

Chargeback in the EU/EEA

A solution to get your money back when a trader does not respect your consumer rights.

This publication is available on the websites of the ECCs.
(Further information can be found in Annex II)

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I. Introduction



Thanks to the national and European Union consumer legislation, the reliability of e-commerce (and distance selling in general) has greatly improved in Europe in the last ten years. According to the last Consumer Scoreboard published by the European Commission[1], the proportion of consumers engaging in e-commerce has grown significantly in recent years (from 20 % in 2004 to 45 % in 2012).

However, there remain a number of challenges to protect consumer rights in certain cases: for example, when the trader neglects consumer rights (in case of non delivery or withdrawal) or has gone bankrupt, or when a card transaction was not authorised.

Fortunately, consumers having used a payment card may be entitled to be reimbursed by a chargeback procedure through the card issuing bank. The objective of this report is to inform European consumers about this procedure and how it is implemented in the various EU countries, Norway and Iceland.

Definition of chargeback

Originally chargeback was a system developed by payment card issuers to protect consumers in case of fraudulent authorisation of their card (e.g. following a theft or card cloning). However, chargeback may also apply to reverse authorised payments made by a consumer by card in duly justified cases of breaches of consumer rights or in case of the bankruptcy of the recipient.

In a report from the year 2000 from the EU-Commission, chargeback is defined as the following:

"Chargeback is the technical term used by international card schemes to name the refunding process for a transaction carried out by card following the violation of a rule.
This process takes place between 2 members of

1 http://ec.europa.eu/consumers/consumer_research/editions/docs/9th_edition_scoreboard_en.pdf

the card scheme, the issuer of the card and the acquirer (the merchant's bank). The final customers of these 2 schemes members, the cardholder for the issuer and the merchant for the acquirer, do not have any direct relationship in the chargeback process."[2]

One could say that chargeback in essence reverses a sales transaction. However, chargeback is a way to recover funds which have been obtained by a trader, not a way to cancel the contract.

Objective and methodology of the report

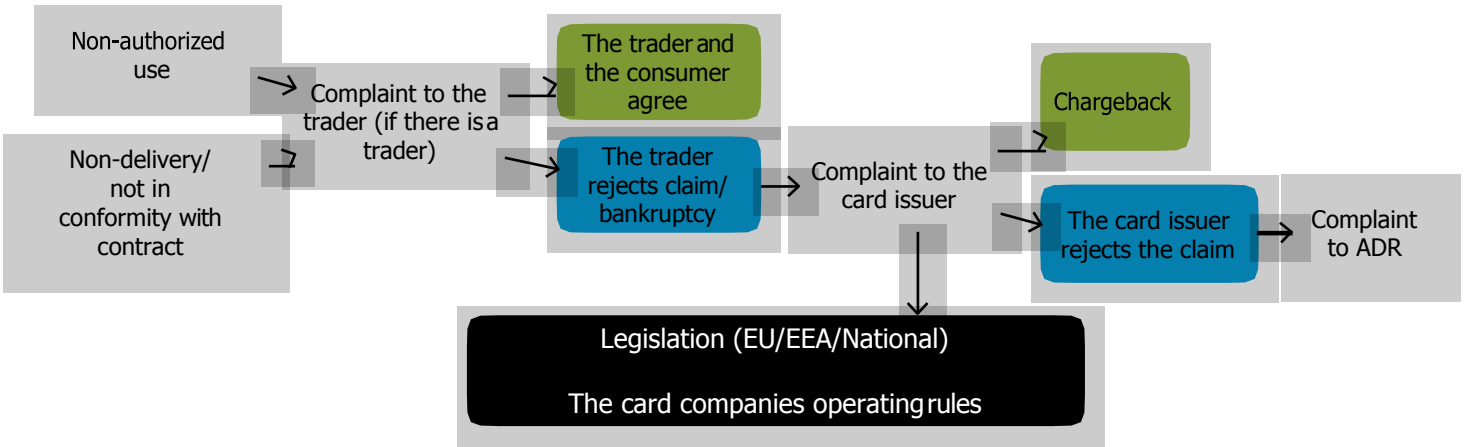
The objective of this report is to clarify the legal bases for chargeback procedures that can be used by consumers in the EU, Norway and Iceland (namely Directive 2007/64/EC on payment services in the internal market (PSD) and Directive 2008/48/EC on credit agreements for consumers (CCD), how they are implemented on the ground, the existence of out-of-court dispute resolution procedures and the additional possibilities that card issuers may give to their clients.

