

Compliance Violation FAQ

★ **Why is the merchant fined \$1,000 for their first violation?**

- The \$1,000 assessment is a Compliance Case Fee for verified violations. This is not a fine.

★ **If I provide proof of compliance before the remediation deadline, will the \$1,000 be waived?**

- The \$1,000 will not be waived. It is a Compliance Case Fee for confirmation that the merchant is violating Visa rules and regulations.

★ **Can we appeal the \$1,000?**

- The \$1,000 can be appealed, but it is not recommended. The cost to appeal is \$5,000. The argument would be that the merchant was compliant the entire time. Since Visa performs audits before it reaches out to the processor, the ability to provide proof of compliance at the time of the report is slim. If the appeal is lost, you will have lost the \$1,000 + \$5,000 appeal costs.

★ **Can the ISO absorb the \$1,000 assessment on behalf of the merchant?**

- Absolutely! If an ISO would like to absorb the \$1,000 assessment, just notify the Bold representative who sent the violation notification. We will notify Compliance and Settlement to pass the fee to the designated ISO and bypass the merchant.

★ **If the merchant moves processors, will they avoid Visa?**

- They will not avoid Visa's fines. Visa's audits are based on location. If the merchant moves processors, the merchant will still receive fines if found to be non-compliant. They may even receive fines from Visa through the old and new processors!

★ **What if a merchant was non-compliant and then was made compliant, but we received a violation notification?**

- Visa performs audits when a non-compliant inquiry is initiated. They request receipts/photos and will send an auditor to the location to confirm. If a merchant is receiving a violation, it is because at the time of non-compliance, the violation was confirmed.

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★ What if the merchant no longer processes with us?

- If the merchant was processing with us when the violation was confirmed, the initial Compliance Case Fee will be passed to the merchant through us, but Visa will take action for compliance through their new processor.
- If the merchant has closed their business, Visa will issue the Compliance Case Fee through our processor, but the violation inquiry will stop there.
- The risk of the fee going to collections is higher if the business is closed.

★ How does Visa determine who is non-compliant?

- Determination of a violation is made based on one of the following:
 - A cardholder provides a notification of investigation. Visa investigates to confirm if a violation has occurred.
 - A review of the evidence in relation to a violation, including any previous compliance cases or audit findings.
 - A merchant's failure to respond or to provide all requested information to a notification of investigation
 - Secret shoppers are sent to merchant locations to audit any inquiry notifications, remediation confirmations, or investigatory actions.

★ What happens if the merchant does not want to implement a compliant program and remain non-compliant?

- The merchant will continue to be issued fines, starting at \$5,000 and growing to \$10,000, \$20,000, \$30,000, etc.
- Failure to remediate could lead to account termination.
- In severe or repeated instances, Visa could ultimately revoke your ability to accept Visa card payments