



# Expanding trust in digital payments: Compelling evidence 3.0

In response to the unparalleled growth of digital commerce, Visa is making changes to the requirements for the type of evidence a business may submit to resolve customer disputes.

Visa **CNP sales grew 51% and disputes grew nearly 30% globally.**<sup>1</sup> Many of these disputes are thought to be inaccurately categorized as fraud and may truly be the result of [friendly fraud](#), or more appropriately named first-party misuse.



**THESE CHANGES WILL GO INTO EFFECT ON APRIL 15, 2023.**

Data exchange between merchants and issuers to identify trusted customers is key to securing payments in today's digital commerce environment. To further support the benefits of data exchange and help to mitigate fraud for all ecosystem participants, **we enhanced the compelling evidence rules for card-not-present (CNP) fraud disputes that will create a more trusted payments ecosystem for sellers, issuers, and cardholders.**

## What you need to know about the changes

### Compelling evidence benefits

- Dispute deflection prevents illegitimate fraud disputes from being submitted – when utilizing Order Insight
- Lower or Better fraud ratios
- Lower Dispute Ratios
- Cost down on dispute operational cost
- Full visibility into bad actors or repeat offenders

**COMPELLING EVIDENCE 3.0 (CE3.0)**

is a rule based on proof that the cardholder participated in a CNP transaction. Enhanced CE 3.0 criteria will apply to Card-Not-Present Fraud Disputes (reason code 10.4)

### Compelling evidence qualification criteria

- Minimum of **two transactions on the same payment method** that settled at least 120-365 days prior to the dispute date. Transactions previously disputed or reported as fraud are not eligible.
- AFT Disputes may use **OCTs between 0-354 days** to establish footprint. Non-OCT will remain at 120-365 days.
- At least **two of the core data elements** matches between prior transactions and one of the two must be either IP address or Device ID/Fingerprint.

### Core data elements

- User ID
- IP address
- Shipping address
- Device ID/Fingerprint

An example of a dispute with qualifying criteria to meet CE3.0 protection requirements can be found below:

June 25 <sup>th</sup> PAN xxxx-1820	July 13 <sup>th</sup> PAN xxxx-1820	Nov 15 <sup>th</sup> PAN xxxx-1820	Nov 18 <sup>th</sup> PAN xxxx-1820
User ID andrewm@visa.com	User ID andrewm@visa.com	User ID andrewm@visa.com	<b>Cardholder disputes the 11/15 transaction as fraud</b>
IP address 104.220.156.98	IP address 104.220.156.98	IP address 104.220.156.77 ✗	
Shipping address 900 Metro Center Blvd.	Shipping address 900 Metro Center Blvd.	Shipping address 874 West St. ✗	
Device ID 041C226BBD5A8002 0040105118304404 DBC766E415837001	Device ID 041C226BBD5A8002 0040105118304404 DBC766E415837001	Device ID 041C226BBD5A8002 0040105118304404 DBC766E415837001	
			<b>2 of 4 data elements match across transactions: Qualified for protection</b>

## How to meet Visa's compelling evidence requirements

### Pre-dispute

**Facilitated through Verifi's Order Insight solution, participating sellers can provide purchase details to issuers in an attempt to deflect a transaction in question (pre-dispute) from becoming a dispute**

- Visa will pre-select up to 5 transactions that have no active fraud/dispute and >120 and up to 365 days, for Visa . AFT disputes may use OCTs between 0-365 days
- Seller can respond to Order Insight request with CE3.0 data elements
- If criteria are met, pre-dispute will be blocked and liability for the transaction will stay with issuer

### Post-dispute

**Aligning with existing pre-arbitration process, sellers will work with acquirers to submit transaction data elements in attempt to illegitimate fraud disputes**

- Seller will work with acquirer to complete pre-arbitration questionnaire with CE3.0 data elements
- Seller will select the historical transactions applicable (Not provided by Visa)
- If criteria are met, the seller/acquirer response will be deemed successful, fraud dispute amount will be reversed

## Visa is here to help you

Contact your Visa account executive if you want to learn more about compelling evidence and how to meet qualification and ensure data is securely stored for the specified timeframes.

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