Customer service and user claims in card issuing

Once you start issuing cards for your users you will experience a wide range of various problems and requests coming from your customers. In this article we would like to summarize the most common issues so that you could get prepared.

Those are:

1. Transactions not working
2. Problems with delivery or activation of plastic cards
3. Transaction reversals and refund issues
4. Fraudster activity

Point 1 - Transactions not working

The most common problem after starting card issuing is connected with performance of transactions. Your users will inform you about problems with transaction authorisations or merchant not accepting their card etc. There can be plenty of reasons of such problems. The most important are:

- User related issues - especially "insufficient funds". User tries to pay and he/she does not have enough money on account but forgets to check. More or less 10% of transactions will fail because of this issue. You need to be ready to inform user that he needs to check his balance on account first. Another problem may be connected with users wrongly performing transaction, entering wrong PIN etc. In this case you will be able to check in card issuing system that transaction failed because of this reason.
- Merchant related issues - 2nd biggest reason of problem. Depending on geography or country merchants and acquirers may decide to decline transaction for various random reasons. Normally it is less than 2% of all transactions. There is very little we can do about it. Sometimes you can contact acquirer, merchant or local Mastercard to check reasons and discuss how to increase acceptance and it is worth doing in many cases. But in reality this may be difficult to change. In this case you will not be able to check in card issuing system that transaction failed. You need to inform user that we do not see this transaction and he needs to contact merchant or acquirer.
- System related issues - 3rd reason of transaction failures is connected with unavailability of merchant, terminal, acquirer, Mastercard or card issuer systems. In such case transaction, most often, you will not be able to see this transaction in our system. You need to inform user that we do not see this transaction and he needs to contact merchant or acquirer.

Point 2 - Problems with delivery or activation of plastic cards

Usually, when you decide to use not only virtual but also plastic cards, you will experience various problems with personalization, delivery or activation of plastic. In various countries there may be various issues with those processes. They are usually connected with logistics or lack of easy activation methods for cards. Some of those issues can be cleaned by us during the project but for many of them we will not have good solution. Actually, in today's digital world, we do not recommend issuing plastic cards but if you need to do so, let's be ready for such problems.

Point 3- Transaction reversals and refund issues

White paying with cards, customers will experience situations that they want to resign from transaction after some time. Sometimes immediately - and in this case reversals will be used. Sometimes after several days - in this case refund will be used. In such situations we should receive from merchant or acquirer authorization that credits transaction. We should be able to deliver this message to you so that you could increase balance of the user on account. But sometimes this process does not work correctly. If card issuer does not receive message from acquirer or payment scheme, we are unable to give you this information. User's funds may got frozen for 2-4 weeks. It is important that you understand that such things happen.

Point 4 - Fraudster activity

Any new payment activity in the world is attracting attention of fraudsters or payment mafias. There are people in the world specialised in stealing card data or making transactions with cards while having no money on accounts. This is very serious risk for you as they will be testing your systems as well. This is especially visible if you have many "Do not honour" transactions or weak Know Your Customer processes. Be ready for it. Monitor your traffic. Cards will not always work for all payment transactions, some fraud rules will block suspicious activities but your online monitoring is necessary.

Those are key points to remember about. Please do not forget about them while launching your card issuing program with us.

Thanks for reading.

Revision #3
Created 23 April 2024 10:36:32 by Krzysztof Drzyzga
Updated 29 May 2024 05:36:30 by Krzysztof Drzyzga