

## Unmatched Refunds

**Unmatched Refunds** are defined as *a refund made to a credit card that was **not** used for the original sale.*

*Visa and MasterCard regulations prohibit unmatched refunds for the following reasons:*

- Chargebacks can occur when a refund is issued to a card that was not used for the original sale.

The cardholder may charge the item back when they do not see the refund on the statement where the original sale appeared. It is possible a bank could automatically issue a chargeback if the sale and refund are not on the same card.

- Unmatched refunds may also be the result of an employee issuing a refund to his own card thereby reducing the balance on his own credit card, and thus stealing money from his merchant employer.

TriSource thoroughly reviews transaction activity at many levels to uncover and correct problems such as unmatched refunds. When an unmatched refund is detected, it is not allowed to process to the cardholder without proof of the original sale, and the merchant account is debited. TriSource requests that the merchant provide a copy (proof) of the original sale. When proof of the original sale is received, the merchant account is credited with the refund—*provided there are no other risk issues.* (A copy of the letter requesting proof of the original sale is included on the last page of this bulletin for your review.)

- An unmatched refund may also be *the result of an error*, whereby the employee thought they were running a sale transaction but may have pressed an incorrect key resulting in a refund rather than a sale.



A refund is sometimes made in place (error) of a sale. The merchant does not receive payment for the goods or services when this “error” occurs—the cardholder is given a refund (credit) for the goods or services. If the cardholder or employee does not realize the error, the merchant has provided his product/service *but does not receive payment*. Instead, the merchant’s account is debited for the refund—so the merchant loses. However, if the error is realized, the refund can be stripped (not processed) if notification is given by the merchant to TriSource prior to settlement (merchant debited). After settlement, TriSource can implement a **refund reversal** at the request of the merchant. Contact our Risk department or customer service for a form to request a refund reversal. Please fax the completed form to our office at 1.563.359.0480.

It is important to note that Visa requires refund reversals to be made within 30 days of the original refund. MasterCard’s time frame has a longer limitation for the timing of refund reversals. Please be aware that there is a \$25.00 fee for every refund reversal; this will be debited from the merchant when the refund reversal is initiated.

*Providing you a secure and reliable method for transacting payments.* **TriSource**<sup>™</sup>  
SOLUTIONS LLC