

Understanding Debit Card Disputes

Introduction

- With mass compromises to major retailers happening on a regular basis, chances are you've had your debit card compromised. Worse yet, you may have had to file a dispute on a transaction (or several) made by somebody who cloned your card. Once you've filed a dispute with your bank, you've probably wondered what happens to it. Wonder no more: here's an overview of the process.

MasterCard, Visa, and Federal Regulations rule the show

- Trying to explain regulations to somebody who isn't in banking could take hours. The operations manuals for both MasterCard and Visa are hundreds of pages long and aren't the easiest to read. Regulations can be even more confusing, but the only one you need to be aware of is Regulation E (or Reg E as bankers typically call it). Banks and credit unions are required to follow both Reg E and the brand's operating requirements, and that's what outlines the process.

When will the dispute be resolved?

- This depends on several factors. The complete dispute timeframe is long, but you just need to be aware of the following two: 5/10 days and 90 days. Both Reg E and MasterCard require your account be provisionally credited within 10 days of you reporting the problem. Visa, on the other hand, says provisional credit is due 5 days after reporting.
- In all cases, your institution will be required to notify you in writing when credit is posted. At the 90 day mark, the bank is required to close out the case and notify you of the final result. Chances are, however, if your card was cloned and the transaction was a “swipe” transaction, your dispute will be closed in just a few days since banks take a loss on anything that is “card present.”

Is there anything else I should know?

- If you have any questions, just give your bank or credit union a call. While the card brands and regulations outline the process, every institution has its own internal cycle for disputes. Also, make sure to check your statement every month for questionable transactions. You only have 60 days after the date of the statement to file a dispute and you could be held liable for some (or all) of the transactions if you don't report it quickly. And always make sure to follow up with your institution if they ask you a question. Not responding can delay the dispute process even further.

Conclusion

- Having your card compromised is never a fun experience, and what makes the situation even more stressful is [poorly phrased - rewrite]. When in doubt, always ask your bank or credit union what the process for disputing is and they'll help you proceed from there. You won't be the first one to report a problem and you won't be the last either.