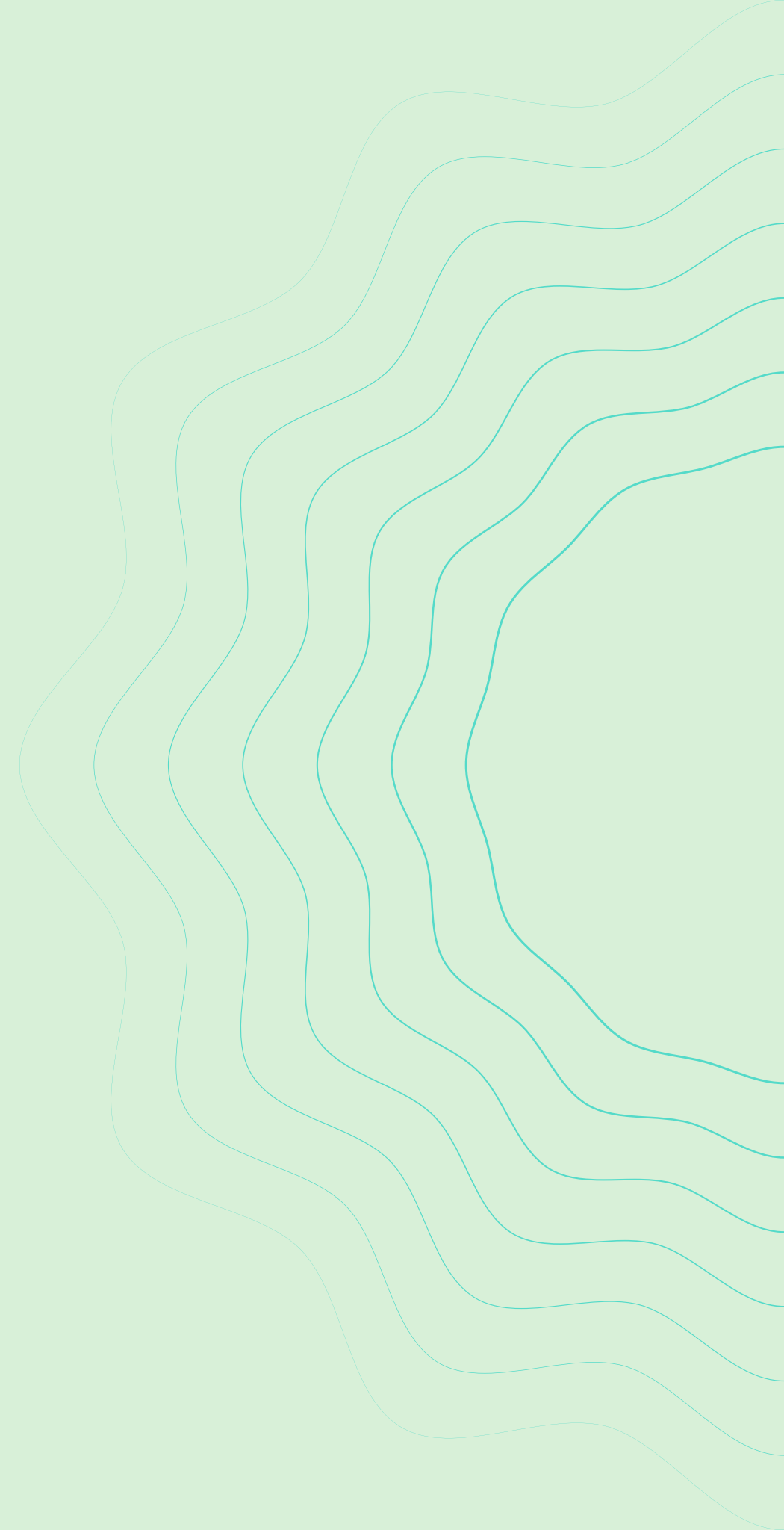
Contents

This document looks at cardholder disputes, which represent the vast majority of chargebacks within Ixaris' ecosystem. We first outline the general chargeback process and resolution timelines. Then, we cover Ixaris' chargeback process.

Understanding chargebacks	03
What is a chargeback?	04
Who is involved in a chargeback?	05
The 12-step chargeback process	06
Chargeback process timelines	08
Chargeback eligibility criteria	09
Submission considerations per reason code	10
Ixaris' chargeback process	11
Preparing to make a chargeback claim	12
How to raise a chargeback: General cardholder disputes	13
How to raise a chargeback: Failed travel merchant disputes	15
FAQs	17
Appendices	23

Section 01 —

Understanding chargebacks



What is a chargeback?

