

## **PFH Credit Card Chargeback Protection Mechanism**

### **1. What is the Credit Card Chargeback Protection Mechanism?**

For disputable credit card transactions, cardholder can request a chargeback from the merchant's acquirer through his/her card issuer. Based on the rules set out by credit card association (such as Visa, Union Pay), if the request is accepted by the acquirer, the acquirer will reimburse the issuer which will in turn refund the transaction amount to the cardholder. The chargeback is bound by relevant rules and regulations as stipulated by Credit Card Associations.

Customers can initiate refund requests through PFH Finance Limited (referred to as "PFH" hereafter) under specific circumstances of disputed transactions processing mechanisms, such as unauthorized transactions or situations where the merchant fails to provide goods/services after the customer has made a one-time payment using the credit card. The customer can request the cancellation of the transaction or the refund of the transaction amount through PFH.

However, the disputed transaction processing mechanism does not apply to all credit card transactions. Credit card installment payment plans involve a loan agreement between the customer and PFH, where PFH provides a one-time loan to the customer to directly pay for transactions between the customer and the merchant. The customer commits to repay the loan to PFH in installments. Therefore, the customer must repay the entire loan to PFH on time according to the agreement.

### **2. Common Dispute Reasons**

- Unauthorized / Duplicate / Incorrect Transactions
- Defective/Not as Described Merchandise/Service
- Non-receipt Merchandise / Services
- Canceled Transactions / Credit Not Processed
- Merchants Closed for Business

### **3. Points to Note**

- Cardholder is suggested to contact the merchant (if still in business) to resolve the dispute in the first instance.

- Cardholder should provide relevant documents (if any) and information to substantiate and justify the chargeback.
- Cardholder should allow reasonable buffer period for issuer to review the case and prepare documents for chargeback for cases lately reported with tight time frame.
- Cardholder should be bound by the chargeback rules and regulations of the Credit Card Association and accept its arbitration (if any) as the final decision.
- Credit card instalment plan is ineligible for chargeback claim as the loan agreement between the card issuer and the cardholder is not recognized as a typical credit card transaction.

#### **4. What type of transactions can the Cardholder dispute?**

A Cardholder may request a chargeback for a number of reasons with valid supporting documents, including:

- Transaction amount which the Cardholder believes are incorrect
- Internet transactions which the Cardholder believes he or she did not authorize; (excluding OTP transaction)
- Transactions that the Cardholder suspects that they are fraudulent;
- Duplicated transaction;
- Goods or services that the Cardholder did not receive at all or within the agreed timeframe (in such cases you should contact the merchant in the first instance);
- Recurring direct debits and regular repayment authorities that the Cardholder has previously cancelled.

#### **5. The dispute request for the following transaction types would not be accepted. Cardholder should contact the merchant and resolve the dispute with the merchant directly.**

- Requests submitted after the deadline:  
Chargeback requests must be raised **within 60 calendar days** from the statement issuance date. For the instance of merchant closed down

business resulting in failure to deliver goods and or services after one-off pre-payment, the eligible claim period shall not exceed 540 calendar days from the transaction posting day.

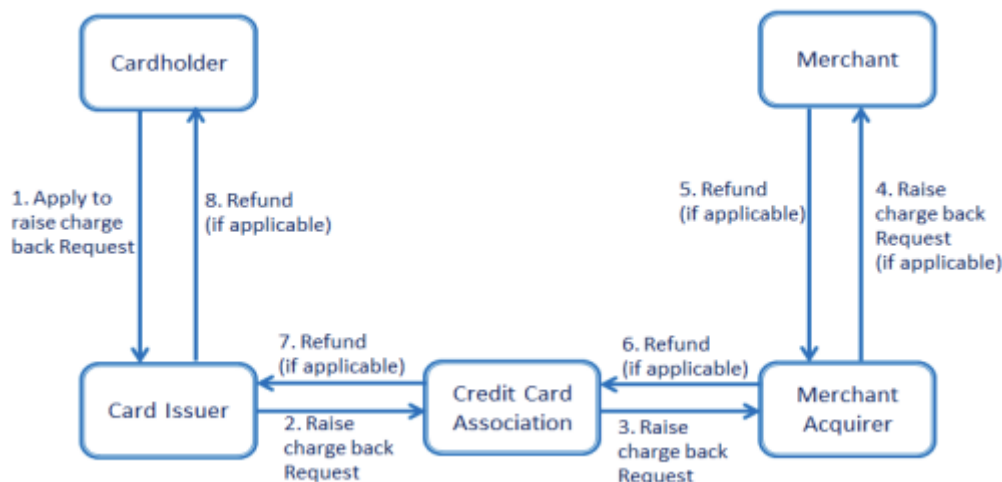
After this 60 calendar days / 540 calendar days' period, the PFH Finance Limited reserves the right to reject any request. Cardholder shall be responsible for any loss or damage (if any) arising out of or in connection with the relevant card transaction.