The report has been completed by the European Consumer Centres Network. The ECC-Net main objective is to inform and assist European citizens in all their practical cross-border consumer issues. There is established a European Consumer Centre in the 28 EU countries, Norway and Iceland. A questionnaire on chargeback practices in their country (see annex) was completed by 23 ECC offices to provide the evidence exposed in this report[3]. In addition the report looked into the possibilities for the ECC-Net to collaborate with representatives of payment means market in the relevant consumer cases.

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The views and interpretations in this document are not those of the European Commission or the national funding bodies. They are solely those of the ECC-Net participating to this report.

Illustration of the chargeback procedure



[2] http://ec.europa.eu/consumers/consumer_research/editions/docs/9th_edition_scoreboard_en.pdf

[3] Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Malta, Norway, Portugal, Romania, Slovakia, Spain, Sweden, The Netherlands, UK

II. Legal rights to chargeback



Directive 2007/64/EC on payment services in the internal market (PSD) and Directive 2008/48/EC on credit agreements for consumers (CCD) form the main legal bases to request a charge back in the following cases:

- the transaction is not authorized by the consumer/cardholder;
- the trader does not respect the consumers' rights;
- in the case of bankruptcy.

According to the ECCs participating in the project, these Directives have been transposed into the domestic legislation in all the EU member States, Norway and Iceland.

Non-authorized use of cards

In the EU, Norway and Iceland, when the consumer's card has been charged without authorization from the consumer, e.g. if the card has been stolen, the payment service provider[4] (e.g. a credit institution) shall refund the amount to the cardholder (Article 60 of the PSD).

However, Article 61 states that the cardholder/ consumer shall bear the losses relating to any unauthorised payment transactions, up to a maximum of EUR 150, resulting from the use of a lost or stolen payment instrument, or if the cardholder has failed to keep the personalised security features safe, from the misappropriation of a payment instrument. In this respect, Article 56 of the PSD requires the cardholder to take all reasonable steps to keep personalised security features safe, incl. the PIN number.

Cases with the use of the PIN code

If the PIN number has been used, the consumer may therefore be obliged to cover the losses him/herself in case of proven gross negligence or fraudulent behaviour (in the latter case, there could also be a criminal prosecution). The consumer has to notify the loss, theft or

[4] Directive 2007/64/EC on payment services in the internal market Article 4 (9)

inappropriate use of the card to the card issuer as soon as he/she becomes aware. The payment service provider shall ensure that appropriate means are available at all times to enable the consumer to make a notification[5].

According to the information received from the respondents ECCs, the usage of PIN number is not expressly mentioned in national legislation. The majority of the respondents concluded that the usage of the PIN number in itself is not necessarily sufficient to prove that the cardholder is liable for losses. The payment service provider has to prove that the cardholder acted fraudulently or with gross negligence (Article 59 (2) of the PSD). But it is clear that the usage of the PIN number often puts the consumer in a difficult situation. ECC Portugal indicated that consumers are responsible for all the transactions which used the PIN number until the payment-card company has been informed about theft, loss or forgery of the card.

In one case in the Danish Alternative Dispute Resolution (ADR) body found that the consumer´s PIN number had been used in connection with the misuse on 1st of October 2004. Since PIN number had been used the consumer was liable up to 1,200 DKK[6].

The Supreme Civil Court in Italy decided that the bank must take necessary measures to prevent tampering of their payment system and non-authorized payments resulting thereof[7]. In case of such tampering the bank is liable to pay compensation.

Cases with gross negligence

The consumer could be liable for all losses if he failed to fulfil one or more of his obligations under Article 56 with intent or gross negligence, cf. Article 61 number 2.
In one case dealt with by the Danish ADR, the consumer had forgotten her bag in the basket of her bicycle put outside her residence[8]. In the bag was her purse in which both credit card as well as the PIN number was stored. Under those circumstances the consumer had acted with gross negligence and the decision was not in favour of the consumer.

