



# Deflect

## Stop Chargebacks Before They Become Disputes

MersaTech Deflect is designed to help merchants reduce chargebacks, improve response times, and lower the operational and financial impact of disputes by using pre-dispute alerts, enhanced transaction data, automated workflows, network resolution tools, and transaction intelligence.

Chargebacks are expensive, time-consuming, and often preventable. By identifying potential disputes earlier in the process, MersaTech Deflect helps merchants take action before a chargeback is formally filed whenever possible.

MersaTech Deflect is structured around two primary categories:

1. **Alert** – Pre-dispute notifications, enhanced transaction data, digital receipt tools, and Reflections / Visa Compelling Evidence 3.0 transaction intelligence that help identify, clarify, and respond to customer inquiries before they become chargebacks.
2. **Resolve** – Network-based resolution tools that may allow eligible disputes to be resolved through a refund or merchant response before they proceed through the traditional chargeback process.

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## Why Chargeback Prevention Matters

A chargeback is more than the loss of a sale. Merchants may also face:

- Chargeback fees
- Lost product or service value
- Operational labor
- Increased dispute ratios
- Higher processing risk
- Potential placement in monitoring programs
- Damage to processor, sponsor bank, or card-brand standing



Many merchants only respond once a chargeback has already been filed. MersaTech Deflect is designed to move the process earlier, giving merchants visibility, automation, evidence support, and resolution options before the dispute becomes more costly.

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## **MersaTech Deflect Alert**

The Alert portion of MersaTech Deflect is designed to help merchants receive early notification, provide enhanced transaction information, and identify eligible evidence opportunities before a dispute formally begins.

At the Alert stage, nothing is refunded automatically. The purpose of Alert is to provide data, visibility, transaction intelligence, and potential MersaTech Deflection before a transaction turns into a formal dispute.

Alert may include tools such as:

- Pre-dispute notifications
- Enhanced transaction data
- Digital receipt support
- Merchant identification data
- Customer/order information
- Shipping or delivery details
- Prior transaction history
- Product or service information
- Reflections / Visa Compelling Evidence 3.0 transaction intelligence for eligible Visa card-not-present fraud disputes
- Other supporting transaction data

This information may help the issuer, cardholder, or network better understand the transaction and may prevent the matter from becoming a chargeback.

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## How Alert Helps

Many disputes begin because the cardholder does not recognize the transaction, forgot the purchase, does not understand the merchant descriptor, or contacts the issuer before contacting the merchant.

MersaTech Deflect Alert helps by supplying transaction information earlier in the process. When sufficient data is available, this can help clarify the purchase and potentially stop the dispute before it escalates.

Alert is best viewed as a pre-dispute notification, transaction data, and evidence intelligence tool, not a refund tool.

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## Reflections / Visa Compelling Evidence 3.0

**Reflections** is part of the Alert process and provides transaction intelligence and evidence support for eligible **Visa Compelling Evidence 3.0**, commonly referred to as **CE3** or **CE 3.0**.

Reflections is designed to help merchants identify qualifying prior transaction history and matching transaction data that may strengthen responses to eligible Visa card-not-present fraud disputes.

CE3 generally applies to eligible Visa **10.4 card-absent fraud disputes**. It is not a universal chargeback defense and does not apply to every dispute type, card brand, or transaction.

To qualify, CE3 typically requires:

- At least two prior transactions using the same payment method.
- Prior transactions generally settled between 120 and 365 days before the disputed transaction.
- Prior transactions must not have been previously disputed as fraud.
- The disputed transaction and prior transactions must share required matching data elements.
- At least two core data elements must match, and one of the matching elements must be either IP address or device ID/fingerprint.

Core data elements may include:

- Customer account or login ID
- IP address



- Shipping or delivery address
- Device ID or device fingerprint

When the required criteria are met, Reflections can help merchants identify and prepare CE3-eligible evidence to strengthen the merchant's response to qualifying Visa card-not-present fraud disputes.

Reflections does not automatically refund transactions and should not be treated as a Resolve rail like RDR or CDRN.

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## **Card-Present and Card-Not-Present Considerations**

CE3 is designed for eligible Visa card-not-present fraud disputes and does not apply to standard card-present transactions.

Card-present merchants, such as restaurants, retail stores, service businesses, and other physical locations, may still benefit from Reflections when they also process eligible card-not-present transactions.

Examples may include:

- Online orders
- Phone orders
- Catering deposits
- Delivery orders
- Reservation deposits
- No-show fees
- Gift card purchases
- Memberships
- Recurring billing
- Card-on-file payments
- Invoice payments
- Keyed or manually entered transactions



Standard dipped, tapped, or swiped card-present transactions are not CE3 eligible. Even where a merchant can demonstrate that the cardholder is a regular customer, CE3 still requires an eligible Visa card-not-present fraud dispute and the required transaction data matches.

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## **MersaTech Deflect Resolve**

The Resolve portion of MersaTech Deflect focuses on network-based resolution options that may allow eligible items to be resolved before they become full chargebacks.

