



Payment Card Network – Changes to Decline Codes, Rules and Fees

In a phased approach between July 2019 and October 2023, Visa and Mastercard are modifying how they handle decline transactions through new rules and non-compliance assessments relating to Excessive Transaction Attempts (ETAs) and improper use of decline codes.

Visa Authorization Management:

Visa applies non-compliance assessments in the event of multiple failed authorizations using the same card. The non-compliance assessments outlined below will occur when 15 or more failed transaction attempts (declines) are processed using the same card within a 30-day period.

- a. For a Domestic ^ Transaction – \$0.15 per transaction (starting with the 16th and subsequent failed transaction attempts)
- b. For a Foreign ^^ Transaction – \$0.23 per transaction (starting with the 16th and subsequent failed transaction attempts)

Effective April 1, 2022, Visa is introducing a non-compliance assessment per declined transaction where an issuer previously responded with a decline code that indicates the transaction would never be approved.

- a. For a Domestic ^ Transaction – \$0.15 per transaction
- b. For a Foreign ^^ Transaction – \$0.23 per transaction

Mastercard Authorization Management:

Mastercard applies non-compliance assessments in the event of multiple failed authorizations using the same card. The non-compliance assessments outlined below will occur when 20 or more failed transaction attempts (declines) are processed using the same card within a 24-hour period.

- a. For a Domestic ^ Transaction – \$0.15 per transaction (starting with the 21st and subsequent failed transaction attempts)
- b. For a Foreign ^^ Transaction – \$0.15 per transaction (starting with the 21st and subsequent failed transaction attempts)

Effective April 1, 2022, Mastercard is introducing a non-compliance assessment per declined Card-Not-Present (CNP) transaction. This non-compliance assessment will be applied for every declined CNP transaction with certain reason codes (e.g., "Card Status Inactive or Closed" or "Daily Usage Limit Reached").

- a. For a Domestic ^ Transaction – \$0.03 per transaction
- b. For a Foreign ^^ Transaction – \$0.03 per transaction

Effective May 1, 2022, Mastercard is introducing a non-compliance assessment for every CNP re-attempt where the transaction was previously declined in the past 30 days due to account closure, fraud, or the cardholder cancelled the agreement.

- a. For a Domestic ^ Transaction – \$0.05 per transaction
- b. For a Foreign ^^ Transaction – \$0.05 per transaction

FAQ – Excessive Transaction Attempts (ETAs)

The following is useful information on the definition of ETAs, their identification, and tips to help prevent them from occurring on your Account.

What is an Excessive Transaction Attempt (ETA)?

An ETA is defined by the Payment Card Networks (PCNs) as continued authorization attempts (using the same card number) after receiving decline responses. For example:

- 20 decline responses within a 24-hour period;
- 15 decline responses within a 30-day period.

This is also commonly known as account testing and is usually conducted by fraudulent entities. For example, a fraudulent entity uses an automated process to make repeated purchase attempts on a Merchant's ecommerce site to test if a card number is valid. Once the card number is confirmed valid, it may be subsequently used for fraudulent purchases. This practice is disruptive to the Cardholder experience, creates reputational challenges and in some cases results in significant fraud losses for Merchants.

How can you identify ETAs?

Typically, an ETA can be identified as multiple authorization requests for the same card at regular intervals, often within seconds of each other. Regular monitoring of your TDMS Account will help ensure that you quickly identify any irregular activity, such as an excessive number of authorization requests, declines and reversals which is not consistent with your regular processing behavior.

What can you do to protect your Merchant Account from ETAs?

While TDMS has fraud monitoring tools in place, we recommend that you implement the following controls where applicable to help protect your TD Merchant Solutions Account from the occurrence of ETAs:

- Regularly review your TDMS Account for instances of excessive authorization declines, which do not reflect your normal account activity.
- Suspend or block credit/debit card accounts that have exhibited a significant number of authorization attempts on your Merchant Account.
- If applicable, contact your website/shopping cart provider to set transaction processing controls to prevent fraudulent authorization attempts. This will help you monitor your Account for unusual customer spending patterns. For example, set controls to prevent 20 declines on the same card number within 24 hours.

Should you have questions, please contact us at 1-800-363-1163 to speak with a TD Merchant Solutions representative.

[^] Domestic transaction means the transaction is conducted in a currency that is the same as the currency assigned to the Card being used.

^{^^} Foreign transaction means the transaction is conducted in a currency that is different from the currency assigned to the Card that is being used.