



Credit Card Dispute Transactions and Chargeback FAQs

1. What is “Chargeback Mechanism”?

Answer: Chargeback is protective mechanism provided by credit card associations (e.g. Visa, MasterCard and the China Union Pay) to their cardholders. Each credit scheme sets out specific circumstances and time frame in which a member of scheme (the card issuing company) can claim a refund in connection with a disputed transaction such as failure to provide goods by a merchant or the provision of subscribed services by a service provider against the merchant’s acquirer (the merchant’s acquiring bank). Please note that chargeback claims do not apply to situation where the cardholders settle the transaction by execution of the Interest-free Purchase Instalment Program Direct Debit Authorization Form: see “Question 8” and answer below. Cardholder must pay attention to the Credit Card Associations’ requirements and the timeframe for initiating the chargeback request.

2. What are the most common dispute and refund request reasons?

Answer: In general, cardholders can initiate dispute and request for refund under the following common situations:

- Unauthorized use of internet/mailed order/phone order transaction
- Duplicated charge (authorized one transaction but the merchant charged more than one)
- Incorrect amount or transaction currency
- Credit /Refund not received
- Non-receipt of goods or services
- Informed merchant to cancel the direct debit authorization. However, the merchant still billed my account.

For example : Cardholder purchased 1 year membership at a fitness center and using BOC credit card to make **lump-sum payment** of HKD12,000.00. However, after 6 months of service, the merchant ceased the business and not able to render services for the remaining 6 months. Under this circumstance, cardholder can submit the chargeback request to BOC Credit Card (International) Limited ("Card Company") within the time specified. If the request is in line with the scheme rules

of Card Association, the Card Company will raise a chargeback claim against the merchant's acquirer. The Card Company will refund the dispute amount to cardholder's credit card account for successful recovery of the disputed transaction.

3. What should I do when I have to lodge a chargeback claim?

Answer: Cardholder can contact our 24-hour customer service hotline: 2853 8828 for enquiry and request a chargeback to be raised. Our CSR will help you throughout the process. On the other hand, you can also submit by fax or post a completed "Transaction Dispute Form" together with supporting documents (e.g. service contract, membership card or any evidence of undelivered goods or service record) to us to enable us to file a chargeback request with the acquirer of the erring merchant (the merchant's acquiring bank). Under the chargeback scheme rules you need to check the monthly statement carefully and report to us if there exists any disputed transactions.

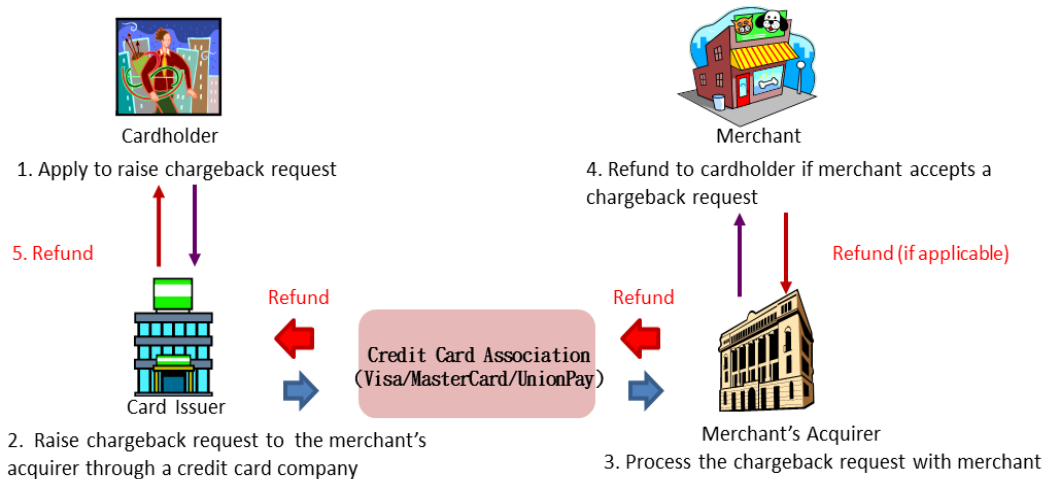
Note. "Transaction Dispute Form" can be downloaded from our website (www.bochk.com/creditcard) or obtain from any of Bank of China (Hong Kong) branch

4. What is the role of BOC Credit Card (International) Limited ("Card Company") as card issuing bank in the chargeback process?

