



Electronic Payments Core of Knowledge

PARTICIPANT GUIDE

Running Up That Dispute Scenario Hill: Dealing with Reg E, ACH, and Cards

Welcome to:

Running Up That Dispute Scenario Hill: Dealing with Reg E, ACH, and Cards

Program Description

As use cases and technologies involving ACH and debit cards increase, so does the volume of disputes and complexity of fraud and error claims. As financial institutions continue running up that hill in terms of higher dispute volumes due to fraud, they must also correctly interpret and remain in compliance with Regulation E, the *ACH Rules* and various card network rules. It's you and me, as we'll be running up that road through various complicated dispute scenarios.

AAP/APRP Credits: 1.2

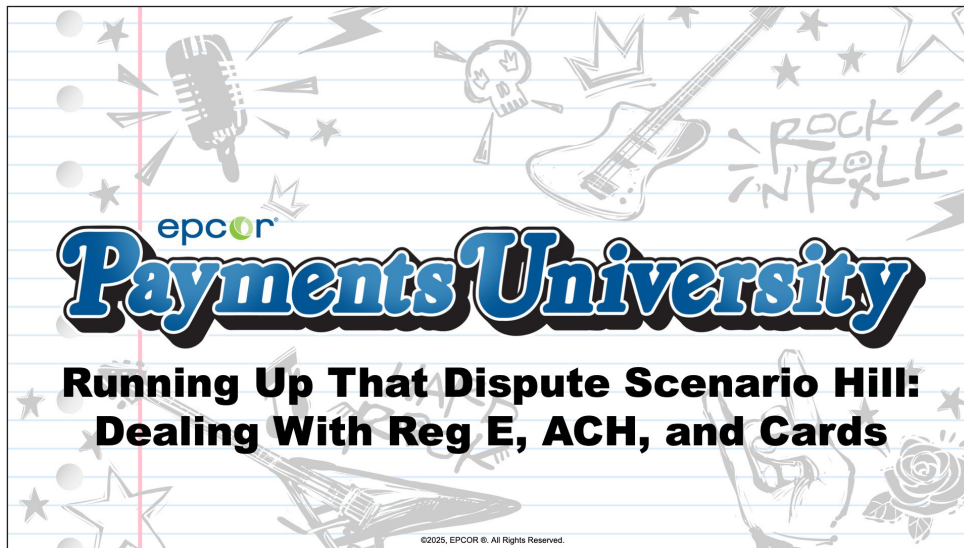
Ground Rules

Please keep the following ground rules in mind to help create a more effective learning experience for everyone. We will discuss additional participation instructions during the online session.

1. Log on to class at least 10 minutes before the scheduled start.
2. Turn off email and phones and clear other distractions away from your training area.
3. Participate and prepare to be called on by name. The online learning environment lends itself to interaction. Participation will keep you engaged and move the class along.
4. Raise your hand if you have an immediate question or comment. Asking questions helps other participants clarify or reinforce concepts.
5. Be patient in waiting for a response to your chat message.

Technical Assistance

Your course invitation email contains step-by-step instructions for logging into this event. If you are having technical difficulty, please call 800.500.0100

