

# ARC Pay Dispute Information and FAQs

## FOR TRAVEL AGENCIES

Updated: July 14, 2020

During this challenging time in the travel industry, the ARC Pay operations team and Customer Care Center are experiencing much higher call volumes, so wait times are longer than usual. In an effort to expedite the influx of disputes travel agencies may be experiencing, ARC is providing this key information to assist agencies as they navigate these volatile times.

**If you have not already done so, please sign up to receive chargeback notices via email to avoid any delays. Send an email to [arcpaydisputes@arccorp.com](mailto:arcpaydisputes@arccorp.com) and include your travel agency's ARC Number(s), as well as the names and email addresses of each person(s) you would like to receive these notices.**

### Chargeback/Inquiry Process by Card Brand

When a cardholder dispute occurs, the issuer of the credit card pushes either an inquiry or chargeback, depending on the card brand. The following details outline the process specific to each major card brand.

- **Visa** and **Mastercard** do not have an inquiry process. Therefore, all disputes are labeled as a chargeback. Funds are immediately debited from ARC which, in turn, passes this on to the agency that processed the original transaction. The dispute will include a specified date by which ARC is required to respond.
- **American Express** issues an inquiry and gives a specified date to respond. If ARC does not respond, it would turn into a chargeback.
- **Discover Card** will issue an inquiry and give a specified date to respond. If ARC does not respond it would turn into a chargeback.
- **UATP** will issue an inquiry prior to issuing a chargeback.

### Steps to Respond to an Inquiry/Chargeback

When a travel agency receives a notice via email (or by the U.S. Postal Service), there are instructions on how to provide required supporting documentation.

The following bullets will ensure ARC is provided key documentation needed in a timely manner:

- Send any and all documentation based on the reason code/descriptor on the notice, including an explanation about the charge and any applicable information or story that might help.
- Respond to the inquiry or chargeback by the "reply by" date on the notice.
- Chargeback reversals are processed every two weeks. When this occurs, the travel agency will receive a notice and funds will be wired to its account.

## Important Information

- The decision on whether a chargeback is reversed is determined by each card brand, not by ARC.
- All “reply by” dates are set by the card brands, not by ARC. Documentation submitted after the “reply by” date will not be accepted.
- Status updates will be available one to two weeks after the “reply by” date.

## Additional FAQs:

- 1. How can travel agencies mitigate the number of chargebacks received?**

ARC recommends that travel agencies find all possible ways to proactively contact customers to inform them of the agency’s policy around credits and refunds. During these times when customers may not be able to directly speak with a travel agency, and no communication is forthcoming, the chargeback path becomes the easier path.
- 2. How can the customer decide to issue a chargeback without contacting the travel agency first?**

Credit card brands handle disputes and chargebacks depending upon the situation and the information they’ve been given by the cardholder. They aren’t always required to contact the merchant first.
- 3. Why does ARC allow this when it may not be the travel agency’s fault?**

ARC has to abide by the same credit card brand rules and regulations that all merchants follow. When a credit card brand issues a chargeback to ARC on a transaction that was issued by a travel agency, it is obligated to pass that debit along per the ARC Pay processing agreement.
- 4. If a cardholder charges back the ARC Pay transaction, have they also charged back the airline ticket associated with the fee?**

The ARC Pay operations team does not have direct insight into that. Agencies are advised to check Memo Manager for related debit memos or, for assistance, contact ARC’s Customer Care Center via email at [cchelp@arccorp.com](mailto:cchelp@arccorp.com) or via phone at 855-816-8003.
- 5. Is there an option for the travel agency to respond before its account is debited on a Visa/Mastercard dispute?**

ARC does not have control over this process. As disputes are processed by the consumer with their credit card issuer, the debit for the original transaction passed from processor to ARC and, ultimately, the travel agency.
- 6. Does my travel agency automatically lose a chargeback if only part of the documentation is submitted the first time, and additional documentation is sent after the “reply by” date?**

No. If a travel agency has provided ARC with documentation, the dispute will remain open. If ARC finds that additional information is needed, a member of the ARC team will contact the travel agency directly and push documentation on to the card brand.
- 7. If a travel agency uses ARC Pay for service fees as well as other travel-related transactions, is there a difference in what documentation the agency should provide?**

Yes. Travel agencies should tailor their documentation to address the reason for the chargeback. Please review the reason code for the chargeback and provide documents that speak to why a credit is not due as it relates to each individual situation.
- 8. If a travel agency receives a chargeback, should it process a refund for it?**

No. Processing a refund on a chargeback simply credits the customer twice: Once from the chargeback and once from the refund. In this instance a travel agency would then be out double the funds until the chargeback can be reversed by the issuer.

**9. What are arbitration fees and am I liable for paying them?**

An arbitration fee is a fee levied by the credit card brands (not ARC) when a transaction is disputed multiple times by the cardholder but the merchant continues to contest the dispute. In these cases the card brands will allow the merchant to contest a disputed transaction more than once with the understanding that should the matter again be decided in favor of the cardholder, the merchant will be responsible for paying an arbitration fee, which is generally \$500, but could be more in some cases. Pursuant to section 10.1.5 of the [ARC Pay Agreement](#), ARC Pay users agree to pay fees that are levied upon ARC by a third party.

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**Have additional questions about how to manage ARC Pay disputes?  
Contact ARC at [arcpaydisputes@arccorp.com](mailto:arcpaydisputes@arccorp.com).**