In a case in the Netherlands, the ADR for financial services decided that the bank had to carry out a refund after criminals where convicted of having stolen a card and discovered the PIN number[9]. The facts of the case were the following:

- On the 1st of October 2011 the consumer used her debit card, and got EUR 150 from an ATM machine.
- The consumer discovered on the 10th of October 2011 that she did not have her card anymore.
- She contacted the bank to block her card, but somebody else was already using her card and PIN number in the period from 9th of October till 12th of October 2011.
- An amount of EUR 7.396,40 was charged from her bank account.
- The consumer reported the crime, and the police traced the criminals.
- The judge decided that the criminals needed to reimburse the whole amount. After this the consumer requested her bank to chargeback the amount.
- The bank could then ask for recourse from the criminals.

The ADR decided that there was no gross negligence on consumers' side as the bank could not prove so. A criminal gang had followed the consumer while she was shopping and using her card for a few days, so they acquired knowledge of the PIN number. The bank had to chargeback 2/3 of the total amount.

5 Directive 2007/64/EC on payment services in the internal market Article 57 (1) c
6 Pengeinstitutankenævnet, 286/2004, 9 December 2004
7 Corte di Cassazione, Prima Sezione Civile, Sentenza n. 13777/2007 del 12 giugno 2007
8 Pengeinstitutankenævnet, 469/1995, 14 May 1996
9 Klachteninstituut Financiële Dienstverlening (Financial Services Complaints Institute - Kifid), nr. 2013 – 160, dated 27 May 2013

Another example relates to a burglary[10]:
On the 10th of October 2008, a burglary was conducted in an office premises where the consumer was employed. The consumer had left his wallet in his bag in his room which was locked. The credit card was stolen from his wallet, but the wallet was left behind in the consumers' bag. In addition to the credit card the thieves had also taken his laptop. At the time of the burglary the consumer was in another room. The day after somebody else used the consumers credit card. The withdrawn amount was EUR 1.425,00. The consumer discovered that his credit card was stolen on the 22nd of October 2008, 12 days after the burglary. One week later the consumer went to the police station to report the crime.

The consumer asked for a refund, EUR 1.425,00 from the credit card supplier. The ADR decided that as the door of the office premises was forced open because of the burglary, there was a chance that the credit card of the consumer was stolen. He discovered that his laptop was stolen immediately, so he should have checked whether his credit card was still in his wallet or not. The consumer didn't check this, as a result he was too late to inform the bank that somebody else used his card. The consumer was not entitled to receive a refund.

In the Czech Republic the ADR, the Office of Financial Arbitrators, mostly deal with cases of non-authorized card payments where the cardholder could have acted in breach of the terms and conditions and/or in gross negligence. ECC Belgium reported that according to their ADR the banks often interpret certain behaviour from a consumer as being "grossly negligent" and as such refuse to carry out a refund. Thanks to the ADR this is often rectified although even within the ADR itself there are different interpretations.

The Italian and Banking and Financial Ombudsman general approach is to hold the bank liable in case of non-authorized payments if it can't prove gross negligence on part of the consumer.

Pre-authorized payment transactions

When it comes to pre-authorized payment transactions, sometimes the consumers complain about unexpected supplementary charges in the final payment, e.g. in relation to car rental . However, the consumers might have signed an agreement where the supplementary charges are included, for example that they have accepted to be charged for any damages to the car. According to PSD, Article 62, the cardholder may still be entitled to a refund of a payment transaction initiated by or through a payee and which has already been executed. The conditions is that the authorisation did not specify the exact amount, and this amount exceeded the amount the cardholder could reasonably have expected, taking into account his previous spending pattern, the conditions in his framework contract and relevant circumstances of the case.

Goods or services not delivered or not in conformity with the contract

If the consumer has purchased goods on the internet and does not receive the goods, he or she should first complain to the trader. If the trader does not deliver the goods or does not reimburse the payment made, the consumer can turn to the payment service provider.

