

CARD TRANSACTION GUIDE FOR ACCOMMODATION ESTABLISHMENTS

1. Paying for accommodation with a card payment

1.1 Authorisation of the transaction

The cost of accommodation depends on the selected period (duration), room rate, local taxes and service fees. If the client wishes to pay for the accommodation using a credit card, the transaction amount must be pre-authorised by inserting the bank card into the payment terminal. This is important so that card information can be read directly from the chip, instead of entering card information into the terminal manually.

If the accommodation establishment does not have the possibility or permission for pre-authorisation granted by the bank, an orderly (final) transaction must be made. This ensures that the card functions and the client is solvent to the extent of that amount. Expected additional charges (e.g., extended stay at the accommodation establishment, use of the minibar, etc.) must not be added to this amount.

The amount reserved on the card as pre-authorisation must be terminated as a transaction in the payment terminal, or the reservation may be released within 30 calendar days of making it, at the latest. According to the rules of the International Card Organisation, if the pre-authorisation is terminated as a transaction after more than 30 days, the cardholder's bank has the right to dispute the transaction if the cardholder is no longer solvent.

1.2 Check-out

If, by the time of check-out of the accommodation establishment, the final cost of accommodation is:

- the pre-authorised amount, then the transaction is made in this amount;
- an amount smaller than the pre-authorised amount, then the transaction is made in the smaller amount;
- an amount greater than the pre-authorised amount, then the additional amount must also be authorised and the cardholder must provide a signature on both receipts.

If, for some reason, the card transaction failed to be authorised upon the client's arrival, we recommend that you make a card transaction in the payment terminal with the cardholder's confirmation when the client leaves the accommodation establishment.

1.3 If the client leaves without paying

If the client leaves the accommodation establishment without properly checking out, the accommodation establishment may make the previously pre-authorised amount into a transaction. If the client has only provided the accommodation establishment with a card number (e.g., when booking or checking in), the card has not been entered into the payment terminal on site, and the cardholder leaves the hotel without paying, it may constitute fraud. If the cardholder disputes this transaction, then unfortunately, it will be resolved in favour of the cardholder, as the card has not been read at the terminal on site and the accommodation establishment cannot present a signed or PIN-certified payment receipt.

Sending a transaction to processing

- The final authorisation of the transaction must be sent to processing within 1 day (24 hours) of authorisation.
- A pre-authorised transaction must be sent to processing within 30 days of pre-authorisation.
- A cancellation must be sent to processing within 5 days from the date of cancellation.
- Additional transactions must be sent to processing within 90 days of the completion of the initial transaction, i.e., the check-out date, but the faster the additional transactions are sent to processing, the lower the chance of receiving disputes.

2. Additional charges

Additional charges from the accommodation establishment may be for:

- a longer stay in the hotel than was agreed
- additional charge for extra meals

- use of the minibar
- telephone service
- causing damage

Payment of additional charges must be made as a separate transaction and must be authorised by the cardholder.

NB! The additional transaction for damage caused to the accommodation establishment, theft or loss of items must be made in such a way that the card is entered into the payment terminal and the receipt must be certified by the cardholder.

The transaction must be made within at least 90 days from the initial transaction. The amount must be presented in written form and the information must be sent to the address indicated by the cardholder so that they can examine the documents and give their consent. No transaction may be made for damage, theft or loss of items before the cardholder has provided their consent.

If the cardholder has not given their consent, then in the event of disputing such additional transaction, the card organisation generally makes the decision regarding the transaction in favour of the cardholder.

Before making an additional transaction with a Visa Card for damage/theft, the accommodation establishment must send the cardholder written justification for the additional transaction within 10 working days from the date of check-out. The following documents must be sent to the cardholder:

- a description of the damage, accompanied by reference to the original contract and the cardholder's involvement, as the damage occurred during the period when the cardholder used the accommodation;
- calculation of the damage and repairs with their cost, with quotes from at least two different companies offering repairs;
- the currency of the transaction;
- the accommodation establishment must inform the cardholder that the additional charge for damage does not have to be paid exclusively with a Visa card, but may also be paid using another payment card or transfer.

After receiving the information for the additional transaction, the cardholder has the right to ask for alternative quotes from various repair companies within the next 10 working days and submit the received quotes to the accommodation establishment. The accommodation establishment must wait 20 working days from sending information to the cardholder before making the transaction. The transaction must be made after receiving the consent of the cardholder. If the property and the cardholder cannot come to an agreement over making the additional transaction and the accommodation establishment nevertheless makes the transaction, the cardholder retains the right to file a dispute over the transaction with the bank.

When paying **with a Mastercard card**, such additional transaction for damage or theft must be made with the card having been used in the payment terminal on-site at the accommodation establishment. The transaction must be signed by the cardholder, and the receipt must indicate that the amount given is an estimate and the final cost of the repairs must not exceed the amount estimated by the merchant. If the estimated amount for the repairs actually turns out to be lower, the accommodation establishment must refund the difference to the cardholder within 30 days.

3. Booking accommodation

When booking accommodation, the hotel must provide the client with a verification code (preferably in writing, in reproducible form) and ask the cardholder to keep it. Upon booking, the client will be given confirmation with the following information:

- the name of the cardholder;
- card number;
- period of validity of the card;
- confirmation code;
- the exact address of the hotel;
- information about additional charges;
- other booking details.

NB! Cancellation or absence of the option to cancel must be precisely defined in the booking and the cardholder must have accepted these terms and conditions.

