Retrieval Requests:

What is a Retrieval Request?

A retrieval request is a precursor to a chargeback (and something that we hope to prevent chargebacks with). A consumer does not recognize a charge and contacts the credit card company asking what the charge is. The credit card company will then contact ProPay and ask for proof that the charge was legitimate or they will charge it back 30 days from the request date.

What steps will ProPay take?

Should there be a sufficient available balance, we will take the amount of the single transaction being questioned, put it into a reserve and leave the remainder of the account functioning as normal. Should there not be a sufficient available balance, and ACH hold will be placed in the account, shown by a "-CK HOLD" type transaction in the pending reports any time a transfer is attempted.

The merchant is notified when a retrieval request is initiated against his or her account via email and is given a specified number of days (the exact time varies depending on the card type) to respond or the transaction will be charged back. If we have taken a reserve for the amount, we will refund the transaction after that specified number of days if the merchant does not respond to avoid a chargeback.

What can the merchant do?

The information required to answer a retrieval request is different from a simple ACH hold. For a retrieval request, the merchant needs to provide actual documentation supporting the charge (preferably something signed by the customer, such as a receipt, delivery ticket, etc.) It is also requested for the merchant to provide a letter, signed by him/her stating his/her claim that the charge was indeed legitimate and listing the services rendered or products sold.

Chargebacks:

What is a Chargeback?

A chargeback occurs when a consumer does not recognize a charge on his/her credit card, calls the credit card company and disputes the charge, demanding a refund.

What are the next steps?

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.

What can the merchant do?

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

How long does it take?

It can take up to 60 days from the date the documentation is submitted to the credit card company to hear back from them regarding the representment.

What happens if there aren't enough funds in the ProPay account?

If the chargeback causes a merchant's account to have a negative balance, they are 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 chargeback being taken, 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.

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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.