

## Card scheme rules for lodging merchants

### Processing requirements for reservations and confirmations

- Disclosure of terms and cancellation policy must be visible in the reservation process. See „Card schemes – Rules on cancellation policies “.
- A reservation confirmation must be sent to the cardholder through e-mail within 24 hours of the reservation. Confirmation must include a reservation number and the appropriate terms and cancellation policy.
- The merchant must provide the cardholder a period of 24 hours after the reservation confirmation to cancel the reservation without penalty.
- The merchant must hold the reservation for 24 hours after the expected check-in time of the guest if no cancellation has been received.
- If the cardholder claims the reservation within the 24 hours of the expected check-in time and the merchant has failed to hold the reservation, the merchant must supply the guest with comparable service without any extra cost to the cardholder.
- The merchant must supply the cardholder with a cancellation number with all accepted cancellations.

If a reservation is confirmed within 72 hours of expected check-in time, the cancellation timeframe should be at 18:00 on the expected check-in day.

### Delayed or amended charges

If a merchant needs to charge a cardholder for delayed or amended charges the charge must be related to a previously provided service. The merchant must send an invoice to the cardholder explaining the charge. All delayed or amended charges must be processed within 90 days from check-out date.

A No-show must only be charged if the cardholder has not cancelled within the agreed cancellation time limits and not claimed the reservation. No-show fee must not be greater than the value of a one night stay.

Receipts for No-Show charges must be indicated with the words “No-Show”.

### Charges for loss, theft or damages.

The card schemes rules on charges for loss, theft or damages differ considerably. Therefore, it is important that merchants charge cards due to loss, theft or damages in compliance with the appropriate card scheme rules.

## **Visa rules**

Within 10 business days from check-out and before a transaction is processed to the card, the merchant must send the cardholder a notification and documentation that include:

- An explanation of the charge and how it relates to the cardholder
- Copy of damage estimate/repair invoice/ police report
- An explanation on how the damage is divided between insurance and cardholder
- Informs the cardholder of the option to pay for the damage by other means than the card

The cardholder may within 10 business days from the notification of loss, theft or damage provide an alternative written estimate for the cost of repair, at no cost to the merchant.

20 business days after notifying the cardholder of the cost of loss, theft or damage the merchant may process the transaction to the card. The merchant must process the charge within 90 days of the check-out date.

If an agreement is not reached between the merchant and the cardholder for the cost of repair, and the merchant has charged the card, the cardholder may dispute the transaction.

## **Mastercard and American Express rules**

The merchant must inform the cardholder of the intention of charging him/her for loss, theft or damage along with a damage estimate. If the actual repair cost is lower than the charged amount the merchant must refund the difference to the cardholder.

The charge must be processed in a POS reading device and an authorization from the cardholder must be obtained, either by signature or a PIN.