

December 2, 2011

PCard-13-2011: Disputes & Fraud Process/Instructions for Cardholders

This information is being sent on behalf of Felando (Phil) Johnson, Program Manager, Charge Card Service Center Program Office.

Agency Program Coordinators (APCs),

As a follow-up to the Purchase Policy Training at the 2011 GSA Conference, the CCSC has put together detailed instructions for you to share with all Cardholders on how to handle fraud and dispute transactions.

It is very important that these instructions are shared with all USDA Charge Card Program participants and that the process guidelines listed are followed in compliance with program policies.

- **Defining Fraud** - Fraud is defined as third party unauthorized use of a card. Common fraud situations include:
 - Swiped transactions after the card is lost or stolen.
 - Internet charges at sites where the Cardholder has not made a purchase.
 - A swiped transaction appearing out of the Cardholder's home area and the Cardholder still has their card (counterfeiting).

- **Reporting Fraud - Contact Government Services at 888-994-6722.** Your account will be closed, transferred to a new number, and a new card will be issued.
 - The Service Advisor transfers the customer to **U.S. Bank's Fraud Department (800-523-9078)** where they will review the current activity on the account with the Cardholder.
 - The Fraud Representative will initiate the case by marking the authorizations and/or transactions that have posted to the account that are believed to be fraudulent transactions.
 - A **'Statement of Fraud' (SOF) form** will be generated based on the posted fraud transactions and mailed out within three (3) weeks of the call.
 - If the case is started on authorization activity and the transactions never post, a SOF letter will not be generated and the case will be closed.
 - If additional fraud transactions are posted after the original SOF is generated, the Cardholder can add to the form before they send it back to U.S. Bank. If the form has already been sent in, then the Cardholder should complete an **'Add Fraud' form** and submit it to U.S. Bank's Fraud Department.

- **Items to Remember with Fraud**
 - **Fraud cases cannot be initiated in Access Online (AXOL);** they **must** be initiated over the phone with U.S. Bank Customer Service.
 - The card will be closed (FR – FRAUD) upon the U.S. Bank Fraud Representative's conversation with the Cardholder confirming that the transactions are fraudulent.
 - A new card will be issued and the Cardholder **must** add the new card account number to his/her **User Profile Summary → Account Assignments**, to manage the account.

- If the fraud charges post to your new card, you will receive a credit to your new account and a 'Statement of Fraud' (SOF) form will be sent to you to confirm that you did not authorize those transactions.
- If the fraud charges post to your new card and no credit is given, the Cardholder must contact the U.S. Bank Fraud Department to have the credit added.
 - **NOTE:** Credits are not immediate and can be made up to 10 days after the case is started.
- If no fraud charges post to your new card or no credit is given, then either:
 - The fraud authorizations never became posted transactions and the case is closed as a "zero loss" case.

OR

- The fraud transactions posted to the old card account after the account was closed and transferred. Since the fraud transaction never appeared on the statement to be paid, the bank leaves it on the fraud account to be worked.
- **IMPORTANT:** The Statement of Fraud (SOF) form will need to be completed and returned to U.S. Bank's Fraud Department by the due date on the letter.
 - **NOTE:** *If the signed SOF is not received by the bank, the new account will have the charges reapplied and the Cardholder will be liable to pay for them.*

- **Defining Dispute Cases** - Dispute situations are defined as a disagreement between the merchant and the Cardholder, where the Cardholder is asking for their Issuer's assistance. Some of the more common reasons for disputing transactions are:
 - Merchandise or Service **not received** within 30 days from posting date
 - Merchandise Returned
 - Duplicate Processing
 - Unrecognized
 - Other dispute types not listed above
- **Instructions for Disputing a Sales Transaction** - Before disputing or questioning a charge on the 'Transaction Management List,' please validate that you have taken the following actions:
 - Review receipts for the amount in question as it may have posted to the 'Transaction Management List' with a different **Merchant Name** or with a different amount.
 - Attempt to contact the Merchant to resolve the issue.
 - If neither you nor anyone authorized to use the card recognize the transaction as one you participated in, please call **U.S. Bank Government Services at 1-888-994-6722**, where they will assess the proper action to be taken including initiating a dispute or fraud case.
- **Initiating a Dispute Case** - If you still desire to dispute the transaction after attempting to contact the merchant and verifying your receipts, choose one of the following options to initiate a case:
 - Fill out the dispute interview on Access Online (AXOL), explaining the reason for filing the dispute and the transaction information.
 - Contact U.S. Bank Government Services at 1-888-994-6722.