Answer: With the exception of the situation referred to in Question 8, we, as your card issuer, shall assist the cardholder to raise chargeback request against the merchant acquirers according to the relevant chargeback rules of card scheme. We shall analyse and examine the request in supporting documents pursuant to the scheme rules through credit card associations. When the merchant's acquirer (the merchant's acquiring bank) accepts the chargeback claim, we will collect the disputed amount and refund the amount to cardholders.

5. What is the process of chargeback and dispute resolution? How would I be informed of the chargeback result and the processing time for dispute resolution?

Answer: Upon provision of sufficient information and fulfillment of the rules of the respective credit card association, the Card Company will submit the chargeback claims against the merchant's acquirer (the merchant's acquiring bank) through the credit card associations for follow up actions. A merchant acquirer will handle the application or pass it to the merchant for follow up depending on different situations (For details see below).



Under the scheme rules of respective credit card associations, the chargeback process normally takes about 45 to 90 calendar days to complete. When a dispute is resolved, the disputed amount will be refunded to your card account directly, and the chargeback amount will be shown on the next monthly statement.

6. How long after should I submit chargeback request (i.e. after a merchant goes out of business) when the prescribed goods or service promised being no longer available?

Answer: In generally, under the rules of both Visa/MasterCard International, the time limit for chargeback in situations mentioned above is (1) not to exceed 540 calendar days from the transaction processing date; **and** (2) 120 calendar days from the merchant closure date. Under the China Union Pay requirements for Hong Kong and Macau domestic transaction, the time limit for chargeback is 360 calendar days from the prepayment date (including 30 day' mandatory retrieval request time). For other countries/regions, the time limit for chargeback is 150 calendar days from the prepayment date (including 30 day' mandatory retrieval request time).

In order to allow us to have sufficient time to process cardholder dispute request regarding non-receipt of goods or services, please note that cardholder must submit a dispute request together with the relevant supporting documents at least 14 days prior to the deadline.

Assume a merchant goes out of business on "1st Jan 2017":

- If a cardholder joined the membership paid by his/her Visa card on "1st Jan 2015" and therefore the chargeback claim is not valid under the rules of Visa International as it exceeded 540 calendar days from the transaction processing date.
- If a cardholder submitted chargeback request in "Dec 2017", before the transaction exceeded 540 calendar days from the transaction processing date, the claims is still not valid under the rules of Visa International as the claim is not submitted within

120 calendar days from the merchant closure date.

- iii. If a cardholder joined the membership on “1st Dec 2016” by Visa card and made chargeback request on “20th Jan 2017”, the claim is valid under the rule of Visa International as it has not exceeded 540 calendar days from the transaction processing date and within 120 calendar days from the merchant closure date.

- 7. How can I check the progress of disputed resolution after making a chargeback request? Do I need to settle the disputed amount first?

Answer: You can call our 24-hour customer service hotline: 28538828 to inquire. For submitted chargeback request and disputed transaction, you are not required to settle the dispute amount while you are waiting for it to be resolved.

- 8. What is my responsibility when I agree and sign to accept the terms of the ‘Interest-free purchase instalment program direct debit authorization form’ and settle a card transaction by the plan?

Answer: As stated on Interest-free Purchase Instalment Program Debit Authorization Form that it is a loan agreement between the Card Company and the cardholder/applicant, the chargeback provisions of card organizations shall not apply to the Interest-free Purchase Instalment Program (“Program”) once the cardholder agreed and signed to accept the instalment plan under the Program. You are therefore liable to repay the outstanding monthly installments to us as your credit provider under the instalment plan agreement including in situation where the goods or services contracted has not and may not be delivered for whatever reason.