In terms of chargeback, EU-law only covers credit card chargeback. Purchases where debit cards are used are not covered by EU-law but can be covered by national law such as in Denmark and Portugal. Debit card holders may nevertheless under certain circumstances enjoy protection of the card companies operating rules.

[10] Klachteninstituut Financiële Dienstverlening (Financial Services Complaints Institute - Kifid), nr. 2011 – 335, dated 22 November 2011

The CCD leaves ample space for consideration to member states. The legal situation therefore varies among participating countries. Some countries allow consumers to exercise the same rights against the creditor (credit card issuer) as well as against the seller of goods or service provider. Certain conditions may have to be met in order for the consumer to be allowed to make a claim against credit card issuer. Such conditions may for instance include that the consumer makes an unsuccessful claim with the seller or service provider first.

The Finnish Supreme Court decided that under the Consumer Protection Act a consumer has the same rights as regards withholding of payment, refund of sales price, compensation for damages or other forms of monetary compensation against the creditor who financed the purchase of a consumer good as he or she would have against the seller[11].

In Spain the consumer may also apply the same rights against the bank as against the trader. In case of a withdrawal from a distance contract within the cooling off period, the Court of the Baleares ruled that the bank has to carry out the chargeback[12]. In case the card holder demands a chargeback after his right of withdrawal is expired he is liable to pay compensation to the seller for damages caused due to the cancellation[13].

In Denmark and Portugal the consumers might be entitled to receive chargeback according to National legislation even if they have paid with debit card. In Denmark the rule is limited to non-delivery of goods. However, delivery of the wrong product can according to the preparatory law work be considered to be non-delivery.

The Danish ADR handled a case regarding lack of conformity[14]. Via a website the consumer purchased a furniture. He paid for the furniture with his MasterCard. According to the consumer the furniture was delivered with defects. The ADR found that the consumer had not proved that the condition of the furniture was of such a nature that delivery could not be considered to have occurred. Hence the board found that the bank was not obliged to credit the purchase price to the consumer's account. The board further stated that according to the terms and conditions of the MasterCard, a refund in some additional situations is possible, but this was not one of them.

In Ireland, when goods are sold to a buyer dealing as a consumer and in relation to the sale an agreement is entered into by the buyer with another person acting in the course of a business (in this section referred to as a finance house), the finance house shall be deemed to be a party to the sale and the finance house and the seller shall, jointly and severally, be answerable to the buyer for breach of the contract of sale and for any misrepresentations made by the seller with respect to the goods[15].

11 Korkein oikeus/Högsta domstolen, KKO:2007:6
12 Audiencia Provincial de Baleares, sentence dated 13 March 2007
13 Law 16/2011 for Consumer Credit Article 29
14 Pengeinstitutankenævnet, 220/2012, 21 December 2012
15 Sale of Goods and Supply of Services Act 1980 Section 14

Bankruptcy

When the trader goes bankrupt the trader will often not have the economic recourses to reimburse the consumer, and chargeback could be the only way for the consumer to obtain a refund. There is an example involving bankruptcy from ECC Norway[16]. In May 2010 the consumer bought a mobile phone by using a MasterCard. However the trader went bankrupt.

The deadline for submitting claims was May 2011. In September 2011, the mobile phone became defect. The consumer directed his claim to the bank. The bank rejected his claim. The ADR held that the consumer was not obliged to first pursue his claim towards the seller, and also found that there was a lack of conformity. The bank had therefore to accept his claim.



[16] Finansklagenemnda Bank, decision number 2012-234, dated 01 June 2012

III. Other chargeback possibilities



Chargeback based on card companies operating rules

In addition to legal chargeback possibilities explained in the previous part, consumers may benefit from specific chargeback based on the card companies operating rules. This may be the case if the consumer has paid with a debit card and not received the goods. The operating rules might be internal rules that the consumer will only discover if he/she enquires, but they may also be embodied in the agreement between the issuer of the card and the cardholder.

75% of the responding ECCs are aware of chargeback based on card companies operating rules.

