

Visa Travel and Entertainment Rules Update

Effective October 16, 2015, Visa will modify rules for travel and entertainment transactions and merchants with similar practices.

Expansion of Guaranteed Reservations

- Guaranteed reservations ensure that when made with a Visa card the cardholder's reservation will be honored while also allowing the merchant to charge a no-show fee for reservations not canceled by the cardholder. Guaranteed reservations are currently defined only for hotels and specific U.S. region car rentals.
- The rule changes will extend guaranteed reservations to include T&E and most other rental categories (e.g. equipment, bicycles), trailer parks and campgrounds when a guaranteed reservation is made using a Visa card.

Merchant Requirements for Guaranteed Reservations

Effective 16 October 2015

If a Merchant accepts a Guaranteed Reservation, the Merchant must do all of the following:

- Be one of the following Merchant types:
 - Lodging
 - Car rental
 - Aircraft rental
 - Bicycle rental
 - Boat rental
 - Equipment rental
 - Motor home rental
 - Motorcycle rental
 - Truck and trailer rental
 - Trailer park or campground
- Provide disclosure of reservation conditions to the Cardholder at the time of the reservation. If the reservation was made by telephone, the Merchant must send to the Cardholder a written reservation confirmation containing all required disclosures within 24 hours of the reservation.
- Provide to the Cardholder a period of at least 24 hours after delivery of the reservation confirmation to cancel the reservation without penalty
- Hold the reservation for at least 24 hours after the agreed start time unless the Cardholder cancels the reservation by the time specified in the Merchant's cancellation policy
- If the Cardholder claims the reservation within 24 hours of the agreed start time, and the Merchant has failed to hold the reservation, provide at no cost to the Cardholder comparable accommodation, merchandise, or services, and pay for associated costs, or as otherwise agreed by the Cardholder, until the reserved accommodation, merchandise, or services become available
- Process a No-Show Transaction only if the Cardholder has not properly canceled the reservation according to the disclosed and agreed cancellation policy and has not claimed the reservation

Conditions for Assessing Amended Amounts or Delayed Charges Effective 16 October 2015

A Merchant may process a Transaction evidencing an amended amount or delayed charge, only as follows:

	Amended amounts	Delayed Charges for Loss, Theft, or Damage	All Other Delayed Charges
Eligible Merchant types	Aircraft rental • Bicycle rental • Boat rental • Car rental • Cruise line • Equipment rental • Lodging • Motor home rental • Motorcycle rental • Trailer parks and campground		
The charge must	Be directly related to both of the following: <ul style="list-style-type: none"> • The merchandise or services provided by the Merchant to the Cardholder (for example: for a Car Rental Merchant, insurance or rental fees) • A Transaction in which the Cardholder participated 	Comply with all of the following: <ul style="list-style-type: none"> • Be directly related to the merchandise or services provided by the Merchant to the Cardholder during the rental period • Be the actual cost for replacement/repair of damage to the Merchant's property or for an insurance deductible, whichever is less • If a prepayment, not be used to pay for damage, theft, or loss of use 	Be directly related to both of the following: <ul style="list-style-type: none"> • The merchandise or services provided by the Merchant to the Cardholder (for example: for a Car Rental Merchant, tolls or parking tickets) • A Transaction in which the Cardholder participated
To support the charge, the Merchant must provide to the Cardholder :	The amended Transaction Receipt	Within 10 business days of the rental return, check-out, or disembarkation date, and before processing any additional Transaction, documentation that does all of the following: <ul style="list-style-type: none"> • Explains the charge and connects the charge to the Cardholder's use of the merchandise or services during the rental period • Includes any accident, police, or insurance report • For damage to a rental car or truck, provides at least 2 quotes from entities that are legally permitted to perform repairs • Specifies the portion of the damage or loss that will be paid by insurance and the reason that the Cardholder is liable for the amount claimed 	Both of the following: <ul style="list-style-type: none"> • The Transaction Receipt for the delayed charge • An explanation of the charge

		<ul style="list-style-type: none"> Informs the Cardholder that payment for loss or damage with the Cardholder's Visa Card is optional and not a required or default payment option 	
The Cardholder must expressly approve the charge before the Merchant processes the Transaction:	No, unless required by applicable laws or regulations	Yes. The Cardholder must expressly agree in writing to pay the specific charges after the damage has occurred and after receiving all required disclosures and amounts from the Merchant.	No
The Merchant must process the charge within:	24 hours of check-out or rental return	90 Calendar days of the rental return, check-out, or disembarkation date	

As a result of the Visa T&E rules update, Visa will modify chargeback reason code 85 "Credit Not Processed"

Reason Code 85-"Credit Not Processed"

- Visa rules will provide merchants with more defined chargeback remedies for reason code 85-Credit Not Processed in scenarios where proper cardholder disclosure and consent has been provided
- Reason code 85 will no longer apply if the cardholder made a reservation for a hotel within 72 hrs. of scheduled arrival date and attempted to cancel before 6:00pm on the day of arrival, but was billed a no-show
- Reason code 85 will apply if the cardholder made a reservation and attempted to cancel within 24 hrs. of delivery of the reservation confirmation, but was billed for a no-show

Reason Code 85-"Credit Not Processed" (Merchant Remedy)

- The Transaction Receipt or other records to prove that the Merchant properly disclosed a limited return or cancellation policy at the time of the Transaction, as applicable
- Evidence to demonstrate that the Cardholder received the Merchant's cancellation or return policy and did not cancel according to the disclosed policy