In simple terms, a chargeback is the reversal of a card payment. To obtain such a reversal, a formal dispute process is often required. This is called the chargeback process.

Chargebacks were developed by the card schemes (Visa / Mastercard) to provide a form of consumer protection against unresolved disputes with merchants.



There are four different types of chargebacks

1

Authorisation Related Chargebacks

The authorisation was declined or not obtained but the transaction was still processed on your card

2

Fraud Unauthorised or unknown transactions on your card

3

Errors in Processing The transaction amount differs, or Duplicate Processing, or Late processing

4

Cardholder Disputes Goods/services were not provided or not as expected

Who is involved in a chargeback?

Cardholder

The person or entity who made the card purchase that is in dispute.

Card Company

The organisation that oversees the chargeback process on the cardholder's behalf.

→ in our case, **Ixaris Solutions Ltd.** is the Card Company for our UK clients, and **Ixaris Financial Services Malta Limited** is the Card Company for our EEA clients

Issuer

Bank that the cardholder's card is connected to and used to purchase the item or service.

→ in our case, **Entropy Ltd.** is the issuer for our UK clients, and **Ixaris Financial Services Malta Limited** is the issuer for our EEA clients

Merchant

The seller of goods or services that must defend or accept the chargeback.

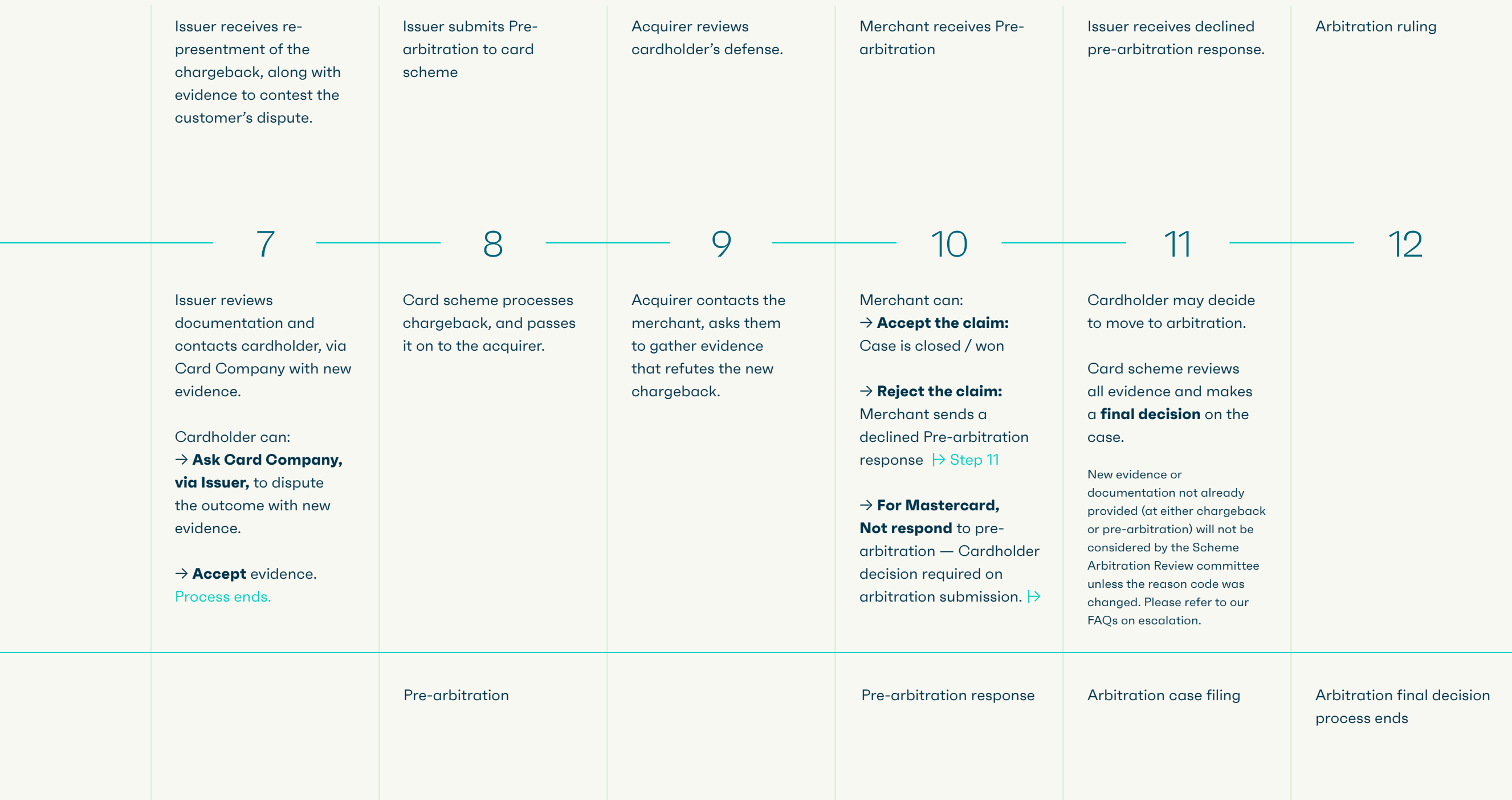
Acquirer

Financial institution that obtains the rights to the merchant's account and is tasked with getting payment on the merchant's behalf.

The 12-step chargeback process

	Step					
	1	2	3	4	5	6
<p>Outcome</p>	<p>Cardholder disputes a transaction with Card Company.</p>	<p>Issuer reviews dispute to determine if it is valid and in line with card scheme rules. Issuer determines if dispute should be sent to card scheme.</p>	<p>Issuer submits chargeback to card scheme.</p>	<p>Acquirer reviews cardholder's claim.</p>	<p>Merchant receives the chargeback.</p>	<p>Acquirer receives evidence.</p>
<p>According to Visa and Mastercard's definitions, this step is called... (see next section) ↗</p>			<p>V: Dispute M: Chargeback</p>			<p>V: Dispute response M: Second presentment</p>

The 12-step chargeback process (continued)



Chargeback process timelines

The chargeback process can last from 1 to 6 months.

Resolution time frames defined by Visa

Stage	Cardholder timeframe	Merchant / Scheme timeframe
Dispute	Within 120 days from the date you received (or expected to receive) your goods or services, or after you realised the services had ceased.	
Dispute response		Within 30 days of the dispute processing date.
