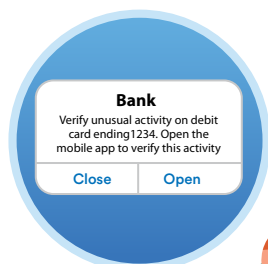


The secret to creating a positive consumer experience

Payments Alert Checklist

COVID-19 has accelerated consumer's demand for digitally driven commerce and payment experiences. There are clear opportunities to improve approval rates particularly for card-not present transactions and to mitigate preventable authorization declines, especially due to non-sufficient funds. **Payment alerts are an effective tool to create a positive consumer experience, increase authorization rates and empower cardholders to mitigate preventable payment declines.**



To promote the adoption of payment alerts, Visa mandates that 'LAC Issuers must offer cardholders the option to participate in a service that delivers transaction alerts for consumer payments' – see Visa Rule ID#0025735. The vast majority of Visa LAC Issuers offer an alert service via text, email or a mobile banking application.

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suggestions for Issuers on cardholder communications to increase authorization approval rates



1. Actively enroll all cardholders in an alert service to notify them of both approved and declined transactions.

As part of declined transaction alerts, Issuers should ask cardholders to update their payment preferences with the associated merchants. Issuer transaction alerts should instruct cardholders to contact them immediately to report any unrecognized transactions.



2. Provide outstanding debit funds and available credit information within their transaction alert service.

Available funds information will encourage cardholders to more actively manage their accounts and avoid declines for non-sufficient funds or exceeding credit limits.

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suggestions for Issuers on cardholder communications to increase authorization approval rates

- ☐ **3. Provide two-way alerts via text, email or a mobile banking application to:** 1) notify cardholders of high-risk or suspicious transactions and provide them the opportunity to confirm previous transactions before blocking future payments, particularly for ecommerce payments and 2) allow cardholders to confirm every 10th payment at the same merchant within a 30-day period.
- ☐ **4. Provide a transaction control service, like Visa Transaction Controls, to allow cardholders to establish preferred alert and account use settings.** As a default, Issuers should provide cardholders a transaction alert for all international and card not present transactions.
- ☐ **5. Inform cardholders by email on a monthly basis of the list of merchants that submitted transaction with a recurring payment indicator.** The presence of 02 in Field 60.8 —Positions 9–10, Mail/Phone/Electronic Commerce Payment Indicator or R in Field 126.13 —POS Environment identifies the transaction as a recurring payment authorization request. This information will allow customers to proactively manage their merchant relationships and avoid authorization declines for an expired card, non-sufficient funds or exceeding available credit limits.
- ☐ **6. Periodically remind cardholders to avoid exceeding available funds or credit lines to prevent payment declines.** Issuers should also consider participating in Visa's Partial Authorization and Account Updater services to allow cardholders to use all available funds and to notify merchants with card-on-file of new consumer payment credentials.
- ☐ **7. Issuers should proactively notify debit cardholders to deposit additional funds as necessary to cover recurring payments and expected monthly spend.** In addition, Issuers should consider increasing credit limits for credit cardholders that are close to or frequently exceed available credit lines.

Visa is here to help you

Contact your Visa account executive to learn how by adopting these practices and security solutions you can provide a positive payment experience to your clients.

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