Name of ECC	Q3: Do banks in your country provide voluntary chargeback procedure based on the card companies operating rules?
Austria	No
Belgium	No
Bulgaria	Yes
Cyprus	Yes
Czech Republic	Yes
Denmark	No
Estonia	Yes
Finland	No
France	Yes
Germany	No
Hungary	Yes
Ireland	Yes
Italy	Yes
Lithuania	Yes
Malta	Yes
Norway	Yes
Portugal	Yes
Romania	Yes
Slovakia	Yes
Spain	Yes
Sweden	Yes
The Netherlands	Yes
UK	Yes

ECCs experience with chargeback based on internal rules

Many of the respondents have stated that banks do provide chargeback based on the card companies operating rules, however, many of them also state that the bank doesn't inform consumers about this possibility and that consumers must insist to get the bank handling their requests.

Some respondents state that consumers may be given information by regular tellers at the bank office that the bank has no means to assist them. But later, after having submitted a written complaint to the central dispute unit of the bank, they may get their chargeback handled.

Respondents state that a positive outcome is more likely to be obtained in cases of non-delivery. However, experience is limited about cases where goods where delivered but did not conform to the contract.

Airline bankruptcies with cancellation of flights would fall under the category of non-delivery and this is an example from many respondents where chargeback was used and was really beneficial to consumers.

Often ECCs do not get informed by the consumer about the result of the chargeback. One experience though is that there seems to be a general time limit of three months from the transaction date if banks are to handle chargeback requests, if the consumer applies for a chargeback later than that he or she will likely not receive any assistance.

The main card companies operating rules

Both MasterCard and VISA have provisions for non-delivery [17] (MasterCard CB No. 4855 & VISA CB No. 30) and for lack of conformity[18] (MasterCard CB No. 4853 & VISA CB No. 53) that are detailed in their respective internal manuals.

Respondents have stated that it was hard to get information about these provisions from the card-issuing bank or VISA or MasterCard. Knowledge of the existence of chargeback provisions would however be enough as the consumers do not have to specify what specific provisions should be used when they make their complaints.

[17] MasterCard CB No. 4855 & VISA CB No. 30.

[18] MasterCard CB No. 4853 & VISA CB No. 53.

IV. Out-of-court dispute resolution procedures



According to CCD (Article 24) and PSD (Article 83), the Member States shall ensure that out-of-court dispute resolution procedures/ out-of-court redress procedures for the settlement of disputes are in place. If the consumer does not obtain a chargeback/refund, he should therefore be able to make use of out-of-court procedures.

According to the information we have received, there are out-of-court dispute resolution entities which can handle chargeback in all of the countries which participated to the survey. Not all of the countries have a specific ADR body for these cases. Romania has authorized mediators who have the competence to deal with payment service problems. In most countries, however, there is a specialised ADR, a general ADR covering all types of consumer disputes or different ADRs depending on the dispute category.

However there might be certain conditions which must be fulfilled before the consumer can make use of the out-of-court dispute resolution procedures. In Romania mediation can only take place if both parties agree and conclude a contract. According to the Italian Law on Banking[19], it is mandatory for banks and financial intermediaries to participate in systems for the out-of-court resolution of disputes with customers. In Spain it is not mandatory to be a member of the ADR system. If the bank is not a member of the ADR system, the ADR is not able to handle the case. This is also the current situation in Norway, but very few companies do not participate in the ADR system, and participation will soon become mandatory.

Some of the respondents informed that the out-of-court entities will first try to mediate. If they make a decision, this decision will in

[19] Testo Unico Bancario Article 128-bis (introduced by Law 262/2005 on savings) http://www.bancaditalia.it/vigilanza/normativa/norm_naz;internal&action=_setlanguage.action?LANGUAGE=en

certain countries be legally binding. In some of the countries where the decision is not binding, the non-compliance of the bank is published. In UK, every time the Ombudsman agrees to take on a case, the financial institution is fined (around £500). This fine is meant to encourage traders to resolve disputes directly with consumers. The decisions are only binding in that particular case and do not set any precedent, but companies are encouraged to follow them in all their cases.