Pre-arbitration	Within 30 days of the dispute response processing date.	
Pre-arbitration response		Within 30 days of the pre-arbitration processing date.
Arbitration	Within 10 days of the pre-arbitration response processing date.	There is no defined timeframe in which Visa can reply.

NOTE Processing date is the date on which the Card Scheme has processed the respective action.

Resolution time frames defined by Mastercard

Stage	Cardholder timeframe	Merchant / Scheme timeframe
First chargeback	Within 120 days from the date you received (or expected to receive) your goods or services, or after you realised the services had ceased.	
Second presentment		Within 45 days of the processing date.
Pre-arbitration	Within 45 days of the second presentment processing date, if pre-arbitration filing deadline of 45 days still applies (acquirer does not respond to pre-arbitration attempt), escalation decision and action must be taken within 75 days from second presentment.	
Arbitration	Within 75 days of the second presentment processing date.	There is no defined timeline in which Mastercard can issue its ruling.

Chargeback eligibility criteria

You may be eligible to raise a chargeback in any of these cases:

- **Cardholder / Consumer Rights Disputes**
Services were not provided as expected, or credit was not processed. (See [Chargeback Dispute Form ↗](#))
- **Errors in Processing** The transaction amount differs to amount on receipt or checkout form, or Duplicate Processing (when a transaction for the same service is processed more than once), or Late processing (when a charge is posted to a credit card account more than 180 days after the transaction date).
- **Fraud** When the card details are compromised (non T&E) and an unrecognised transaction is processed by third/external parties (not the cardholder).

For cases where a travel operator or airline has ceased operations, the following criteria must also be met:

The travel service was not covered by a bonding authority or similar scheme according to local law.

OR

The travel service was covered by a bonding authority or similar scheme according to local law, and the cardholder requested reimbursement from the bonding authority or similar scheme, and the cardholder did not receive reimbursement or the claim was declined.

What is a bonding authority?

A bonding authority is a type of debt security issued by a corporate or government agency. In the case of travel, it can offer a level of consumer protection when travel operators fall into difficulty. An example is the UK's ATOL (Air Travel Organiser's Licence), a financial protection scheme run by the UK Civil Aviation Authority that protects most air package holidays sold by UK-based travel businesses.