- **Credit Card Instalments:**  
Credit Card Instalment is a loan agreement between Cardholder(s) and PFH Finance Limited. Cardholder(s) is/are bound to repay on time to PFH Finance Limited until the installment loan is paid off.
- **Online Transaction with One-time Password (OTP) Authentication\*:**  
The Cardholder's identity is verified by the one-time password (OTP) sent to the Cardholder's registered mobile phone via SMS. Authentication must be completed before the purchase can be executed. Since the transaction is authenticated, "Unauthorized Transaction" cannot be used as a reason for chargeback request.
- **Face-to-Face Card Present Transactions where chip read or contactless payment is used:**  
Since the transaction is authenticated, "Unauthorized Transaction" cannot be used as a reason for chargeback request.
- **Mobile Wallet-Based Payment Method (including but not limited to Apple Pay, AlipayHK, WeChat Pay, Google Pay and FPS using Credit Card)\*:**  
Since the transaction is authenticated, "Unauthorized Transaction" cannot be used as a reason for chargeback request.
- **E-Bill Payment:**  
Since the transaction is authenticated, "Unauthorized Transaction" cannot be used as a reason for chargeback request.

- Octopus Automatic Add Value Service (AAVS) Auto-Reload Transaction:  
Since the transaction is authenticated, “Unauthorized Transaction” cannot be used as a reason for chargeback request.
- **Other Reason:**  
For instance, quality of goods and/or service provided by a merchant or contract-related disputes are not covered service offered by Card Associations.

\*Note: Please report to the Police immediately for further investigation once the Cardholder suspects that he/she might be cheated in the said transactions.

#### General (simplified) process flow of the chargeback mechanism



#### Cardholders can initiate a dispute request with the following procedures:

1. Call Customer Service Hotline: (+852) 3188 8902 for dispute transaction inquiry and/or click [here](#) to download the “PFH Credit Card Chargeback Transaction Form”.
2. Customers can return the completed " PFH Credit Card Chargeback Transaction Form" and supporting documents to PFH Finance Limited through the following channels:
  - i. Email : [creditcard@pfhcard.com](mailto:creditcard@pfhcard.com)

- ii. Mail : Unit 1009B, Tower 1, China HK City, 33 Canton Road, Tsim Sha Tsui, Hong Kong.  
\*Any supporting documents include, but are not limited to, the relevant disputed transaction contracts/invoices/receipts and proof of the merchant's failure to provide goods/services (if applicable).
- iii. The customer must apply for a refund for the disputed transaction within 60 days from the date of the monthly statement issued by PFH Finance Limited.
- iv. If the merchant closes down or fails to provide goods/services, the application time limit will be determined according to the requirements of each credit card international organization. PFH Finance Limited must submit a disputed transaction and refund application to the acquirer within the following retrospective period: within 120 days from the transaction date or within 120 days from the date of termination of the merchant's business; the effective retrospective period shall not exceed 540 days from the transaction date.  
  
(Note): Cardholders should provide PFH with sufficient and valid supporting documents no less than 10 working days before the expiry of the retrospective period to avoid delays in submitting disputed transaction requests to Credit Card International.
- v. The processing time will normally be around 60-90 days upon receiving all requisite documents. The processing time may be longer depending on the complexity. PFH Finance Limited will raise the request for Cardholders against the acquirer. If the request is accepted by the acquirer, the amount will be reimbursed to Cardholders via PFH Finance Limited.
- vi. After PFH Finance Limited receives the "PFH Credit Card Chargeback Transaction Form" submitted by the cardholder, the relevant disputed transaction will be deferred until the relevant dispute procedure is completed. Cardholders can also choose to pay the bill. If it is confirmed that the cardholder is responsible for the transaction, the cardholder shall

be responsible for all the interest arising from the deferral of payment and the fee of HKD 200 for obtaining a copy of the endorsement receipt.