- Complete the ‘**Cardholder Statement of Questioned Item’ (CSQI)** form and send via fax or email to U.S. Bank. The CSQI can be found on U.S. Bank’s website:
http://www.usbank.com/cgi_w/cfm/inst_govt/products_and_services/pdf/Forms2008/civilianForms/purchaseCard/CSQIFORMv3.pdf

- Submit a detailed letter explaining the reason for filing the dispute and the transaction information. The letter should include the Cardholder account number, contact information, supporting documentation, the date you contacted the Merchant, and details. The form must be mailed or faxed to one of the following below:

Mail to:
U.S. Bank Dispute Department
P.O. Box 6335
Fargo ND 58125-6335

OR

Fax to:
Fax: 866-229-9625
Attn: Dispute Department

- **Time Frames for Dispute Cases**

- If you wish to dispute the transaction using the automated process in Access Online, you **must** do so **within 30 days from the transaction posted date.**

Otherwise, you must select from one of the other dispute options listed above.

- **All billing dispute cases need to be initiated within 90 days from date the transaction posted to the account.**

- If you wish to initiate a case that is beyond the 90-day timeframe you may still attempt the case by calling U.S. Bank Government Services, by mailing in a letter, or by faxing a letter to the contact information listed above.

- **What will happen after the dispute case has started?** Once the request to initiate a dispute is received by U.S. Bank, a variety of steps will occur:

- The amount of the transaction will be suspended.
- You will receive communications regarding the status of your claim and requests for additional information. **NOTE:** Many of these letters are **time sensitive** and **require a Cardholder response.**
- Since disputes are governed by Visa and MasterCard Regulations, all disputes require that certain criteria must be met in order to pursue dispute rights.
- If all requirements are met, U.S. Bank will attempt to return the charge (chargeback) to the merchant. If this occurs you will receive a provisional credit for the disputed amount on your account and the suspension will be lifted.
- The merchant has an opportunity to respond (represent) through Visa and MasterCard. If this happens you may be required to provide an updated response to the merchant’s rebuttal.
- You will be notified if additional information is needed.
- If the claim is resolved in your favor your provisional credit will remain on the account as a permanent credit. However, if the claim is not resolved in your favor the charge will be reposted to the account.
- Dispute cases may be very complex and are not guaranteed to be successful. U.S. Bank is required to follow Visa and MasterCard regulations for disputes.

▪ **What if I have questions?**

• **Initial dispute cases:**

- Contact U.S. Bank Government Services at 1-888-994-6722.
- Send an email to the CCSC, if additional assistance is required.

• **Existing dispute cases:**

- Contact U.S. Bank's FDSS Team at 1-800-815-1405 (This number is for 'existing' fraud or dispute cases only).
- If assigned to a case processor you may contact them directly at their extension.
- You may also call Government Services, using the number on the back of your card. They will connect you with the appropriate dispute representative.

Additional information on U.S. Bank Guidelines for transaction disputes for Purchase, Fleet, and Travel, can be viewed at:

http://www.usbank.com/cgi_w/cfm/inst_govt/products_and_services/pdf/Guides2008/civilianPurchaseCard/03ALLCARDS_TDO_11-17-08%20_Opt.pdf.

If you have any questions on this process, please email the CCSC at CCSC@DM.USDA.GOV.

Thank you!