For more information, to obtain submission requirements, or for any other type of chargeback not described here, please contact Ixaris support for assistance.

Dispute submission pre-requisite considerations per reason code

Service provision related disputed

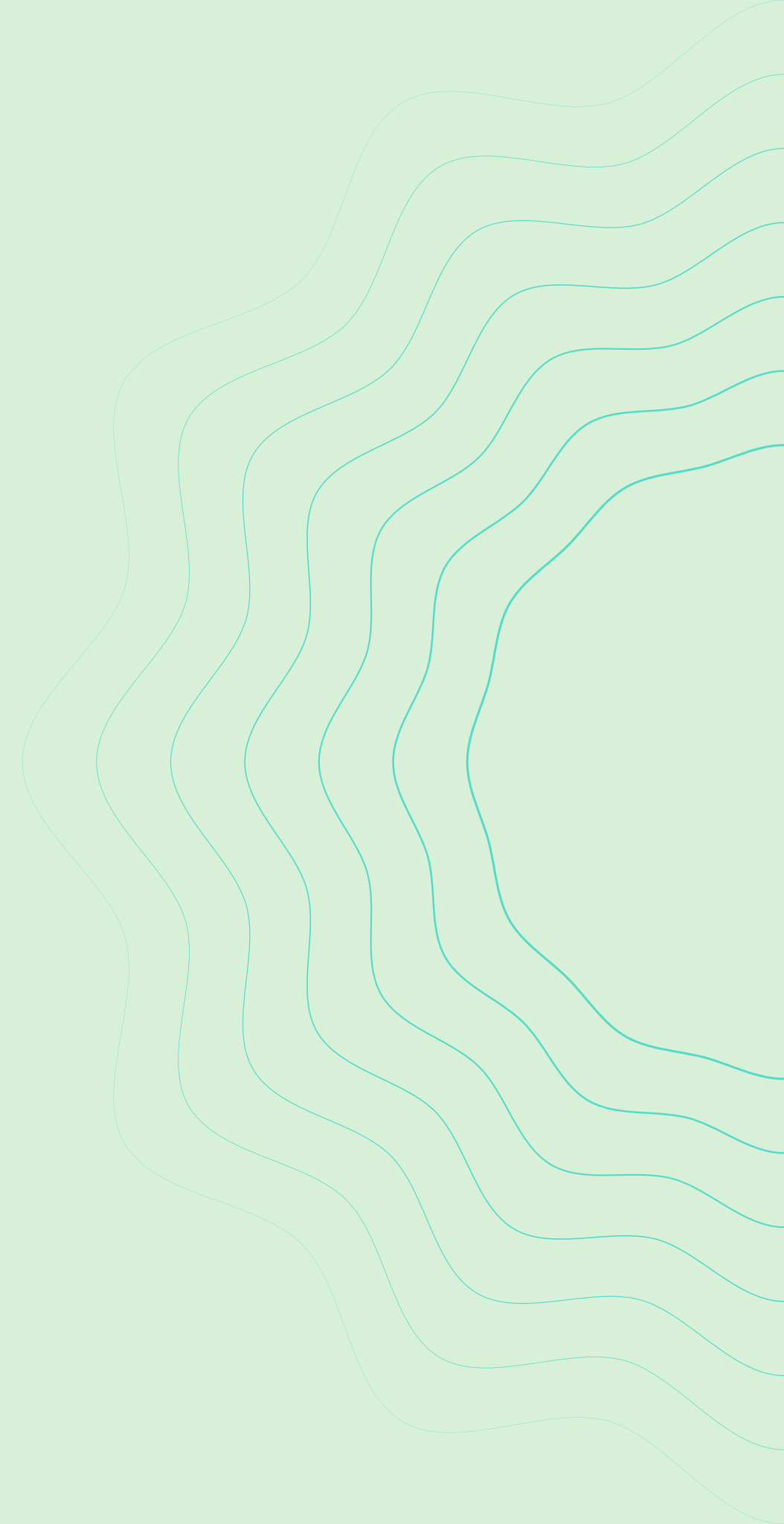
- Evidenced resolution attempt with merchant
- Evidenced and detailed description of non-provisioned services
- In cases of merchant inventory insolvency, complete and dated correspondence with the bonding authority proving no resolution reached
- Waiting period for dispute submission is 15 days (Visa) and 30 days (Mastercard) from expected service provision or bonding authority letter date

Credit not processed

- Evidenced resolution attempt with merchant
- Voided transaction receipt, or credit not, or merchant refund acknowledgment (via email or letter) or merchant correspondence requesting collection of refund by means of chargeback
- Any evidence showing the lack of clear refund / service cancellation policy disclosure from the merchant (not limited to: screenshots from merchant site, merchant checkout form/page, merchant terms and conditions)

Section 02 —

Ixaris' chargeback process



Preparing to make a chargeback claim

Before this formal dispute process is started...

