



WorldPay Chargeback Process: DMV Accounts

Background:

Credit Card industry rules require merchants to not enable debit block. This enables the processors to debit an account for chargeback transactions when needed.

Some Counties' financial management policies require that debit block be enabled. In this case, a chargeback situation cannot be handled through the county's own bank account.

To assist with chargeback handling, Texas.gov established a single, central account against which WorldPay will debit all Counties' Vehicle Registration chargebacks. Texas.gov will invoice the respective County for each chargeback debited to this Texas.gov account.

Chargebacks vs. Refunds

A **refund** is initiated by the County, and is therefore understood by the bank to be authorized. The current refund procedure does not change. They are still handled the same way.

A **chargeback** occurs when a customer reports fraud on the credit card used for the transaction, or when there is an unresolved problem with the transaction. For example, if a customer claims to not have received a registration sticker, he may use the credit card process to dispute the charge and seek return of the funds.

Chargebacks based on fraud reports may occur right away. Chargebacks based on disputes begins with a letter to the County, requesting information to be used in settling the dispute.

Unresolved disputes and fraud reports result in a chargeback – a debit to the account that is not initiated by the County.

When the County receives the chargeback letter, they may research the transaction, and decide to refute the chargeback, or allow the chargeback to process. The county will see the financial impact of the chargeback in their bank account only after paying the invoice from Texas.gov. Until the Texas.gov invoice is paid, the county will retain the funds that are in dispute, even though financial reports from Texas.gov include the chargeback amounts.

If a County is still disputing a proposed chargeback, and receives notice that the chargeback has processed, Texas.gov will work with the county to address the item. If the County pays a chargeback invoice and the funds are later returned to the Texas.gov account, Texas.gov will reimburse the County for the returned amount.

Process:

- WorldPay receives a chargeback notification from a credit card issuing bank.
- WorldPay appends a cover letter to the chargeback notification and mails the notification to the County to dispute the claim.
- WorldPay reviews the information provided and determines if a chargeback is appropriate.
- If WorldPay initiates a chargeback transaction:
 - WorldPay withdraws the chargeback amount from the Texas.gov central account.
 - Texas.gov identifies the County and transaction related to the chargeback.
 - Texas.gov invoices each County that has a chargeback. Invoices go out at least monthly but no more often than weekly for these transactions. (Timing of invoices is at Texas.gov discretion, based on chargeback volume.)
 - Texas.gov sends an invoice electronically to the County chargeback contact.

Tools for Balancing:

- Bank Statement – The county's bank statement will show the total Discover/MasterCard/VISA amount deposited by WorldPay to the County. Any chargeback debits processed through the Texas.gov account will not reduce the Discover/MasterCard/VISA deposit to the County. AMEX will be a separate deposit on the county statement.
- Batch Summary – This report will display the chargeback requested by the consumer. While the total amount displayed is reduced by the chargeback amount, the deposit received by the County will not include the chargeback reduction. The chargeback debit was sent to the Texas.gov account and reported as a separate line item on the Batch Summary Report.
- Net Revenue Detail – This report will also display the chargeback requested by the consumer so Net Revenue Detail is in balance with the Batch Summary Report. Likewise, however, the deposit received by the County will not include the chargeback reduction, since the chargeback debit was sent to the Texas.gov account.
- WorldPay Chargeback Notification – WorldPay will mail a copy of the Chargeback Notification regarding the individual requests for chargebacks directly to the County.

Balancing Example:

Note: The County will retain the Chargeback amount until the invoice is paid. Until paying the Texas.gov invoice, the County will have cash on hand that is greater than the Batch Summary and Net Revenue Detail reports show:

Item	MC/VISA/DISCOVER Deposit	MC/VISA/DISCOVER Chargeback Amount	AMEX Deposit	Total
Bank Statement	\$1,000	\$ 0	\$500	\$1,500
Batch Summary Report	\$1,000	\$ (100)	\$500	\$1,400
Net Revenue Detail	\$1,000	\$ (100)	\$500	\$1,400
Texas.gov Invoice	N/A	\$ 100	N/A	\$ 100

Invoice Documentation to Counties:

- Texas.gov invoice
- Screen print of transaction, showing the county, Vehicle License number, transaction dates and reason:

Quick Search

Search Criteria

Search type: Order Id Criteria: 33069456 * Go

County

Order Details

General Information

Order ID: 33069456
 Reference ID: CVRCY9T51646V
 Merchant Code: TXVR043 - Collin Cnty TX
 Processor Name: 2043 WP CC Processor
 Service Code: 2043 - Collin Cnty VehReg
 Order Date: 07/14/12 06:53 PM
 Status: COMPLETE

Customer Information

Username: CY9T516
 Contact Name:
 Phone Number:
 Phone Number 2:
 Email Address:
 IP Address:
 Mailing Address:

Order Items

Order Total: \$65.25

Invoice

Invoice ID: 30198044 Date: 07/14/12 12:00 AM Total Amount: \$65.25 Admin User: System

Invoice Items

SKU	ID	Instance ID	Description	Unit Price	Quantity	Extended Price
1	35711176		VEH. REGIS. REN FEE	\$65.25	1	\$65.25
Invoice Total:						\$65.25

Transaction History (Click on Id for details)

ID	Type	Date	Implement	Amount	Status	Batch Date	
45017920	AUTH	07/14/12 06:53 PM	CREDIT CARD	\$65.25	SUCCESS		Show Details
45018006	PAYMENT	07/14/12 06:53 PM	CREDIT CARD	\$65.25	SUCCESS	07/14/12 12:00 AM	Show Details
47149538	RETURN	08/01/12 11:02 AM	CREDIT CARD	\$65.25	SUCCESS	08/01/12 01:00 AM	Hide Details

Reference: 27 Auth Code:
 AVS RC: CVV RC:
 Failure Code: Failure Msg: Fraudulent Transaction - Card Absent Environment
 Name: Account: VISA *
 Address:

License #

Reason

Conference Call Schedule

Texas.gov has scheduled conference calls to review the updated chargeback and reconciliation processes. Below is the schedule for calls discussing chargebacks and reconciliation:

- October 2, 2012 – 1:30 p.m.
- October 3, 2012 – 10:30 a.m.
- October 4, 2012 – 10:30 a.m.
- October 5, 2012 – 1:30 p.m.

Please go to ReadyTalk.com, and enter access code 6519817, to view the discussion. Please dial 1.866.740.1260, and enter access code 6519817, to hear the discussion.