



Chargeback Management FAQs

For Airlines and Travel Agencies

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In recent weeks, ARC has been working closely with agents, airlines and payment card companies to monitor the impact of COVID-19 on the industry related to dispute and chargeback management.

The industry is seeing a significant increase in service- and refund-related disputes compared to the typical fraud-related chargebacks. These “Terms and Conditions” related disputes need to be handled differently than typical fraud disputes, so ARC is providing the following FAQs. These will be updated as the situation continues to evolve.

FAQs for Airlines

What are the expectations for airlines when they receive a service- or refund- related dispute (a.k.a. “Terms and Conditions” related dispute), for an agency-issued transaction?

With fraud disputes, airlines frequently have the information required to remedy a dispute in the form of a flight manifest that shows whether the cardholder took the flight. For Terms and Conditions related disputes, it is very important that the agency is aware of the dispute as soon as possible so they can reach out to their customer directly in an attempt to address it. If the agency is unable to address it with the customer, the key piece of information required to defend a service- or refund-related dispute is proof that the Terms and Conditions were disclosed . To obtain this, the airline should request this proof from the agency and forward it to the credit card company in an attempt to reverse the dispute.

How can an airline reduce the volume of chargebacks?

The best way to avoid chargebacks is to provide the customer with a satisfactory resolution when they contact the airline. If the customer doesn’t get what they need from the merchant, they are more likely to contact their card issuer for resolution in the form of a chargeback.

Where can I get email addresses for chargeback contacts within an agency?

The ARC Carrier Dashboard allows airlines to access contact information for agencies, including chargeback contact information. If a chargeback contact isn’t available, this means the agency hasn’t designated one, so the airline is encouraged to email the primary agency contact.



FAQs for Travel Agencies

How can agencies reduce chargebacks in this rapidly changing environment?

The best thing an agent can do is proactively support their customers and work with them to find a satisfactory solution before they initiate a chargeback. This is easier said than done, given the volume of customers that have been impacted, but this customer outreach is likely to reduce chargebacks.

What should agents provide to the airline when they receive a service- or refund-related cardholder dispute?

First, agencies should ensure their chargeback contact information is updated in My ARC. Airlines can use this information to contact the right person at the agency when a dispute is received. Users of ARC's Accreditation Tool can update their agency's contact information by signing into My ARC. If your agency has not provided contact information for specific roles (including chargeback contact, debit memo contact, operational contact, manager contact and owner/officer contact), you will see a pop-up window prompting you to enter this information. To update existing contact information, go directly to the Accreditation Tool, and under the Account Summary page, navigate to the upper right corner and click on **Manage Agency Contacts**.

Next, provide the airline with the Terms and Conditions that were disclosed to the customer at the point of sale. This may include basic information about whether or not a ticket is refundable or exchangeable, and detailed information about passenger rights when there are interruptions in service or flight cancellations.

For "refund not received" disputes, the expectation is that the Terms and Conditions disclosure information will deflect the chargeback when the passenger received credit for future travel on a non-refundable transaction when the flight was not cancelled.

Should I initiate a refund when I receive a dispute?

No. Do not initiate a refund when a dispute is received. The risk in initiating a refund after the dispute is received is that the customer could receive the credit for the chargeback and another undue credit for the refund.

Have additional questions about how to manage chargebacks?

Contact the ARC team at creditcardservices@arccorp.com.