You (the cardholder) must attempt to resolve your dispute with the merchant. Evidence of this will be required if you need to proceed with the chargeback process. Acceptable evidence includes email correspondence, letters or details logs of phone calls.

You also need to allow the merchant enough time to process any refund before initiating a chargeback claim. At Ixaris, we recommend waiting at least **30 days** after requesting a refund before you initiate a chargeback claim.

The chargeback process can be a very long and costly process. All parties should avoid the chargeback process and only raise a chargeback when absolutely necessary.

What do I need to make a claim?

Before you make a chargeback claim, collect all the relevant information that can help to defend your claim. All supporting documents must be in English, or accompanied with an English translation. This includes:

- any merchant communication about the transaction
- proof that your goods / service was not delivered
- proof that you contacted the shop, supplier or seller to resolve the dispute directly (for example an email, letter or fax)
- copy of your invoice or purchase confirmation
- signed terms & conditions, etc.
- copy of your invoice or purchase confirmation, or (for travel related transactions) the PNR log

How to raise a chargeback: General cardholder disputes

STEP 1

You (the cardholder) must fill out the [Cardholder dispute: Goods and services not provided ↗](#) dispute form (Appendix A) and provide the following:

- Proof that you contacted (or attempted to contact with no response) the shop, supplier or seller (for example an email, letter or fax, or in the absence of these, reference to the merchant-supplied telephone number not in use or not responding)
- Copy of your invoice or purchase confirmation, or (for travel related transactions) the PNR log
- Any of the following that applies: Copy of the voided transaction receipt and/or Merchant credit note and/or Merchant site's automatic response on refund process, complete evidence of refund process activation (such as email confirmation, banner on site, credit case reference number, merchant correspondence confirming refund process active or refund expected date, merchant requesting chargeback or other evidence as agreed with Ixaris Dispute Management).

STEP 2

We (Ixaris) will review the provided information and determine if the dispute is eligible for chargeback based on the following criteria:

- In line with the latest card scheme rules
- All supporting document is in English, or accompanied by an English translation (however, this does not need to be an official translation)
- A reasonably specific description of the dispute is provided
- A completed and signed dispute form has been provided
- Dispute amount is greater than GBP 15 (or currency equivalent)
- No duplicate chargeback claims
- No refund has already been received for the respective transaction

If the dispute claim is deemed valid, Ixaris will raise chargebacks claims with the Issuer within 15 business days of receiving all required information (and before the chargeback eligibility time frame has closed).

How to raise a chargeback: General cardholder disputes

STEP 3

We will inform you of any changes to the chargeback state based on the respective card scheme chargeback process (see [12-step chargeback process ↗](#) section).

You will be requested to confirm if you wish to continue disputing a chargeback in the event that it is rejected by the merchant.

You will also be informed if you need to provide any additional required information (typically, this happens up to 10 calendar days before the closure of the chargeback cycle).

STEP 4

Within 15 business days after the chargeback cycle closes (between 30 and 150 days) we will:

- Provide you with a report showing all fees (see [Chargeback Fee Schedule ↗](#)) incurred and the amount won
- Credit the won amount to your Ixaris funding account (if applicable)
- Debit any applicable fees from your Ixaris funding account (see [Chargeback Fee Schedule ↗](#))

NOTE If multiple disputes have been raised within the same batch, Ixaris will wait for all chargebacks within that batch to close.

IMPORTANT If a dispute is raised after 15 business days from the expected service delivery date or any requested information is not provided within the required timeframe, we cannot guarantee that we will be able to process your dispute.

How to raise a chargeback: **Failed travel merchant disputes**

Ixaris will, on a best-effort basis, provide you with a list of transactions that may be eligible for dispute based on the transaction information.

You (the cardholder) are responsible for verifying and confirming that all transactions related to a failed travel merchant are included in this report, and for adding any missing transactions.

NOTE If multiple disputes have been raised within the same batch, Ixaris will wait for all chargebacks within that batch to close.