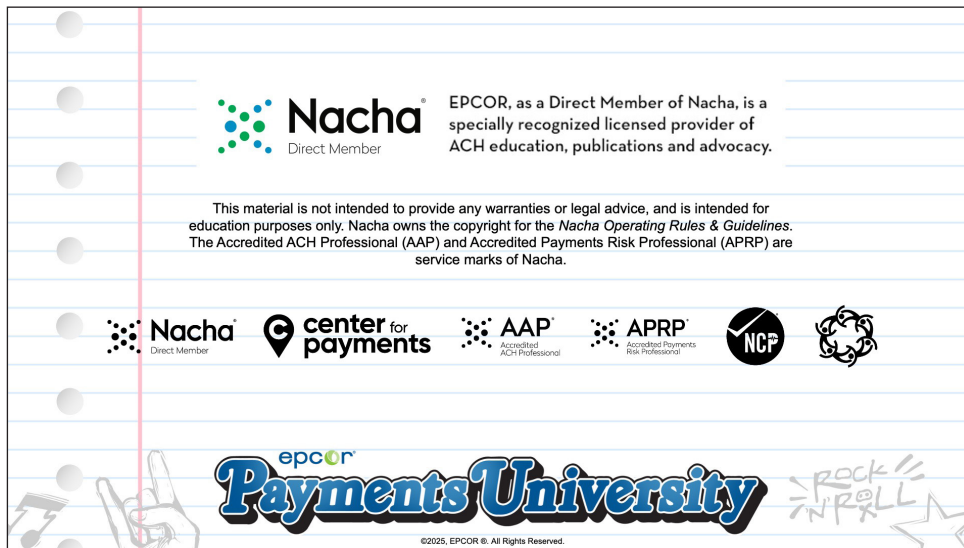


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Dispute Cases – Divided Among Groups

1 – 50% Off After Mix-Up

5 – Don't Call Me Daughter

2 – CCD on Personal Account

6 – Cruisin' for a Card Bruisin'

3 – Fun with PayPal

7 – Cryptic for ACH Help

4 – Too Many Online Ads

8 – How Convenient



Dispute Scenario #1: 50% Off After Mix-Up

Barbara brought her vehicle to Holland Auto Shop to repair transmission issues. However, her work order got mixed up and the auto shop painted her vehicle bright yellow. Responding to Barbara being upset at the mix-up, Holland Auto Shop offers a 50% discount on her transmission work which she accepts with her debit card. Still upset at her yellow vehicle, she files dispute.



Dispute Scenario 1: 50% Off After Mix-Up

Does Barbara have a valid Reg E claim?

What could be done on the Card Network?

Could Barbara challenge the auto shop?

Any other options for Barbara?



Dispute Scenario 2: CCD on Personal Account



On 8/7/25, Bob notices a CCD ACH Debit for \$5,325 from 1/24/25 on his January personal account statement that he claims was not authorized. The CCD Debit is from Newby Industries and their ODFI replies to any authorization requests with just the Originator's contact info.



Dispute Scenario 2: CCD on Personal Account



Does Bob have a valid Reg E claim?

Is ODFI responding correctly to auth. request?

How could RDFI improve auth. requests?

What is the end result of this dispute?



Dispute Scenario 3: Fun with PayPal

Joyce is a regular user of PayPal and utilizes it to purchase various things and pay bills via its ACH functionality. In fact, research shows she has used PayPal for the past 6 years. Recently, she disputes a \$255 ACH debit from PayPal as “unauthorized” but the ACH transaction has the same markings (Receiver Name, ID #, etc.) of her previous transactions.



Dispute Scenario 3: Fun with PayPal

Does Joyce have a valid Reg E claim?

What does her prior history mean for dispute?

What more could be done with PayPal?

Any advice for Joyce?



Dispute Scenario 4: Too Many Online Ads



Will was looking to sell his house and purchased an ad for \$22.00 on Facebook that was charged on his debit card. However, he selected the wrong feature and/or did not read terms and conditions that caused daily charges to his account for the next 20 days (= \$440 total). He filed a claim with Byers Bank that the additional charges were "unauthorized".



Dispute Scenario 4: Too Many Online Ads



- Does Will have a valid Reg E claim?
- What is the likely CB response by Facebook?
- How could Will have prevented these charges?
- What if you cannot charge these back?



Dispute Scenario 5: Don't Call Me Daughter

During 2022, Karen noticed that her daughter Nancy had taken her account information to create various ACH charges for goods purchased from online merchants. Karen initially wanted to file a dispute but opted not to and covered the charges while keeping her account open. Then, during June and July of 2025, Nancy began using her account information again, and Karen filed disputes.



Dispute Scenario 5: Don't Call Me Daughter

Does Karen have a valid Reg E claim?

What does her prior history mean for dispute?

Should the FI have closed the account?

Did Karen allow Nancy to exceed authority?



Dispute Scenario 6: Cruisin' for Card Bruisin'



Robin purchased a cruise with Ships Ahoy online with her credit card. Arriving at the ship, Ships Ahoy required a card on file and Robin only had her debit card on her. Returning home, she noticed the full cruise's charge of \$25,000 on her debit card plus various services she claimed to have paid with cash while on the ship. Frustrated, she filed an "unauthorized" dispute.



Dispute Scenario 6: Cruisin' for Card Bruisin'



Does Robin have a valid Reg E claim?