Resolve may include tools such as:

- Visa RDR
- Visa CDRN
- Mastercard tools, including Mastercom Collaboration and Ethoca Alerts
- Other participating network or issuer alert programs where available

Each tool has different rules, coverage, timing, and automation options. Not every transaction, issuer, card brand, or dispute type is eligible for every tool.

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## **Visa RDR**

**RDR**, or Rapid Dispute Resolution, is a Visa solution that allows eligible disputes to be automatically resolved based on rules set up in advance.

RDR is automated. Once the merchant is enrolled and the rules are configured, eligible items may be automatically refunded based on those preset parameters.

With RDR, the merchant generally does not receive an after-the-fact choice to decide whether to refund each eligible item. The decisioning happens automatically based on the merchant's preconfigured rules.

Examples of RDR parameters may include:

- Transaction amount thresholds
- Dispute categories
- Merchant rules
- Transaction criteria



- Other available eligibility settings

RDR can be helpful for merchants who want to automate the resolution of certain disputes, especially when the cost of fighting the dispute may exceed the value of the transaction or when refunding is the preferred strategy.

From a VAMP perspective, RDR may help reduce the number of disputes that proceed into the traditional chargeback process. However, merchants should not rely on RDR alone as a complete VAMP solution. Certain fraud-related activity or fraud reporting may still impact VAMP metrics even when a transaction is resolved through RDR. RDR should be used as part of a broader prevention strategy that also includes fraud controls, clear billing descriptors, customer service procedures, alert monitoring, and transaction-level data tools.

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## Visa CDRN

**CDRN**, or Cardholder Dispute Resolution Network, is a Visa-related pre-dispute resolution tool that can provide merchants with an opportunity to review eligible items and determine whether to issue a refund within the required response window.

Unlike RDR, CDRN can support a more manual or merchant-choice workflow. The merchant may receive notification, review the transaction or customer file, and determine whether to refund based on the information available.

Through supported proprietary automation workflows, CDRN can also be configured to operate with less manual effort while still following merchant-approved rules and workflows. The platform can help automate the review and response process, improve response timing, and create a more consistent resolution strategy for eligible pre-dispute notifications.

This flexibility makes CDRN a strong fit for merchants who want either manual review or a more streamlined automated process. It can be especially useful for merchants who need to check eligibility, account status, service delivery, customer history, or documentation before deciding whether to refund.

When automated, CDRN can help merchants simplify operations while increasing the likelihood that eligible items are handled before they become full chargebacks. This can be especially important for merchants who are at risk of, or currently in scope for, VAMP monitoring, where timely pre-dispute resolution and consistent dispute management are critical.

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## RDR and CDRN Are Separate Rails

It is important to understand that RDR and CDRN are separate resolution rails.



A card or item registered and eligible on the RDR rail will generally not also appear on the CDRN rail for manual decisioning. The reverse is also true: items handled through the CDRN rail are not simultaneously handled through RDR.

This means merchants should carefully choose how they want eligible disputes handled.

In general:

- **RDR** is best for automated refund decisioning based on preset rules.
- **CDRN** is best when the merchant wants the ability to review and choose whether to refund within the required timeframe, or when supported automation workflows are configured around merchant-approved rules.

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## **Mastercard / Ethoca Alerts / Mastercom Collaboration**

Mastercard-related dispute prevention and resolution tools include Ethoca Alerts, Consumer Clarity, and Mastercom Collaboration, where available.

Ethoca Alerts provide early dispute notifications that enable merchants to take action before the matter becomes a formal chargeback. Depending on issuer participation, transaction eligibility, and program rules, the merchant can review the alert, determine the appropriate response, and act within the required timeframe.

Mastercom Collaboration is part of Mastercard's broader dispute management process and supports issuer, acquirer, and merchant collaboration before a dispute moves further through the chargeback lifecycle.

These Mastercard tools are separate from Visa RDR and CDRN. They have their own coverage, rules, timing, issuer participation, and response requirements.

Where available, MersaTech Deflect helps merchants manage Mastercard-related alerts and collaboration workflows as part of a broader dispute prevention and resolution strategy.

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## **Manual vs Automated Workflows**

MersaTech Deflect may support different workflows depending on the merchant's needs, available integrations, and the specific alert, resolution, or evidence workflow being used.

Some merchants prefer automation because it reduces manual work and speeds up response times. Other merchants prefer manual review because they need to check customer files,



eligibility, fulfillment status, service records, or dispute evidence before deciding how to proceed.

The best setup depends on the merchant's business model.

For example:

- A low-ticket merchant may prefer automated refunds for certain disputes.
- A service-based merchant may need to review customer eligibility before refunding.
- A subscription merchant may need to confirm cancellation status, usage, or contract terms.
- A high-ticket merchant may want manual review before any refund decision is made.
- A card-not-present merchant may want Reflections to identify eligible CE3 evidence before responding to certain fraud disputes.
- A hybrid merchant may need different workflows for card-present and card-not-present activity.

MersaTech Deflect can help structure the workflow around the merchant's needs, but the available options depend on the specific card brand, issuer, rail, transaction eligibility, dispute type, and data availability.