The Financial Services Ombudsman of Ireland has handled 26 chargeback complaints from 2011 to 2013. Although these cases are confidential, they informed the ECC that the consumer complaint was upheld on 3 occasions, partially upheld on 1 occasion and not upheld in 22 instances.

Cross-border dispute

According to CCD (Article 24) Member States shall encourage the out-of-court entities to cooperate in order to also resolve cross-border disputes concerning credit agreements made between two parties residing in two different countries. According to PSD (Article 83), Member States shall also make sure that those concerned bodies cooperate actively in resolving cross-border disputes.

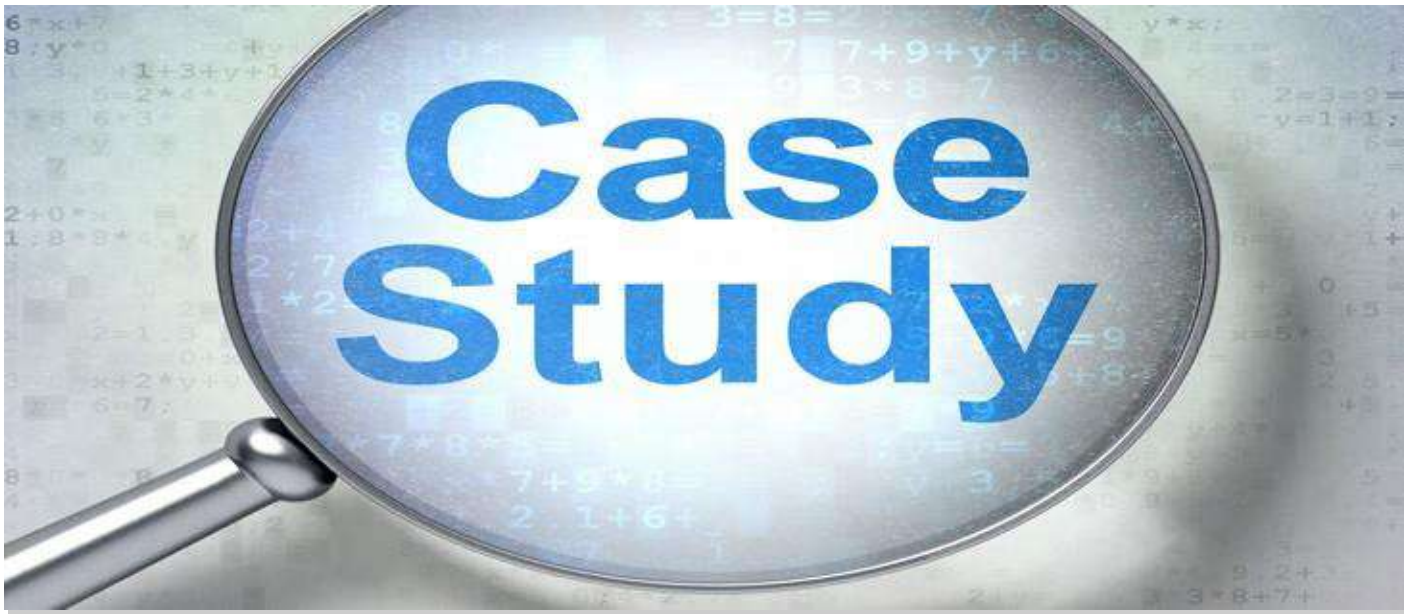
When the cross-border dispute concerns several countries it will be possible to turn to FIN-NET[20] (the EU funded financial dispute resolution network) for advice on where to complain.

Some respondents have replied that the national ADRs might handle these cases if certain requirements are met. For example, banks and financial intermediaries in Italy which do not opt for joining the Banking and Financial Ombudsman are required to inform the Bank of Italy on the ADR system they joined/are subject to in their country. Since their decision is not binding nor enforceable, the National Board for Consumer Disputes in Sweden will consider whether it is likely that the trader will follow the recommendation. In Estonia the pre-handling of the dispute will be carried out by the ECC Estonia and should the proceedings fail to end in a settlement to the consumer's satisfaction, the consumer can complain to an ADR.



