

# Fraud process Guidelines



2024-02-24

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# Fraud process guidelines

## 1. What is Fraud

Each issuer will report consumer fraud to the corresponding agency (TC40 or SAFE). Based on the reports issued by these agencies, the acquiring bank and the issuers will understand the fraud risk of the transaction and adjust the risk control strategy timely to ensure that the fraud is eliminated. Transactions are controlled within reasonable limits. Visa's fraud reporting is TC40; MasterCard's fraud reporting is SAFE. We call the transactions covered by these reports Fraud.

- TC40- Transactions reported by issuers for VISA transactions
- SAFE(System to Avoid Fraud Effectively) – Transactions reported by issuers for MasterCard transactions

## 2. Fraud Reasons

Fraud Reasons
Lost / Lost Fraud
Stolen / Stolen Fraud
Card not received as issued / Never Received Issue
Fraudulent application / Fraudulent application
Issuer-reported counterfeit / Counterfeit Card Fraud
(Miscellaneous/account takeover) / Account Takeover Fraud/Account or Credentials Takeover
Fraudulent use of account number / Card Not Present Fraud
Acquirer-reported Counterfeit
Other

### 3. Fraud assessment standards

#### 3.1. Visa Fraud Monitoring Program

According to the regulations of the International Card Organization, the monthly fraud rate (referred to as FTR) of each merchant's transactions must not exceed the required standards. The calculation rules of FTR are as follows: For specific assessment requirements, please check the link:

Visa: <https://usa.visa.com/>

MasterCard: <https://www.mastercard.us/en-us.html>

- Visa Fraud Monitoring Program (VFMP)

level	VFMP new standards
Level 1 (Early Warning)	0.65% and USD50000
Level 2 (Standard Program)	0.9% and USD75000
Level 3 (Excessive Program)	1.8% and USD250000

Visa Fraud Rate:



$$\text{Visa Fraud Rate} = \frac{\text{Visa Fraud amount of current month}}{\text{Visa success amount of current month}}$$

#### 3.2. Visa Digital Goods Merchant Fraud Monitoring Program

The Visa Digital Goods Merchant Fraud Monitoring Program will take effect on April 1, 2023. Digital Goods merchants are as follows:

- MCC 5735 - Record/Video store
- MCC 5815 - Digital Commodity Media - books, films, digital artwork/images, music

- MCC 5816 -- Digital Goods -- Games
- MCC 5817 - Digital Goods - Applications (excluding games)
- MCC 5818 - Digital Goods - Large digital goods merchant

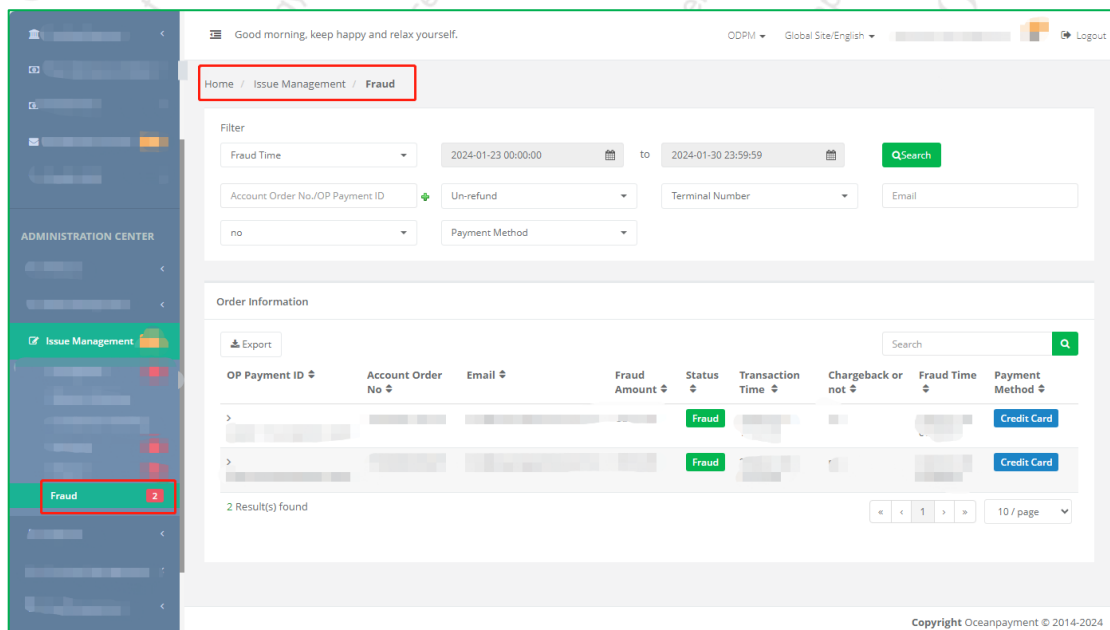
Type	Digital Goods VFMP Assessment standards
Standard	➤ USD 25,000 Fraud Amount; and
	➤ 300 Fraud Count; and
	➤ 0.9% fraud-dollar-to-sales-dollar ratio
Early warning	➤ USD 15,000 Fraud Amount; and
	➤ 150 Fraud Count; and
	➤ 0.45% fraud-dollar-to-sales-dollar ratio

