Encytro Deflect White Paper

The Alert Process:

The process starts with the Alert. As customers call into the card issuer, the transaction is looked up. The moment that the transaction is found, in real-time, merchants and Encytro are notified through the portal. Through merchant settings, merchants can also be notified through other communication methods such as email.

During the Alert notification, Encytro can automatically upload a copy of the digital receipt back into the system utilized by the card issuer. The clerk at the card issuer can then remind the customer of their transaction and provide the uploaded receipt information. In addition, merchants can contact their customer with the attempt to resolve the dispute and ask the customer to cancel the dispute. Through this process we are seeing an average of 20% deflection success.

The Resolve Process:

Resolve begins after the Alert process attempts do not resolve the customers' needs to deflect the disputed transaction in question. Through Tier 1 Resolve, Encytro will utilize the desired limits set by the merchant in the Deflect dashboard settings for auto-refunding transactions to deflect the chargeback from taking place. If a transaction is refunded during the Tier 1 Resolve, the transaction will be deflected and not become a chargeback. The refund will happen at the card brand level and the details of this refund will be passed to the processor to notify the merchant through the merchant statement.

Encytro has a unique way of stacking an additional Tier 2 Resolve option including the ability to notify the merchant (as complete in the Alert Process) with a window of time to refund the customer prior to the dispute becoming a chargeback. Unlike most competitors, Encytro has an automated refund option for Tier 2 Resolve. Merchants can manage their own settings to auto-refund transactions with integration to payment gateways, terminals, POS systems, CRM's, data feeds and the like. In the optional automation, we can achieve higher deflection ratio's by responding faster in automation than a manual lookup and manual response.

Disclaimer: for both Tier 1 and Tier 2 Resolve tools, merchants should always monitor any chargeback activity to avoid double crediting as a safety measure. On rare occasions if a chargeback is still received, merchants should dispute the chargeback with the evidence of the refund to avoid duplicate credit/refund to customers, and credit for our resolve fees regarding the specific transaction will be issued.

Options:

By default, the Alert process will be turned on for Product Inquiry notifications. Alerts for Fraud Inquiries and Dispute Initiated can also be turned on by Encytro or the merchant through the Deflect dashboard under settings which does apply an additional cost. These alerts can assist Encytro and the merchant in catching fraudulent charges and chargebacks sooner (on average 3 days), so appropriate action can be made before actual chargebacks occur.

During the Alert Process, Encytro does have the option to refund the transaction to avoid moving the dispute to the Resolve steps. This is an optional feature that can be turned on.

The Visa Tier 2 Resolve options can be turned on in the Deflect dashboard settings to allow merchants an attempt to refund a transaction prior to turning into a chargeback when they are not picked up by Tier 1. The typical window of time will be 48-72 hours in which the merchant can refund the transaction with the attempt to deflect the chargeback from occurring. This can also be stacked with Tier 1 Resolve, with similar transaction limits that can be set by the merchant for automation. This is an optional feature that can be turned on and adds an additional cost.

The Mastercard Tier 2 Resolve option can also be turned on in the Deflect dashboard settings. This functionality works the same as the Visa Tier 2 Resolve option and includes the same automation features. Some Visa, Discover, and American Express transactions may also be picked up in the Mastercard Tier 2 Resolve tool depending on how the card issuer sets up the cardholder's card. This is an optional feature that can be turned on and adds an additional cost.

Daily reporting and individual alerts notifications can be turned on and set to the communication method by the merchant under the settings of the Deflect dashboard.

Frequently Asked Questions:

What if I already have some of these services?

Our team can switch your current service and fill in the gaps of the existing programs. Through integrations, customizations, and a streamlined user interface, the Encytro Deflect product offers a plug and play solution to deflect chargebacks at the highest efficiency in the market today. In comparison to other industry leaders our effective deflection ratios far outweigh others with a current average of 85% success. Even more important than the number of deflected chargebacks, is the amount of customer support time saved on chargebacks and retrievals disputes for all parties involved including the merchant, the sales agent, the ISO, and the processor/FSP. Most competitors focus on a single product such as RDR/Tier 1 Resolve and or CDRN/Tier 2 Resolve without the additional protection and notifications of our alerting tool. Encytro's alerting tool accounts for an average of 20% effectiveness and removes these resolved inquiries from becoming a dispute and moving to the RDR/Tier 1 Resolve or CDRN/Tier 2 Resolve all together.

Why not set up directly with Verify, Ethoca, and others?