### Timeframe for Processing Chargeback Request

Cardholder may submit their dispute requests within 60 calendar days from the statement issuance date so that PFH Finance Limited can have sufficient time to review and follow up the case. Besides, each dispute reason has respective processing time and deadline. The dates stated in the following table is for reference purpose only and the guidelines issued by the respective Card Associations (which may be changed from time to time and without prior notice) shall be followed.

Dispute Reason	Visa Card	Supporting Document
Duplicate Processing	Within 120 calendar days from the transaction posting date.	<ul style="list-style-type: none"> <li>Sales invoice and / or Transaction receipt</li> </ul>
Paid by Other Means	Within 120 calendar days from the transaction posting date.	<ul style="list-style-type: none"> <li>Sales invoice and / or Transaction receipt</li> <li>Supporting document for the payment by other means</li> </ul>
Incorrect Transaction Currency / Amount	Within 120 calendar days from the transaction posting date.	<ul style="list-style-type: none"> <li>Sales invoice and / or Transaction receipt to show incorrect currency / amount billed</li> <li>Supporting document to prove the original / agreed transaction currency / amount</li> </ul>

<p>Merchandise / Services Received is Not as Described (such as counterfeit goods)</p>	<p>Within 120 calendar days from the transaction posting date OR          Within 120 calendar days from the agreed delivery date of the service / merchandise but not exceeding 540 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Sales invoice and / or Transaction receipt</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> <li>• Proof of returned merchandise / attempt to returned merchandise</li> <li>• Details of what was not as described</li> </ul>
<p>Defective Merchandise Received</p>	<p>Within 120 calendar days from the transaction posting date OR          Within 120 calendar days from the agreed delivery date of the service / merchandise but not exceeding 540 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Sales invoice and / or Transaction receipt / or confirmation email from merchant</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> <li>• Proof of the merchandise received by the cardholder was damaged or defective</li> <li>• Proof of returned merchandise / attempt to returned merchandise</li> </ul>
<p>Non-Receipt of Merchandise / Service</p>	<p>Within 120 calendar days from the transaction posting date OR</p>	<ul style="list-style-type: none"> <li>• Sales invoice and / or Transaction receipt</li> </ul>

	<p>Within 120 calendar days from the agreed delivery date of the service / merchandise but not exceeding 540 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Detailed description of ordered merchandise / or services</li> <li>• Proof of delivery date</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> </ul>
<p>Credit Not Received</p>	<p>Within 120 calendar days from the date on the credit documentation</p>	<ul style="list-style-type: none"> <li>• Proof of refund acknowledgement (e.g. Confirmed refund email or refund note)</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> </ul>
<p>Recurring direct debits and regular payment after cancellation / termination of service</p>	<p>Within 120 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Service contract to prove that the service period has ended</li> <li>• Proof of cancellation request made to the merchant</li> <li>• Proof of the merchant's acknowledgement of the cancellation</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> </ul>



<p>Merchant Close-Down</p>	<p>Within 120 calendar days from the transaction posting date OR Within 120 calendar days from the merchant closed down business date. Eligible claim period shall not exceed 540 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Sales invoice and / or Transaction receipt of pre-payment indicating that the purchased merchandise / services are only partially received</li> <li>• Detailed description of ordered merchandise / or services purchased</li> <li>• Proof of the purchase order or services contract containing a written description of the purchased merchandise or services and expected delivery date</li> <li>• Proof of dispute raised with merchant and attempt to resolve the matter (e.g. correspondence email)</li> </ul>
<p>Unauthorized Transaction</p>	<p>Within 120 calendar days from the transaction posting date.</p>	<ul style="list-style-type: none"> <li>• Documents required are subject to a case-by-case basis. (e.g. Police Statement would be required for lost card)</li> </ul>

Should there be any inconsistencies between the English and Chinese versions, the English version shall prevail.

Last updated: 11 January 2024