

Real Time VAU to Be Enabled for Merchandise Return Transactions

Canada, CEMEA, U.S. | Acquirers, Issuers, Processors

Visa Network



Overview: Visa will implement changes to the Real Time Visa Account Updater (VAU) service effective 16 April 2021 to support account replacement during the processing of credit voucher and merchandise return transactions. With this integration, clients can minimize declines due to outdated card information used for merchandise return transactions.

Effective 16 April 2021, Visa will offer Real Time Visa VAU as an optional feature for acquirers / merchants to support account replacement during the processing of credit voucher and merchandise return transactions.

Real Time VAU eliminates the multi-step off-line process to update account information and delivers real-time account updates at the time of processing transactions. Previously, Real Time VAU was only available for eligible purchase transactions, eligible bill payments and eligible original credit and account funding transactions. With this enhancement, Real Time VAU functionality has been extended to eligible credit voucher and merchandise return transactions.

Merchants, acquirers, and service providers also experience declines for merchandise return authorizations due to out-of-date card information. A consumer may return purchased goods after some time has passed from the original purchase date. During this period, the consumer's card used for the purchase transaction could be lost or stolen, the expiry date might have passed, or the consumer may have received a new card either due to fraud or a portfolio upgrade.

When a merchant uses the account information of the original purchase for a merchandise return authorization request, and if the account information has changed, the issuer may decline the transaction, resulting in a poor experience to both the cardholder and the merchant. To help reduce the number of such declines, Visa will expand the Real Time VAU service to update account information in real time for credit voucher and merchandise return transactions.

Client Impact

Effective 16 April 2021, Visa will implement changes to Real Time VAU processing to include merchandise return authorization transactions.

Acquirers that choose to participate in the Real Time VAU service will have the option to request account information replacement when processing credit voucher and merchandise return transactions. Acquirers will receive an error / reason code when a transaction requesting account replacement does not qualify for account replacement.

Mark Your Calendar:

- Real Time VAU will support merchandise return transactions **(16 April 2021)**

Issuers that participate in the Real Time VAU service must be aware that account information replacement may occur for credit voucher and merchandise return transactions. Issuers must also notify Visa of each VAU primary account number (PAN) update when the cardholder has opted out of account information replacement during authorization processing. With this enhancement, the cardholder opt-out requirement of the Real Time VAU service extends to accounts used for credit voucher and merchandise return transactions. In addition, to be eligible for this service, the PAN must not have a Stop Advice.

For technical changes, refer to Article 3.5—Changes to Real Time Visa Account Updater to Support Credit Voucher and Merchandise Return Transactions in the [April 2021 and July 2021 VisaNet Business Enhancements Global Technical Letter and Implementation Guide, Effective: 11 March 2021](#).

Background

VAU enables the secure electronic exchange of account information updates between participating Visa issuers and acquirers for credential-on-file (COF) merchants, which facilitates seamless processing for recurring and other COF payments. Real Time VAU is a service available through VisaNet that integrates VAU updates into the VisaNet authorization processing. It provides real-time updates, which increases the value to merchants and improves the cardholder experience by reducing declines.

VAU operates outside of VisaNet and requires participating merchants to send acquirers a pre-authorization inquiry batch file for VAU, which returns available card updates.

With Real Time VAU, the pre-authorization step is not needed, eliminating the gap in time between merchants requesting account updates and submitting authorization requests.

For More Information

Merchants and third party agents should contact their acquirer.

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