IMPORTANT If a dispute is raised after 15 business days from the expected service delivery date or any requested information is not provided within the required timeframe, we cannot guarantee that we will be able to process your dispute.

STEP 1

You (the cardholder) must fill out the [Cardholder dispute for failed travel merchants ↗](#) dispute form (Appendix B) and provide the following documents:

- The completed excel sheet provided by the Ixaris support team (see [Appendix C: Required fields ↗](#))
- Proof that the transaction is not covered by a bonding authority or similar scheme according to local law OR evidence of the bonding authority or similar scheme's response to the cardholder's reimbursement claim OR proof of bond insufficiency
- A copy of the request for reimbursement if the cardholder (or traveller) requested reimbursement from a bonding authority or similar and did not receive a response





STEP 2

We (Ixaris) will review this information and determine if the dispute is eligible for chargeback based on the following criteria:

- In line with the latest card scheme rules
- All supporting document is in English, or accompanied by an English translation (however, this does not need to be an official translation)
- A reasonably specific description of the dispute is provided
- A completed and signed dispute form has been provided
- Dispute amount is greater than GBP 15 (or currency equivalent)
- No duplicate chargeback claims
- No refund has already been received for the respective transaction
- In case of airline failures, the flight was not prior to the date the airline ceased operations

If the dispute claim is deemed valid, Ixaris will raise chargebacks claims with the Issuer within 15 business days of receiving all required information (and before the chargeback eligibility time frame has closed).

STEP 3

We will inform you of any changes to the chargeback state based on the respective card scheme chargeback process (see [12-step chargeback process ↗](#)).

You will be requested to confirm if you wish to continue disputing a chargeback in the event that it is rejected by the merchant.

You will also be informed if you need to provide any additional required information (typically, this happens up to 10 calendar days before the closure of the chargeback cycle).

STEP 4

Within 15 business days of the chargeback cycle closing (between 30 and 150 days) we will:

- Provide you with a report showing all fees (see [Chargeback fee schedule ↗](#)) incurred and the amount won
- Credit the won amount to your Ixaris funding account (if applicable)
- Debit any applicable fees from your Ixaris funding account (see [Chargeback fee schedule ↗](#))

FAQs

Are all disputes processed at the same time?

We endeavour to process all dispute claims within 15 business days. However, in cases where a large number of disputes are received, we will prioritise chargebacks based on the remaining time limit as per card scheme rules.

When will I be reimbursed for the disputed amount?

Within 15 business days of closure of the chargeback cycle (between 30 and 150 days) we will:

- Provide you with a report showing all fees (see [Chargeback fee schedule ↗](#)) incurred and the amount won
- Credit the won amount to your Ixaris funding account (if applicable)
- Debit any applicable fees from your Ixaris funding account (see [Chargeback fee schedule ↗](#))

Do I need to provide a dispute form for each transaction?

In all cases, a dispute form is required per transaction. The **only exception** is in the case of a travel service failure. Since this dispute form will be the same for each transaction, we simply require one signed form.

FAQs

What are the principles defining dispute resolution?

Once the credit card is captured by the merchant's physical or virtual point of sale (POS) and a transaction is processed (except for Compliance-restricted areas of event, card acceptor etc,) the Issuer is obliged to "honour" it, regardless of its origin, legitimacy and regardless whether a Dispute right exists or not.

Both main card schemes require the dispute resolution process to be managed in good faith and provide mutual assistance in order to always address the true nature of a dispute. The ultimate goal of dispute resolution is uninterrupted acceptance rates and financial impact to cardholders and merchants. Such principles are supported by accurate presentation of the case particulars, adherence to disputes' timelines, not pushing the opposing member deliberately "over" and last (but not least) true and valid documentation.

FAQs

What is the “true nature” of a dispute?

The “true nature” of a dispute is usually referenced in the most complex types of disputes that we handle, namely Consumer Rights (cancellations, non-provision or quality of services, credit commitments) and Processing Errors (duplications, excessive and/or late charges).

“True nature” is the essence of the cardholder's complaint, regardless of parallel or similar violations on behalf of the merchant. For example, while misrepresentation of a future provision service could be considered “defrauding,” it nevertheless neither constitutes fraud or unrecognised charge. It is therefore part of the Issuer's duties and responsibilities to challenge documentation and dispute basis, to ensure they are addressing the true nature of every dispute.

