

MasterCard Dispute Workflows

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As of July 17, 2020, all new MasterCard disputes are processed through the MasterCard Dispute Resolution (MDR) Initiative. To support this change on the Qualpay platform, we took advantage of the Visa Collaboration Workflow, which has the same workflow characteristics as the Visa Collaboration workflow.

MasterCard removed the issuance of second-time chargebacks. After July 17, 2020, MasterCard will issue a pre-arbitration dispute when the issuer continues with the transaction dispute. The time frames the issuing bank has to respond in are different from Visa Collaboration. Figure 1 illustrates the workflows and also the time frames.

Also, as of July 17, 2020, MasterCard will no longer support:

1. Resolving a dispute over a refund will be conducted within the dispute process, and not also in a compliance workflow process.
2. Two fraudulent reason codes 4863 and 4840.

Before July 17, 2020, any first-time disputes are considered a Standard Workflow and will process the same as today. Any disputes after the referenced date will be designated Collaboration. The Collaboration workflow, illustrated in figure 1, is for all MasterCard disputes. Opt to respond within the recommended time frame of **sixteen days** to **Accept** or **Respond** to this type of dispute from the incoming dispute date. Note that we recommend the same [response time](#) for all card brand disputes, irrespective of workflow type. On receipt of this dispute type, you will be automatically debited for the disputed amount. If you choose to respond, the dispute's amount will be adjusted and credited to your bank account. If you choose not to respond, Qualpay will automatically accept the dispute with MasterCard on your behalf. The status of the dispute will be updated to "Time frame Expired (E)." If you accept the dispute, the status will be updated to "Merchant Accepted (A)."

Selecting to respond, and initiating a dispute response will require the issuing bank to respond to the dispute within forty-five days of the response date. If the issuing bank rejects your response and creates a pre-arbitration, the current case's Dispute status will be updated to "Issuer Rejected (D)." A new dispute case will be created to track the pre-arbitration. On receipt of this dispute type, you will be automatically debited for the disputed amount. If you choose to respond, the dispute's amount will not be adjusted to your bank account until a final decision is made. You will have the option to **Accept** or initiate a **Challenge** response within **forty** days of the incoming dispute date. If no action is taken, Qualpay will automatically accept the dispute with the issuer on your behalf and expire the time frame on the dispute. The status will be updated to "Time frame Expired (E)." If you accept the dispute, the status will be updated to "Merchant Accepted (A)."

Challenging the dispute will give the issuer seventy-five calendar days from the initial dispute response, to respond to the pre-arbitration response. Next, the pre-arbitration dispute status will be updated to "Arbitration (Z)," and an arbitration dispute case will be created. Then MasterCard will make a final ruling on the dispute. Once the final decision is made, monies will be adjusted to the appropriate party.

Figure 1: MasterCard Dispute Resolution Initiative