What could be performed on Card Network?

What if merchant will not work with Robin?

What if you cannot charge these back?



Dispute Scenario 7: Cryptic ACH for Help

Lucas developed an online relationship with someone named “Max” from another country. “Max” claimed that her brother “Billy” was in the emergency room and needed \$5,000 in cryptocurrency to cover emergency surgery. Lucas logged into an investment site to purchase crypto via ACH in that amount and gave “Max” access to it to use. “Max” ghosts him soon thereafter.



Dispute Scenario 7: Cryptic ACH for Help

Does Lucas have a valid Reg E claim?

Any ACH Rules that could help Lucas?

Would new language on WSUD affect Lucas?

What else could be used to help Lucas?



Dispute Scenario 8: How Convenient



Millie disputed 11 recent debit card transactions from Vecna Convenience Store, place that she frequented often with a long transaction history. She recently opened a new debit card and tried to claim that someone may have used the older card that was stored on a phone.



Dispute Scenario 8: How Convenient



- Does Millie have a valid Reg E claim?
- What could be performed on Card Network?
- What else could be researched on the claims?
- Card posting exception process cause this?



Definition of “Unauthorized EFT”

1005.2(m) “Unauthorized electronic fund transfer” means an electronic fund transfer from a consumer's account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the **consumer receives no benefit.**

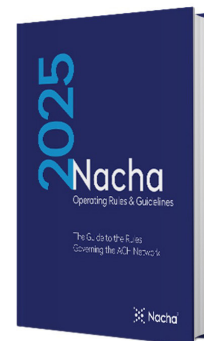


Authorization Requests for Non-Consumer CCD

Subsection 2.3.3.3

For a CCD, CTX, or Inbound IAT entry to a Non-Consumer Account:

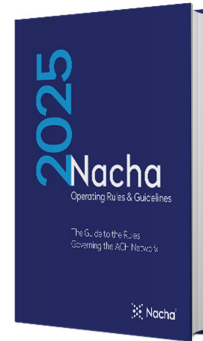
- (b) At the request of its ODFI, Originator must provide (within 10 banking days) either
- (1) Accurate record evidencing Receiver's authorization
 - (2) Contact information includes Originator's name and phone # or email address



Accept WSUD at Face Value & Return

Subsection 3.13.2 RDFI Warranty for Extended Return Entries

RDFI transmitting an Extended Return Entry warrants to each ODFI, ACH Operator, and Gateway that, prior to initiating, the RDFI obtained a Written Statement of Unauthorized Debit from the Receiver



PayPal – User Agreement

Refunds, Reversals and Chargebacks

General information

If you receive a payment for selling goods or services that is later refunded or invalidated for any reason, you are responsible for the full amount of the payment sent to you plus any fees (including any applicable [chargeback fee](#) or [Dispute fee](#)).

Payments that are invalidated and reversed

When you receive a payment, you are liable to PayPal for the full amount of the payment sent to you plus any fees if the payment is later invalidated or reversed for any reason.



Debit Card Chargeback Process

- 1 Issuing FI charges back debit card transaction
 - 2 Merchant may re-present transaction w/ info
 - Info from Merchant may add to Reg E investigation
 - 3 Issuing FI charges back again with CH info
- VISA**
20 calendar days
- MasterCard**
45 calendar days



EPCOR Member Support:
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EPCOR Knowledge Community:
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Thank You for Attending!

EPCOR is your best resource for:

Expertise—

Payments professionals are just a phone call away to help you resolve issues and understand the complex rules and regulations regarding all types of electronic payments.

Diverse Programs—

More than just the *ACH Rules*, you get a variety of programs on fraud, risk, audits and more to protect your organization against loss and penalty.

Keeping Pace with the Evolving Payment Landscape—

You have a voice in industry issues through EPCOR and you stay connected with industry initiatives that influence policy.

Visit epcor.org for a complete list of classroom and online learning events.

CERTIFICATE OF COMPLETION

This certificate is awarded to:

on

In completion of:

Running Up That Dispute Scenario Hill: Dealing with Reg E, ACH, and Cards

This course is worth 1.2 AAP/APRP
continuing education credits.



A handwritten signature in black ink, appearing to read "James Carrick".

James Carrick
Vice President, Education, EPCOR

