

Purchase Return Requirements Will Be Updated in the Visa Rules

Global | Acquirers, Issuers, Agents



Overview: Effective 13 April 2019, the Visa Rules will be updated to clarify merchant requirements for processing purchase returns.

Visa recently announced new requirements to support the authorization of credit transactions for purchase returns / refunds. In response to client feedback, Visa is further clarifying requirements for processing refunds in the following scenarios:

- The Visa account number that undertook the original sale is no longer available.
- A transaction receipt or other proof of purchase from the original sale is missing.
- An authorization request for a credit transaction to the original Visa account number or an alternate Visa account number is declined by the issuer.
- Other scenarios when the merchant is permitted to provide a refund via other means (e.g., cash, check, in-store credit, prepaid card).

Mark Your Calendar:

- Updated purchase return requirements effective **(13 April 2019)**

Effective 13 April 2019, revisions to the Visa Rules¹ to clarify and update credit refund processing requirements will:

- Confirm that a merchant must first attempt to process a refund (credit transaction) to the same Visa account that was used for the original purchase transaction.
- Clarify the circumstances under which a merchant may choose to process the refund onto a different Visa account (along with proof that the original sale took place on a Visa account), as follows:
 - The original account is no longer available or valid (e.g., the original card has been replaced due to expiration or being reported lost / stolen, or was a Visa Prepaid card that has since been discarded).
 - The authorization request for the credit transaction was declined.
- Clarify the scenarios where a merchant is permitted to offer an alternate form of credit (cash, check, in-store credit, prepaid card, etc.) when a refund cannot be processed to the original Visa account or to an alternate Visa account, because of one or more of the following conditions:
 - The cardholder does not have a receipt or other proof of purchase from the original sale.

- The refund is made to a recipient of a gift (instead of to the cardholder who made the original purchase).
 - The original sale took place on a Visa Prepaid card, which has since been discarded.
 - The authorization request for the credit transaction was declined.
- Clarify that a refund to a Visa account must only take place when the original purchase took place on a Visa account, i.e., if the original purchase was made with a non-Visa method, such as cash or a non-Visa general purpose payment card, then the credit transaction should be an original credit transaction.
 - Remove the requirement for a merchant to identify the original sale on the refund transaction receipt.
 - Globalize the existing regional rules requiring refunds to be processed within five calendar days from the transaction date.

None of these changes affect a merchant's ability to establish its own refund / return policy, which includes the ability to refuse or restrict refunds, returns, cancellations or exchanges, provided that the policy is disclosed to the customer at the point and time of purchase (ID#: 0008771).

¹ Revisions to the Interlink Rules will also be made to align with the Visa Rules.

Additional Resources

Clarification of Purchase Return Requirements (Advance Copy)

"New Implementation Dates for Purchase Return Authorization Messages," Visa Business News, 20 July 2017

"New Purchase Return Authorization Messages Will Be Implemented," Visa Business News, 25 August 2016

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

For More Information

AP, Canada, CEMEA, LAC, U.S.: Contact your Visa representative. Merchants and third party agents should contact their issuer or acquirer.

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

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