

case
study

PLUSCARD

ACI Solution Helps PLUSCARD
Improve Dispute Management and
Achieve Significant Savings





Formed in 1996, PLUSCARD Service-Gesellschaft fuer Kreditkarten-Processing GmbH is a credit card processor based in Saarbruecken, Germany. PLUSCARD provides a comprehensive range of outsourcing services for some 200 German savings banks

Challenge

- ▶ To implement a fully integrated solution to support and automate new business processes associated with the management of cardholder disputes, reduce costs and improve customer service.

Solution

- ▶ The ACI Dispute Management System™ is a single, integrated solution that offers all the benefits of workflow, task automation and rules management tailored to meet the international card association operating regulations for disputed transaction resolution.

Results

- ▶ PLUSCARD has achieved significant cost savings and improved portfolio profitability
- ▶ PLUSCARD has shortened the training time for new team members in the disputes area reducing the impact of staff turnover
- ▶ PLUSCARD has increased the number of cases handled by each user
- ▶ PLUSCARD has achieved a return on investment in a year
- ▶ PLUSCARD has improved user productivity and eradicated almost all processing errors and associated rejected items

Industry Environment and Trends

The payment card industry is going through tremendous change while also facing massive growth in transactions. A combination of new technology initiatives coupled with changes in customer behaviour and expectations have lead issuers and acquirers to review the structures and systems that support the payment process in order to improve efficiency, remove redundancy and increase transaction profitability.

It is estimated that from 0.05 to 0.15 percent of all transactions will result in a customer dispute. In the online arena, estimates are double and triple these figures. Migration to EMV and the associated liability shift have resulted in an upsurge in chargebacks. This, combined with confusion in understanding the new rules and application of EMV data in the transaction, is further stressing those responsible for managing customer disputes.

As EMV reaches maturity, it is expected that the percentage of transactions resulting in customer disputes will decrease as a result of the associated non-repudiation. However, this is unlikely to happen in the short term and industry statistics indicate a continued upturn in electronic payments. It is reasonable to assume therefore, that customer disputes will continue to be a negative feature on the profitability of the portfolio.

Efforts by the card associations go some way to rationalisation of their support systems in this area. However, they are only in a position to address a dispute from a single scheme, card product, and transaction perspective.

The Challenge

PLUSCARD enjoys an enviable reputation in the German market. The organization prides itself on responding to its customer banks' business opportunities by introducing state-of-the-art products and providing quality customer service.

PLUSCARD found processing chargeback and dispute transactions costly and extremely cumbersome, primarily due to the disparate nature of internal and external systems used for research and investigation, re-keying errors, missed response deadlines and the failure to identify and apply the correct compliance rules.

Like all card issuers, PLUSCARD must comply with card association rules and regulations as well as strict guidelines and service level commitments for cardholders on behalf of its customers, the savings banks. For cardholders, this ensures that all enquiries are dealt with in a timely and effective manner. For the banks, this means controlling exposure to losses due to write-offs, untimely dispute handling and errors in allocation of wrong reason codes.

In its early days, PLUSCARD used an in-house solution that relied on a largely manual set of processes to manage cardholder dispute enquiries and their resolution. However, in order to meet the challenges of changes in the payments environment, PLUSCARD determined that a review of its business processes and provision of a robust dispute management system was required.

PLUSCARD sought a solution that could be integrated with its existing internal and external systems infrastructure while enabling the Customer Services department to manage the priority of tasks and meet card association deadlines effectively. Equally important was the need for management to have visibility of items in dispute and the ability to prioritise and escalate items in order to minimise undue delays, resolution costs and impacts to customer service.

The Solution

The ACI Dispute Management System is a single, integrated solution that offers all the benefits of workflow, task automation and rules management. The solution can be integrated with an organisation's existing customer disputes environment, and offers the following benefits:

- ▶ Provides visibility of disputes at any stage during their lifecycle
- ▶ Enables the identification of repetitive cardholder disputes, multiple transactions associated with a cardholder dispute and multiple transactions associated with a specific dispute arising from a particular fraud attack
- ▶ Enables disputes to be managed at the individual transaction case level, at the multiple transaction case level or to combine multiple transactions and cases into a 'super case' level in an automated manner;
- ▶ Enables disputes staff to keep abreast of an organisation's current risk and financial exposure
- ▶ Facilitates requests for information and transaction image exchanges with the card associations
- ▶ Allows staff to easily manage work processes and identify patterns

The solution's comprehensive workflow features ensure consistent management of disputes regardless of the card association involved. In addition, the system can process multiple dispute transactions as centrally co-ordinated cases. This is especially useful, for example, when handling multiple fraudulent transactions arising as a result of lost or stolen cards.

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*Mrs Petra Silsbee
Head of Chargeback and Fraud*

The solution is customer focused, providing a view of the customer's transactions to enable the Customer Support Representative to respond in an informed and proactive manner and enables a common approach to dispute management whether the card product is Visa or MasterCard, or indeed, another scheme.

The Dispute Management System turns disputes processes into straight-through processes and provides management and customer services with a unified, customer-centric view of exceptions across products, enabling PLUSCARD to:

- ▶ Reduce operational costs and increase productivity
- ▶ Improve service quality and customer satisfaction
- ▶ Reduce operational risk
- ▶ Effectively manage items in suspense and contain exposure to write-off
- ▶ Obtain unsurpassed flexibility and scalability

The Results

PLUSCARD has realized a number of positive results from the Dispute Management System including more than an 85 percent reduction in dispute resolution procedural errors.

Additional benefits include minimising training of new staff and thus exposure to staff turnover, the ability to customise processes with no impact on operational efficiency, faster resolution of customer queries, increased turnaround on cardholder reimbursements, and the ability to create and tailor a selection of statistical, management and fraud reports.

“The ACI Dispute Management System has allowed us to maximise the benefits of our revised disputes processes and has enabled PLUSCARD to offer a better service to its customers while realising significant savings. We now have an automated solution that is fully integrated with the core elements of our business process,” said Mrs Petra Silsbee, Head of Chargeback and Fraud at PLUSCARD.

The Dispute Management System has allowed PLUSCARD to respond to their customers' cardholder enquiries more quickly, provide faster and more informed resolution of disputes and reduce the amount of time for cardholder reimbursements.

“Working with a professional processor such as PLUSCARD has enabled ACI to develop a dispute management solution that enables our customers to meet the complex challenges and deliver a first-class service to their cardholders,” said Steve Gass, Director of Product Management at ACI. “Our customers have achieved significant savings through its deployment. The ACI Dispute Management System is just one step along the road of ACI completing the payments life cycle through our Payments Managements suite.”

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