

Processing Refunds to Cardholders in a Merchant Store Location



Merchandise returns are a part of the shopping experience. Whether a return is necessary or not, customers find comfort in knowing what to do if they need to return a purchase. A clear understanding of the merchant's return policy is helpful for avoiding questions or disputes at a later time.



Quick Tip

Let the cardholder know that it may take a few days for the credit to appear on their billing statement.

Following Visa's requirements for processing a refund will help keep your customers informed and thus reduce the number of questions you may receive as the result of a return.

First, as a merchant you should let your customers know your refund policy at the time of purchase. If you have any restrictions, place them on the receipt near the signature line (for example, No Refund, No Exchanges, All Sales Final, Exchange Only, In-Store Credit Only). Make sure that the customer is clear on any restrictions that you may have. If the disclosure is on the reverse of the receipt or in a separate contract, it must be accompanied by a space for the cardholder's signature or initials to acknowledge.

If a return happens, process the refund to the account number used in the original purchase. You can identify the account number by comparing the last four digits on the card to the last four digits on the sales receipt.

- Follow the prompts on your POS terminal to process the refund immediately, depending on your POS solution this may include additional steps for the cardholder to enter their PIN or provide their signature.
- If the card used in the sale is no longer available (e.g., a prepaid card that no longer had funds available and was discarded, or the customer's card was replaced due to expiration), then you can process the refund as cash or another form of credit. You should record the details of the refund method and obtain the customer's signature as acknowledgement, if the refund is given in cash, check or is processed to any card other than the one that the original purchase was made on.



- For purchases made via an app on a mobile phone in a contactless environment (e.g. using a bank wallet or third party wallet such as Android Pay), you should process the refund in the same manner as a regular point-of-sale purchase.
 - Some apps on mobile phones provide functionality that allow the last four digits of the digital account number¹ to be confirmed.
 - Please note that if an app on a mobile phone was used, the last 4 digits of the digital account number may not match the last four digits on the card.
 - Refunds processed to mobile phones utilizing a digital account number may include additional steps for the cardholder to validate their mobile app passcode or biometric authentication.²

Always provide the cardholder with a completed credit transaction receipt as proof that you have honored their refund request. As a best practice, staple the slip to the original receipt so the cardholder has all related documents together.

For More Information

Contact your Visa Account Executive for more details.

For US Merchants

Merchants in the U.S. must deposit their credit transaction with the acquirer that processed the original transaction. It must be deposited within 5 days of the date that the credit was issued.

U.S. merchants are permitted to provide an alternate form of credit in the following situations:

- Cash can be given for a Visa Easy Payment Service transaction
- Cash or another form of credit can be given to the recipient of a gift (e.g., not the cardholder)
- Cash or store credit can be given for a Visa Prepaid Card transactions if the card has been discarded



Quick Tip

For additional procedures for processing Visa transactions, please refer to the Card Acceptance Guidelines for Visa Merchants found on www.Visa.com.

¹ Some apps on mobile phones utilize digital account numbers to replace sensitive card data with unique identification values that retain all the essential information about the data without compromising its security.

² Mobile apps utilize a Consumer Device Cardholder Verification Method to verify the user; these methods vary depending on the device or app manufacturer, for example a PIN, passcode, password or biometric authentication (fingerprint/thumbprint).