This is an option, however the programs provided do not have the integrations to terminals, gateways, POS systems, individual merchant billing separation, merchant options to directly change settings at will, merchant user interface, integration with email and text alerts, integration of other card brands, or the administrative process that will need to be built to manage and deploy the systems in one tool. Most importantly, the amount of time and money saved for a plug and play solution is one of the biggest reasons to partner with Encytro. In comparison to other industry leaders, our effective deflection ratios far outweigh others with a current average of 85% success.

Can the program be White Labeled?

Yes, the Encytro portal is always White Labeled. The portal can also White Label at multiple levels of the hierarchy, so users are familiar with the branding presented.

Can merchants decide their own settings of what they would like to refund if at all?

Yes, merchants have access to a settings dashboard in the Deflect tool, which they can change at will to select auto-refund amounts or ranges (if any), add additional layers of alerting such as Tier 2 Resolve, Fraud Alerting, Dispute Initiated Alerting, daily reporting, notification communications, and change their contact information in real-time.

How are merchants notified of alerts of a potential dispute?

Merchants can view all real-time data in the Deflect dashboard with the option to turn on their desired notifications under the settings tab for daily reports and alerts.

Can Tier 2 Resolve and MasterCard be added with limits set by the merchant like Tier 1 Resolve?

Yes, this is a unique part of the integration in which the Encytro Deflect tool can operate seamless between tools while sending alerts in one tool with simple self-management. This would allow merchants with a window of time to decide whether they would like to refund the transaction in dispute and avoid the chargeback, or to allow the chargeback to take place knowing in advance to prepare documentation to defend the charge.

Can merchants be opted in or out at any time?

Yes, our partners may opt in or out merchants at any time. Billing is a month in arrears of the activity month. However, enrolling portfolios is greatly encouraged over a merchant at a time. This will allow for a great reduction of customer support and costs of managing chargebacks, putting the control into your merchants' hands giving our partners a competitive advantage of alerting merchants real-time of any potential disputes.

Is this for high-risk merchants primarily?

No, the Encytro Deflect product is designed for all merchants of all risk levels. For low-risk merchants they gain a larger than realized savings of time, money, and peace of mind. On average a low-risk merchant will save more than 50% of the costs involved with chargeback. The average merchant will pay $50-$70 in fees (Chargeback Fees & Retrieval Fees) for an average $55 transaction, costing a merchant on average $105-$125. Utilizing Encytro Deflect, merchants will have a 20% (on average) chance of deflecting the dispute from the Alert alone. During the Tier 1 Resolve and Tier 2 Resolve process, 85% of the time merchants may only have taken an average of $65 total loss, saving the merchant on average $40-$60 per incident. This does not include the hours of time searching for receipts, contacting support, sending documentation and explanations which sometimes outweigh the chargeback amount to begin with.

Can Encytro Deflect be stacked with Encytro Advantage (Chargeback Reimbursement)?

Yes, Encytro Deflect alerts will primarily address product inquiries and fraud attempts. If simply using the Alert function, 20% of the disputes on average will be eliminated altogether. While Encytro Advantage will reimburse merchants that incurred a card present chargeback along with the chargeback and retrieval fees assessed for card present transactions for the reasons of fraud, EMV liability-shift, and fall back. All in one tool, merchants will be able to setup their own settings for each program and submit for reimbursement.

What is required to setup a merchant or portfolio?

The process is simple. A template is utilized to capture basic merchant information. Merchants are then uploaded to the Encytro portal with the parameters selected. Merchant data will acclimate and begin alerting on an average of two to three weeks later.

Is there an API?

Yes, Encytro has a complete API website for direct integrations to the portal.

How does billing work?

Encytro by default will bill the partner a month in arrears of the months activity for merchants enrolled. Partners can bill their merchants via processing statement, ACH, or by any billing method of their choosing.

What is the recommended MSRP?

When Encytro Deflect is sold as standalone, it is recommended at 200-300% higher than the wholesale costs. This allows for marginal room of paying sales agents/offices while keeping the costs efficient and valuable to merchants. Remember, merchants will see the value in the program as they receive alerts of potential disputes in advance of any notification of loss, allowing them the opportunity to prepare or resolve cases of disputed transactions.

Technologies Integrated:

- Alert / Order Insight
- Tier 1 Resolve / RDR
- Tier 2 Resolve / CDRN
- Consumer Clarity
- MasterComm
- MasterCard Direct
- Ethoca
- Gateway, Terminal, POS System, and any data feed API's
- Billing breakdown by merchant
- Merchant Dashboard to manage and control merchants' own desired limits and settings
- Admin Dashboard to manage portfolio activity real-time
- Encytro platform including PCI, Encytro Advantage, Encytro Deflect, and Encytro CRM
- Etc…