

2020 Mastercard® Pre-Arbitration Mandates

OVERVIEW

The mandatory pre-arbitration process in conjunction with the removal of the arbitration chargeback was put into effect on July 17th, 2020. For first chargebacks processed on or after July 17th, 2020, the arbitration chargeback cycle has been replaced with pre-arbitration when applicable. Pre-arbitration is required for fraud, cardholder disputes, and POI Error reason codes prior to escalating as an arbitration case filing. Authorized related disputes will not require pre-arbitration case filing.

CHARGEBACKS

Mastercard® will align with the customer dispute category of the chargeback process, which allows issuers to continue the dispute with a pre-arbitration chargeback. They are initiated by issuers when their cardholders do not accept the evidence provided by the merchant in defense of the original transaction.



THE INITIATIVE

Mastercard's pre-arbitration mandates initiative is to reduce the volume of chargebacks and give the ability to resolve them faster. The chargeback decisions must abide by to the rules-based process that automatically identifies invalid disputes, shortens the given time frame to resolve a dispute, and updates dispute reason codes and conditions. Adapting to potential impact can be stressful and take time, but these outcomes are needed by financial institutions during the unprecedented times we are in.

QUAVO® SOLUTIONS

Our premier [fraud management solutions](#) are fully supported with our continued service, long after they are implemented into a client's banking environment. This means that both [QFD™](#) (Quavo Fraud & Disputes) and [ARIA™](#) (Automated Reasonable Investigation Agent) platforms are updated every time bi-annual mandates changes occur. Quavo fraud and dispute experts are highly experienced, with extensive backgrounds in KYC (Know Your Customer), AML (Anti-Money Laundering), and BSA (Bank Secrecy Act) technology and regulatory compliance.

For more information about Quavo product updates, click [here](#). To learn more about Quavo services and solutions, request a demo, or learn how to build a business case for automated fraud management software, contact our sales experts at sales@quavo.com.