### 3.3. MasterCard documents :Policies and rules

MasterCard Card scheme link: <https://www.mastercard.us/en-us.html>

## 4. Fraud Process

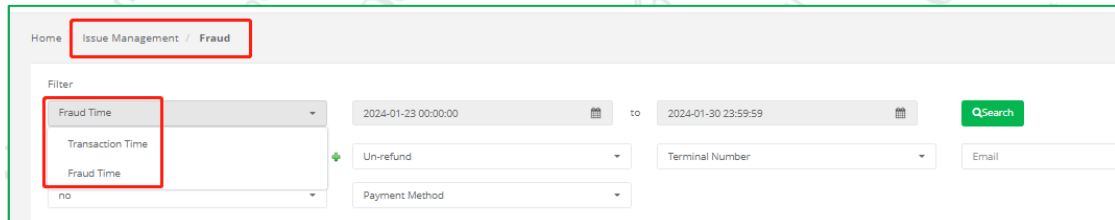
After logging in to the account background, click [Issue Management - Fraud], you can enter the Fraud processing section.



## 4.1. Search

### 1. Time: Fraud time as default

- Trading time: The time when this transaction takes place
- Fraud time: The time when this transaction was tag as Fraud



The screenshot shows the 'Issue Management / Fraud' search interface. A red box highlights the 'Filter' dropdown menu, which is currently set to 'Fraud Time'. Other filters include 'Transaction Time' and 'Fraud Time'. The search criteria include a date range from '2024-01-23 00:00:00' to '2024-01-30 23:59:59', a 'QSearch' button, and input fields for 'Un-refund', 'Terminal Number', and 'Email'. A 'Payment Method' dropdown is also visible.

### 2. Account order number/Payment ID: You can enter the account order number or payment ID for query

- You can use [red box +] to enter multiple account order numbers, or multiple payment ids
- either enter the account order number or payment ID at the same time; Do not enter the account order number and payment ID at the same time
- Multiple account order numbers (or multiple payment ids) must be separated by commas

Home / Issue Management / Fraud

Filter

Fraud Time 2024-01-23 00:00:00 to 2024-01-30 23:59:59

Account Order No./OP Payment ID  Terminal Number

no Payment Method

Account Order No./OP Payment ID

Supports input of multiple account order number and payment IDs, separated by commas, up to 100.

Account Order No./OP Payment ID:

Add Close Reset

3. Refund status: Refunded, Un-refund

Refund Status

Refund Status

Un-refund

Refunded

4. Terminal number: Option to select multiple terminal numbers at the same time

5. Mail: Case sensitive, accurate query

6. Chargeback or not: Optional Yes or No

7. Payment method: Option to select multiple payment methods at the same time

## 4.2.Export

1. Click [Export] to download the query result

Order Information

[Export](#)

OP Payment ID	Account Order No	Email	Fraud Amount	Status	Transaction Time	Chargeback or not	Fraud Time	Payment Method
>				Fraud		no	2024-01-25 00:00:00	Credit Card

### 4.3. Accept Refund

Home / [Issue Management](#) / [Fraud](#)

Filter

Fraud Time: 2024-01-23 00:00:00 to 2024-01-30 23:59:59

Account Order No./OP Payment ID: Un-refund Terminal Number: Email:

yes Payment Method:

Order Information

[Export](#)

OP Payment ID	Account Order No	Email	Fraud Amount	Status	Transaction Time	Chargeback or not	Fraud Time	Payment Method
>				Fraud		no	2024-01-25 00:00:00	Credit Card

More Actions: [Accept Refund](#) [Risk Control Info](#)

- **Accept Refund:** Click [Accept Refund] to accept this fraudulent transaction and prevent this transaction from escalating to a chargeback by issuing a refund.
- If you do not [Accept Refund] in time after receiving the fraud notification, there may be more than an 88% chance of chargeback. When a chargeback occurs, in addition to deducting the transaction amount, the bank will also need to charge an additional chargeback processing fee.
- To avoid chargebacks, you need to deal with fraud in time to avoid losses.

### 4.4. Risk Control Information

1. Click "Risk Control Information" to view the transaction and risk control details of this transaction.



OP Payment ID	Account Order No	Email	Fraud Amount	Status	Transaction Time	Chargeback or not	Fraud Time	Payment Method
				Fraud		no	2024-01-25 00:00:00	Credit Card

More Actions: [Accept Refund](#) [Risk Control Info.](#)

## 4.5. Unresolved Reminder

Home / Issue Management / Fraud

Filter

Fraud Time: 2024-01-23 00:00:00 to 2024-01-30 23:59:59 [Search](#)

Account Order No./OP Payment ID: Un-refund Terminal Number: Email: Payment Method:

OP Payment ID	Account Order No	Email	Fraud Amount	Status	Transaction Time	Chargeback or not	Fraud Time	Payment Method
				Fraud		no	2024-01-25 00:00:00	Credit Card
				Fraud		no	2024-01-23 00:00:00	Credit Card

2 Result(s) found

1. Click on the above picture [Fraud, or the red word] to view [Fraud] recent 90 days of [Un-refund], [Chargeback: NO] fraud orders.
2. After re-selecting the [Conditional Filter], click [Search] to find the data according to the updated search conditions.

## Simplify the Global Payment



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