

What does the Risk Department Do?

ProPay’s Risk department protects ProPay, as well as clients, from fraud. The teams within ProPay’s Risk department are:

- Verifications
- ProPay MasterCard Disputes
- Chargebacks
- Collections
- Limits
- Resolutions

Please see below for explanations for each of these teams.

Verifications

ProPay is able to offer real-time validation on new accounts. The information passed from any account will go through a third party verification. When an account is declined upon initial signup, a notice will be sent to the email address on file, and the account will go to secondary validation. This is a manual process that, in most cases, requires extra documentation from the account holder. The specific documentation will be outlined in the email that the account holder will receive.

If validating EIN:

- For non-profits, 501c3 and SS4
- For governments, SS9
- For businesses that do not qualify as non-profits, SS4

If validating SSN:

- ProPay “Exceptions Form” (will be sent in email)
- Copy of government issued photo ID
- Copy of signed Social Security Card OR
- Copy of a voided check with valid billing address

The required documentation should be sent to verify@propay.com. Once ProPay receives the necessary documentation, the secondary validation will be completed within 2 business days.

ProPay MasterCard Disputes and Chargebacks

For those merchants who choose to receive ProPay MasterCards, there may come a time (though all of us hope that time never does come) that somebody who is less-than-trustworthy gets ahold of that merchant’s card or card number and begins a shopping spree. Our dispute team looks out for suspicious transactions, and will flag the card and notify the merchant if they find anything. If that does happen, ProPay’s dispute team will work with the merchant and the credit card company to dispute the transaction.

The disputes team will also work with chargebacks. In the case of a chargeback, the funds are taken immediately from the ProPay account of the merchant and returned to the credit card issuing company. There is a non-refundable default fee of \$15 assessed to the account for each chargeback.

Once the money has been returned to the original customer, the merchants can dispute (or represent) the chargeback within 30 days of the original chargeback date. This process will allow the merchant to attempt to prove that the original charge was legitimate and accepted by the customer.

To represent a chargeback, a merchant needs to email the following to resolutions@propay.com:

- Documentation showing the purchase, for example:
 - Signed sales ticket
 - Signed receipt
 - Signed delivery ticket
 - Emailed communications with the customer
- A letter signed by the merchant stating his/her claim that the charge was indeed legitimate

With this information, our disputes team will act as a liaison between the merchant and the card-issuing bank to represent the chargeback.

Collections

If an account becomes negative due to a refund or chargeback, ProPay’s collections department will notify the merchant via email. In this case, the merchant is required to transfer funds into their bank account from their checking account to make up the difference. However, if they do not start this process within a few hours of the account going negative, ProPay’s collections department will simply seize those funds from the checking account on record. If the amount is a fairly large one, the collections department will take portions of it (generally ½ or ¼) instead of taking the entire amount at one time. Merchants can email collections@propay.com to work out a specific payment plan or to protest those debits. Please be aware that when ProPay seizes money from a merchant’s checking account, it generally takes 2-4 weeks to be deposited into the ProPay account.

Limits

ProPay Risk sets processing limits in place to protect our clients and ourselves from fraud. There is a per transaction limit and a monthly limit that is set for each tier. The default limits are \$500 per transaction, and \$3000 monthly (often seen as \$500/\$3000.) If underwriting needs to be done for a specific client, ProPay’s underwriting team will decide what limits are necessary for that client.

The per transaction limit is the maximum amount that a merchant can charge one customer at a time. Please keep in mind that breaking up one transaction into multiple transactions to stay under the limit (also known as “splitting transactions”) is against ProPay’s policy, and can result in a hold on the account, or in extreme cases, closing the account down.

The monthly limit is the maximum amount that a merchant can process in one month.

If a merchant is about to exceed his or her limits, the transaction will decline. The merchant can contact ProPay’s limits department via phone at 866-573-0951 or via email at limits@propay.com to be granted a one-time increase in these cases.

If a permanent increase is necessary for a specific merchant, an email will need to be sent to limits@propay.com to request that change. It is recommended to include the amount that the merchant believes is reasonable for limits. When this happens, ProPay’s limits team will review recent processing, and in some cases, they may ask for additional documentation. If a drastic increase is necessary, ProPay’s Risk Team may place a reserve on the account. If this is the case, the merchant will be notified before the reserve is placed.

A soft limit will allow the merchant to process over their limit, but the ability to transfer funds to a bank account will be turned off. For example, if limits are set at \$500/\$3000, and the tier that the merchant is under has the soft limits feature, a \$600 transaction can be charged, but the money in the ProPay account will temporarily be held in the account, and an email will be sent from customerservice@propay.com to the email address on file to notify the merchant. When a merchant receives this email, he or she should respond to limits@propay.com and cc accountmanagement@propay.com so the hold can be removed. The ProPay Limits team may be able to simply remove the hold. On occasion, they may ask the merchant to provide specific documentation regarding the large transaction before removing the hold on the funds.

Resolutions

ProPay’s Resolutions team will watch out for suspicious transactions posted by merchants. If there is a transaction that they deem “suspicious”, they will flag that transaction and request more information from the merchant in order to see that it was legitimate. This information may be similar to the information asked in the case of a chargeback: a signed sales ticket, sales receipt, delivery ticket or emailed communications with the customer. If the merchant cannot provide this information, the merchant may be required to refund the transaction in question.

The Resolutions team may place a hold on a merchant’s account at the time a transaction is flagged, or they may place the funds from that transaction in a reserve until the issue is resolved. All communication from this department will be via email, but the merchant can feel free to contact ProPay’s customer service via phone at 866-573-0951 if he or she chooses to.



For more information on how the flexible services of the ProPay Payment Network can help your organization reach its objectives, please call 1-888-227-9856 or visit www.propay.com.