[20] http://ec.europa.eu/internal_market/finservices-retail/finnet/index_en.htm

V. Large case studies



The Euroteam case

In 2012, ECC Norway experienced a huge amount of cases related to the presale of tickets for the London 2012 Olympics event. Consumers all over Europe and the world purchased tickets online from the Norwegian company "Euroteam" and normally used a card for payment in advance. The tickets were sold in the second hand market and their price was much higher than the original price. In UK, there was an act prohibiting resale of the Olympics tickets and most of the consumers never received their tickets. In the end the company went bankrupt.

The question arose whether the consumers were entitled to chargeback only after using their credit card or if debit card payment could also be eligible. After the question was addressed by consumer organizations, a statement from Visa Europe was published in the Norwegian media.

" If the goods are not delivered in accordance with the Visa rules, the consumers will on a general basis have the right to chargeback regardless of which type of card, debit or credit, the consumers have used".

Thanks to the above statement and the media campaign in Norway, European consumers were able to receive chargeback from their bank/credit card company.

The Formlife case

During 2012, the Nordic ECCs received about 1 000 complaints against one company in particular. Consumers would click on a Facebook advertisement and order what they perceived to be a free sample pack where the only cost would be to pay for the delivery of the item. Subsequently, however, consumers would receive the sample pack, but also additional packages and their credit/ debit cards would be charged without their knowledge or consent. When contacting the trader, they were informed that they had agreed to a subscription, although the consumers themselves did not perceive any subscription.

The Norwegian Consumer Council reached out to the Norwegian banks. They argued that the banks were obligated to reimburse consumers, due to the fact that there was no valid subscription contract between the trader

and the consumers. The withdrawal from the consumers' bank accounts was therefore unauthorized. In addition the Norwegian Consumer Council informed that they were willing to take the issue to court if the banks refused to refund the affected consumers.

ECC NO and The Norwegian Consumer Council informed consumers about their rights and how to proceed with regards to the trader and the banks. ECC Norway posted standard letters/information on the website regarding how to proceed for chargeback and their rights. Since the banks have their own procedures, the consumers were also advised to ask the banks about their procedures/complaint forms. The consumers were informed that they could contact the Finance Complaints Board[21] if the banks refused reimbursement.

The joint action and cooperation between ECC Norway and the Norwegian Consumer Council, together with the information provided to the media resulted in a dramatic decrease of complaints and consumers being refunded by the banks.

The fact that it was easy to get in touch with the payment processing companies, who were very forthcoming, took the matter seriously and acted accordingly, really helped the situation for consumers. ECC Norway has continued to have meetings with the representatives of the banks.

This example demonstrates that it is important to give the banks information about the problems the consumers experience and thus enable them to act at an early stage. The different banks could also exchange information on such misleading or even fraudulent practices. If the banks used the same complaint forms, it could also be easier to gather information about the main issues.



21 http://www.finansklagenemnda.no

VI. Conclusion



Actual chargeback rights, slightly differ in the legislation of the European countries. It can however be concluded that:

- In all the Member States, consumers have a right to refund in the event of non-authorized payment, but they are obliged to take all reasonable steps to keep personalized security features safe[22].
- Provided a credit card is used, in most countries/situations, consumers will have the same rights to be reimbursed against banks or traders.
- In some countries, rights are also supported by court judgments. In Spain, for example, banks have to carry chargeback if the consumer has used his right of withdrawal within the cooling off period.
- In Denmark and Portugal the consumers might be entitled to receive chargeback according to National legislation even if they have paid with a debit card.

In addition to the rights implemented in the domestic legislation of the Member States, consumers may receive chargeback/refunds according to the card companies operating rules, and these rules may cover both credit and debit cards. Internal chargeback rules have for example been particularly positive for consumers in cases of airline bankruptcies, and in the Euroteam case mentioned above. However, banks often do not give information about their operating rules for chargeback. ECCs should therefore systematically advise consumers to ask banks for a chargeback when necessary. The use of a general time limit may however prevent the consumers from obtaining a refund.

In all of the participating Member States there are out-of-court dispute resolutions, but the systems vary a lot. If the bank is not a member of an ADR body, in some countries, consumers will have difficulties to find an out-of-court dispute resolution system to turn to.