3.1 Cancellation of booking

An accommodation establishment must accept all cancellations of bookings that have been received in due time and comply with the hotel's cancellation policy. It is important that these rules are communicated to the cardholder at the time of booking and that they have accepted these. The accommodation establishment may not require cancellation earlier than 72 hours prior to the beginning of the client's reservation. For example, if the booking takes place only 24 hours before arrival and the merchant has a cancellation requirement of 48 hours before, the merchant will accept the cancellation by default until 18:00 (merchant's local time).

When settling with a Visa card, it is required to offer the client a cancellation option for at least 24 hours after receiving the cancellation terms and conditions.

Upon cancellation, the client must be given a cancellation code (preferably in writing, in reproducible form). If the cardholder made the booking online and was shown the hotel booking and cancellation terms and conditions for booking and cancellation, and the client accepted these terms and conditions by ticking the 'I accept' box, then this is a guarantee to the merchant that the cardholder has read the terms and conditions.

3.2 If the client is a no-show

The hotel has the right to make a transaction at the cost of **one night** if the client booked a stay with their payment card, but did not cancel it or did not arrive at the hotel.

It is important that the client was accurately informed at the time of booking how and when the cancellation of the booking would take place and that the client accepted these terms and conditions. It is recommended for the merchant to specify 'No-show' on the receipt for possible recovery claims. A no-show transaction must be made no later than 30 days from the start of accommodation.

NB! The hotel can charge a 'no-show' fee on the cardholder's bank card for just one night, regardless of how long the cardholder booked the room.

Be attentive! Sometimes, the client states that they cannot use the accommodation due to illness, for example, and wants to get their money back. Illnesses can occur, of course, but it is worthwhile being attentive to how the client wishes to get the money back. If they wish to recover the amount reserved on the bank card by transfer instead, then there is a high probability of misuse of stolen card details. Remember that a refund of the transaction must always be made to the original means of payment, i.e., the bank card. Therefore, please do not make a transfer or cancel the card transaction, but release the reserved card payment according to the terminal guide.

3.3 If the accommodation establishment cannot ensure the booked stay

If a hotel reservation is guaranteed with a payment card and the hotel cannot provide the service to the cardholder, the hotel must enable the cardholder to stay in an equivalent or better hotel than was booked. The hotel must also offer the cardholder the following services **free of charge**: one phone call and transport to another hotel upon request.

Cardholders cannot be charged a no-show fee, and the charge for the replacement room may only be to the extent of the guaranteed amount.

Information prohibited to be stored

Neither the transaction receipt nor any document of the accommodation establishment may contain the PIN or the CVC2/CVV2 code of the card.

NB! If in the case of manually entering the card details into the terminal, the terminal returns 'stolen card', 'lost card', 'invalid card' or 'confiscate card' as a response to authorising an additional transaction, then the

accommodation establishment **must not** authorise the same transaction amount for the same card and the same validity. Keep in mind that an accommodation establishment must not accept a bank card associated with such notices from the client.

4. Disputing a transaction

The cardholder has the right to dispute a transaction in their bank. In the case of a dispute, the cardholder's bank sends an inquiry to the bank that has concluded the contract with the hotel, and that bank, in turn, requests the relevant documentation from the company. If the hotel does not provide the documentation related to the card payment in time, the dispute will be settled in favour of the cardholder.

If a transaction that the accommodation establishment made after the cardholder's departure is disputed, then the bank must be provided with a document confirming that the cardholder has read the accommodation establishment's terms and conditions for the transaction, the reason for the transaction/the underlying document, and the registration card.

4.1. Disputing a no-show transaction

A cardholder can dispute a no-show transaction under the following circumstances:

- The cardholder cancelled the booking and can provide a confirmation of cancellation received from the hotel.
- The cardholder cancelled the booking, but they cannot provide confirmation of the cancellation.
- The no-show charge taken differs from the threshold initially presented to the cardholder.
- The cardholder was not aware that a no-show fee would be used.

The accommodation establishment can reject the dispute if it has correct documentation that was exchanged with the cardholder. This may be an email that was sent to the cardholder together with the cancellation terms and conditions or the hotel confirmation code.

If the booking was made online and the cardholder accepted the cancellation terms of the hotel by ticking the 'I have reviewed the terms and conditions' box, but disputes a no-show transaction afterwards, then the hotel can reject this dispute. To do this, the accommodation establishment needs to provide a screenshot of its website, showing that before completing a card payment, the cardholder must put a 'tick' in the box to indicate that they agree to the cancellation terms and conditions.

The screenshot does not have to include the details of the specific transaction, but rather show the general structure of the merchant's card payment page, an integral part of which is the terms and conditions of cancellation. The merchant's website may also contain a hyperlink to the booking terms and conditions, one part of which is the cancellation policy. The hyperlink must form a part of the 'Click to accept' confirmation. For example: *'I have reviewed the terms and conditions of booking and cancellation'*.

If the client has not confirmed receipt, or has not read the terms and conditions, or the accommodation establishment has failed to provide the necessary documents, the dispute is likely to be decided in favour of the cardholder. **If the cardholder disputes the no-show transaction as 'Unauthorised by the cardholder', then the merchant cannot reject this dispute. However, if the cardholder disputes it with a generic code (e.g., undue amount, cancelled transaction, etc.), the merchant can reject the dispute by adding an extract of the cancellation terms and conditions sent to the cardholder, their acceptance thereof, and the no-show invoice.**

NB! Keep in mind that only a signature on the registration form is not sufficient for the cardholder to have to pay all additional charges.

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