The benefits of valid, adequately substantiated and true disputes including: safeguarding the issuer's and its clients reputation with the card schemes, maintaining high success dispute rates, and managing low dispute operational costs for all involved parties.

FAQs

Can the “true nature” of a dispute be altered during its course?

Typically, no. There is, however, the capability to change the reason code when new information becomes available between representment and (pre) arbitration. For example, a “Service not provided” chargeback can be changed to (partial or full amount) “Credit not processed” when the acquirer provides proof of partial service provision at representment.

What does a good dispute submission checklist look like?

- Check your timelines, considering that calculations differ based on scheme CPD (central processing date) and system submission requirements — and that even one day counts.
- Ensure you check for previous refunds on your account, especially partial refunds. If, after a partial refund, there is still a dispute basis, please ensure you include the partial (balance remaining) amount.
- Check that your documents are in English, legible, signed where required, and pertain to the true nature for the dispute and the elected dispute reason code.
- In general, consider that the stronger the case is “built,” the better the your changes are to bear a favourable resolution without risking arbitration fees.

FAQs

Why is it important to define my dispute submission as “partial”?

Apart from adhering to the true nature of a dispute, a full submission on a transaction that was partially refunded removes the one and only chance to remedy:

- If a merchant represents in full. In such case, we would have to submit partial pre-arbitration and probably even change the reason code.
- Other lacking transaction cases that could have been further addressed at pre-arbitration.

Escalation of a Pre-arbitration to Arbitration: What is the risk for escalating a “weak” case?

You must always attempt to provide all possible and strong evidence with our chargeback submission. When requesting a Pre-Arbitration, elaborate by summarising the case basis with an explanatory note. At Arbitration, we cannot provide more evidence, and if we do the Schemes' Arbitration Ruling committees will not consider it in their decision review.

If we escalate a dispute that is not properly substantiated, this can have a severe financial impact. This is because high filing and ruling fees are imposed on the losing members of a case by Visa and Mastercard. Such fees are standard, cannot be waived, and apply regardless of a case's value. Cost effective submission is therefore a key factor in our Arbitration escalation decision.

FAQs

What is a “split ruling” and “violation fees”?

In the very rare case that the Scheme Arbitration Ruling Committee cannot fully determine liability, they assign equal liability to both opposing parties by dividing the case value by two, and settling processing fees accordingly. It is also quite common for the committee to charge violation fees (even to the winner of an Arbitration ruling) if for example the chargeback supporting documentation was incomplete or for other more technical reasons.

What is good evidence to substantiate a “Credit not processed” dispute?

This reason code requires full and clear disclosure of terms and conditions in relation to cancellations resulting in refunds. Another important element is the Credit Note or Voided Transaction receipt, which applies to cancelled services in full accordance to the merchant's terms and conditions. A merchant refund acknowledgment by means of email or mail can also stand.

We do not advise disputing low value/on offer/sale or non-flexible, non-refundable tickets that are clearly defined as such on a merchant's site or on the checkout page.

Appendix A —

Cardholder dispute: Goods and services not provided

Cardholder name: _____

I am disputing the transaction for the reason given below:

Give a full explanation for the dispute. For example, provide information to show the merchant did not provide the service, and explain why the service was not available. Any documentation relating to the correspondence with the merchant relating to this dispute should also be provided.

I confirm that the goods / service relating to this transaction have not been received and I have tried to resolve the issue with the merchant before raising this dispute.

I declare that the above-given information is true and correct to our knowledge. I understand we are liable for any fees for the investigation and resolution of the dispute in accordance with the Ixaris Terms and Conditions. Ixaris may contact me if it requires further information.

SIGNATURE

DATE

Transaction Details

Provide details that are applicable

Transaction date

Card reference

Masked card number

eg. 123456*****67890

Merchant's name

Transaction amount

Disputed amount

Merchant refund
acknowledgment
/ Credit note date:

For travel-related transactions

First date (departure/check-in date)

Second date (return/check-out date)

Booking reference no.

Passenger surname

Passenger name

Airport codes

Flight number

Appendix B —

Cardholder dispute for failed travel merchants

Cardholder name: _____

I am disputing the transaction for the reason given below:

Give a full explanation for the dispute. For example, provide information on the airline / travel merchant that did not provide the service, and explain why the service was not available.