[22] Directive 2007/64/EC on payment services in the internal market Article 56

In certain countries the ADR body will first try to mediate, and in some countries decisions are legally binding. If there is a cross border situation, the consumers may in most Member States turn to FIN-NET for advice on where to complain.

The ECCs should post standard letters/ information on their websites regarding the rights and how to proceed for chargeback. The FormLife case and Euroteam case show that it is possible to reach a common understanding with the banks to collaborate in solving cases involving many consumers. The ECCs should have a dialogue with representatives from the banks, e.g. an annual meeting, to achieve such an understanding.

Chargeback tips for the consumers

- Send a written complaint to the trader first to try to solve the case.
- If the trader does not reply/is bankrupt/ rejects the claim, send a written complaint to the credit card issuer/bank.
- If the credit card issuer/bank rejects the claim, send the case to the relevant ADR/ mediators.
- In all these steps act swiftly as deadline may apply.



Chargeback Questionnaire

Name of ECC:
Name of respondent:
E-mail address:
Direct telephone:

A chargeback is performed when the payment-card company withdraws the money for a transaction from a merchant's account and deposited in a consumer's account following a dispute. A credit to consumers account can occur at a later stage if the withdrawal not was possible to perform as a chargeback.

The Payment Services Directive protects consumers from unauthorised payment transactions and sets limits for card holder's liability for such unauthorised payments. On the other hand the PSD does not cover liability of payment card issuers for non-delivery of goods and services purchased using the card as well as non-conformity of goods/services with contract.
The Consumer Credit Directive in Art. 15 (2) covers liability of creditors for non-delivery of goods/services and non-conformity of goods/services with contract in case of linked credit agreements. This is for instance when goods or services are purchased with a credit card. Transposition measures however differ between member states. The CCD does not cover debit card purchases.

Regulations of Visa and MasterCard cover chargeback procedures in cases of unauthorised payments, non-delivery and lack of conformity. These regulations do not guarantee direct access to chargebacks to consumers and are binding only between banks. Card issuers in different member states have their own policies in respect to enabling access to chargebacks based on card associations' regulations.

Question 1 (to be answered by all respondents) Does your country have legislation that obliges banks to carry out chargeback on alleged abuse of payment cards?
Yes
No
Question 2 (to be answered if you responded "yes" in Q1) Please describe what rules apply
a) in the case of non-authorized use of card where PIN-code has been used.
b) in the case of non-authorized use of card, but without the PIN-code being involved.
c) when non-delivery of goods/ service or delivery of goods/ service not in conformity with contract occurs.

Question 3 (to be answered by all respondents) Do banks in your country provide voluntary chargeback procedure based on Visa / Mastercard operating rules?
Yes
No
Question 4 (to be answered if you responded "yes" in Q3) Please describe your practical experience with the procedure in this respect?
Question 5 (to be answered if you responded "yes" in Q3) Please describe what rules apply
a) in the case of non-authorized use of card where PIN-code has been used.
b) in the case of non-authorized use of card, but without the PIN-code being involved.
c) when non-delivery of goods/ service or delivery of goods/ service not according to the order is in line with the VISA/ Mastercard operating rules.
d) when non-delivery of goods/ services or delivery of goods/ services not according to the order placed is not in line with the VISA/ Mastercard operating rules
Question 6 (to be answered by all respondents) Does your country have any case law or other practice which establish chargeback to be carried out?
Yes
No
Question 7 (to be answered if you responded "yes" in Q6) Please give a brief description and provide examples if possible.
Question 8 (to be answered by all respondents) Does ADR (alternative dispute resolution) related to chargeback exist in your country? *ADR is a collective term for the ways that parties can settle disputes, with (or without) the help of a third party. ADR includes dispute resolution processes and techniques that act as a means for disagreeing parties to come to an agreement short of litigation.*
Yes
No
Question 9 (to be answered if you responded "yes" in Q8) Please give a brief description and provide examples if possible.
Question 10 (to be answered if you responded "yes" in Q8) If ADR applies in case of a cross-border dispute, please describe how this process works.

Contact details ECC-Net

AUSTRIA

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