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## **Benefits of MersaTech Deflect**

MersaTech Deflect will help merchants:

- Reduce preventable chargebacks
- Receive earlier notice of potential disputes
- Improve response speed
- Lower chargeback-related costs
- Reduce manual dispute workload
- Improve customer service outcomes
- Protect processing relationships
- Reduce risk of monitoring program exposure



- Use enhanced transaction data to clarify purchases
  - Support automated or manual workflows depending on merchant needs
  - Identify CE3 opportunities for eligible Visa card-not-present fraud disputes
  - Improve transaction-level evidence quality for qualifying disputes
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## **Estimated Financial Impact**

Chargebacks can create costs beyond the disputed transaction amount. Depending on the merchant, these costs may include:

- Lost revenue
- Lost product or service value
- Chargeback fees
- Operational labor
- Customer service time
- Representment costs
- Increased risk exposure
- Potential monitoring program fees or penalties

Because merchant costs vary, any savings estimates should be viewed as general examples rather than guaranteed results.

MersaTech Deflect is designed to reduce the number of disputes that become formal chargebacks, help merchants respond earlier when a potential dispute occurs, and strengthen evidence strategies for qualifying disputes.

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## **Choosing the Right Setup**

The right MersaTech Deflect setup depends on the merchant's business model, dispute exposure, card brand mix, transaction environment, and how much control the merchant wants over the refund or response decision.

**If the merchant wants automation:**



RDR may be appropriate for eligible Visa items where the merchant is comfortable setting rules in advance and allowing refunds to occur automatically when those rules are met. CDRN can also be automated through supported proprietary workflows, where eligible, using merchant-approved rules to streamline review and response.

**If the merchant wants manual review:**

CDRN or applicable alert-based workflows may be more appropriate where the merchant wants to review each item before deciding whether to refund.

**If the merchant wants visibility only:**

Alert tools may be used to provide notification and transaction data before a dispute begins, without automatically issuing refunds at that stage.

**If the merchant wants stronger dispute evidence:**

Reflections may be appropriate for merchants with eligible Visa card-not-present fraud disputes where prior undisputed transaction history and matching data can be used to support CE3 evidence requirements.

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## **Common Merchant Scenarios**

### **Merchant wants notification only**

The merchant may use Alert tools to receive early visibility and provide transaction data before a dispute begins. No refund is automatically issued at the Alert stage.

### **Merchant wants to decide before refunding**

The merchant may use CDRN or other available alert workflows, where eligible, to review the transaction and decide whether to refund within the required timeframe. RDR is not interchangeable with CDRN; eligible RDR items are handled automatically based on rules configured in advance.

### **Merchant wants automated refund resolution**

The merchant may use RDR for eligible Visa items, with rules configured in advance to automatically resolve qualifying disputes. CDRN can also be automated through supported proprietary workflows, where eligible, using merchant-approved rules to streamline review and response.

### **Merchant wants to improve fraud dispute evidence**



The merchant may use Reflections, as part of the Alert process, to identify eligible CE3 evidence opportunities for qualifying Visa card-not-present fraud disputes. This can help merchants use prior undisputed transaction history and matching data elements to strengthen the dispute response.

### **Card-present merchant with some card-not-present volume**

A card-present merchant, such as a restaurant or retail location, may use MersaTech Deflect for Alert and Resolve tools across eligible activity and may also benefit from Reflections for eligible card-not-present transactions, such as online orders, phone orders, deposits, delivery, invoice payments, card-on-file payments, or keyed transactions. Standard dipped, tapped, or swiped card-present transactions are not CE3 eligible.

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## **Important Program Limitations**

Not every dispute can be prevented. Not every transaction will qualify for every tool. MersaTech Deflect is designed to improve early visibility, increase response options, support automation, and reduce preventable disputes where eligible.

CE3 and Reflections are not available for every transaction or dispute type. CE3 is specific to eligible Visa card-not-present fraud disputes and depends on the availability of qualifying prior transactions and required matching data elements.

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## **Summary**

MersaTech Deflect helps merchants reduce the impact of chargebacks by moving action earlier in the dispute lifecycle.

The program includes:

- **Alert** for pre-dispute notification, enhanced transaction data, digital receipt tools, and Reflections / Visa Compelling Evidence 3.0 transaction intelligence.
- **Resolve tools**, including RDR, CDRN, Mastercard tools, and other available alert or resolution programs where supported.

The key distinction is that Alert does not automatically refund, but instead provides notification, data, visibility, and evidence intelligence before a dispute becomes a formal chargeback. RDR is automated based on preset rules, and CDRN can provide either a merchant-choice workflow or a supported automated workflow when eligible.



RDR and CDRN are not interchangeable on the same item. Availability depends on card enrollment, issuer participation, card brand, dispute type, transaction eligibility, and the rail through which the item is presented.

Reflections is part of the Alert process and supports CE3 evidence identification for qualifying Visa card-not-present fraud disputes, but it does not apply to standard card-present transactions.

MersaTech Deflect allows merchants to build a prevention, resolution, and evidence strategy that fits their business model, risk tolerance, VAMP exposure, transaction environment, and operational needs.