I confirm that the travel service relating to this transaction has not been received and (please select one of the statements below)

the travel service was not covered by a bonding authority or similar scheme according to local law or we cannot reasonably determine if the travel service was by a bonding authority or similar scheme according to local law

OR

the travel service was covered by a bonding authority or similar scheme according to local law and the cardholder requested reimbursement from the bonding authority or similar scheme and did not receive it or the claim was declined.

I declare that the above-given information is true and correct to our knowledge. I understand we are liable for any fees for the investigation and resolution of the dispute in accordance with the Ixaris Terms and Conditions. Ixaris may contact me if it requires further information.

SIGNATURE

DATE

Appendix C —

Required fields

Transaction date

Transaction currency

Transaction amount

Dispute amount

Merchant name

Departure date

Booking reference (PNR)

Flight numbers

Departure leg airports (example MLA → LHR)

Return leg airports (example LGW → MLA)

Passenger surname

Card reference

Appendix D — Chargeback fee schedule



As at 12 January 2021

Third-Party Costs

Ixaris chargeback processing fees charged as per contractual obligations.

Fees in EUR, or the equivalent in applicable currency.
% fees are based on disputed amount.

Dispute Stage	Chargeback fee detail	First chargeback	Second	Pre-arbitration		Arbitration	
		WON	LOST	WON	LOST	WON	LOST
Visa Fees charged based on each cycle processed	Transaction inquiry — older than 6 months	€1	N/A	N/A	N/A	N/A	N/A
	Transaction inquiry — within 6 months	€0.20	N/A	N/A	N/A	N/A	N/A
	Documentation / Image addition	€1	N/A	€1		€1	
	Dispute collaboration processing fee	€1.35	N/A	€1.35		€1.35	
	Dispute won fee	€0.75	N/A	€0.75	N/A	€0.75	N/A
	Arbitration case filing lost fee	N/A	N/A	N/A	N/A	N/A	€500
	Clearing presentment transaction fee	€0.015 - INTRA €0.075 - INTER			N/A	€0.015 - INTRA €0.075 - INTER	
	Customer expenditure volume fee	0.03%	0.03%	0.03%	N/A	0.03%	0.03%
Mastercard Fees charged based on cycle processed	Chargeback processing fee	N/A	€0.90	(€0.90)	€20	€20	
	Chargeback processing value fee	N/A	0.95%	(0.95%)	0.95%	N/A	
	Merchant investment fee	N/A	0.04%	(0.04%)	0.02%	0.02%	N/A
	Hosted handling fee	N/A	N/A	N/A	€9.50	€20	
	Pro-license allocation fee	N/A	€2	(€2)	N/A	N/A	
	Image interface / API fee	N/A	€0.65	(€0.65)	€0.65	N/A	
	Issuer second presentment administration fee	N/A	€15	(€15)	€15	N/A	
	Claims Manager fee	N/A	€3.05	(€3.05)	€3.05	€3.05	
	Pre-arbitration sender fee	N/A	N/A	N/A	€5	N/A	
	Arbitration case filing lost fee	N/A	N/A	N/A	N/A	N/A	€500
Any scheme	Original purchase interchange fee reversal	Varies depending on product. Reversal of full interchange received.					
Card processor	Financial transaction processing fee	€0.09	€0.09	€0.09	N/A	€0.09	€0.09

Disclaimer. The content of this table relating to third party costs has been prepared by Ixaris for illustrative purposes to the best of our ability and knowledge, Ixaris does not warrant the accuracy or completeness of third party costs set out herein.

Ixaris is a trading name of Ixaris Solutions Limited and its group companies.

Ixaris Solutions Limited is a limited company registered in England and Wales, with registered number 09024600 and registered office at 2 Stephen Street, London, W1T 1AN. Ixaris Solutions Limited is authorised for the provision of payment services and regulated by the Financial Conduct Authority. FCA Reference Number (FRN): 721549.

Ixaris Mastercard cards are issued by Entropay Limited and IDT Financial Services Limited who are Principal Members of Mastercard Europe SA, pursuant to a license by Mastercard International. Mastercard is a registered trademark, and the circles design is a trademark of Mastercard International Incorporated.

Ixaris Visa cards are issued by Entropay Limited and IDT Financial Services Limited who are members of Visa Europe Limited. Visa is a trademark owned by Visa International Service Association and used under license.

Entropay Limited is a limited company registered in England and Wales, with company number 04072405 and registered office at 2 Stephen Street, London, W1T 1AN. Entropay Limited is authorised for the issuing of electronic money and regulated by the Financial Conduct Authority. FCA Reference Number (FRN): 900800.