ASEAN Cross-Border QR Payments

DISPUTE RESOLUTION PROCESSES

ASEAN Bankers Association

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INTRODUCTION

This document provides standardised operational guideline for disputes arising from cross-border QR payment transactions within ASEAN payment linkages. It aims to foster transparency, efficiency and consistency in dispute resolution across participating switches, issuers, acquirers, merchants and consumers.

BACKGROUND

Cross-border payment linkages – particularly QR code P2M (Person-to-Merchant) transactions – have rapidly expanded across ASEAN. Yet while payment transactions themselves are fast and seamless, fragmented dispute resolution processes, due to differing national rules, may undermine user and merchant trust, impacting adoption and growth of multi-country linkages.

The ABA Committee on Cooperation on Finance, Investment, Trade and Technology (COFITT) has identified this mismatch as a critical gap, and has collaborated with the Asian Payment Network to develop this paper.

The paper provides guidance on complaint filing periods, service-level agreements (SLAs), refund mechanisms, and responsibilities across issuers, acquirers, merchants and switches – to foster alignment and consistency across the region. It was developed following a thorough review of existing dispute resolution mechanisms across ASEAN, international card scheme frameworks, and relevant national faster payment schemes.

These guidelines were formally accepted by APN on 9 October 2025 and endorsed by COFITT members on 12 November 2025.

While non-binding, the guidelines will serve as a living document to guide dispute resolution for bilateral and multilateral cross-border QR payment linkages. In so doing, it will facilitate faster, fairer, and more predictable dispute resolution across ASEAN corridors, contributing to ASEAN's progress towards seamless and trusted cross-border payments.

GENERAL GUIDELINES – EXCEPTION HANDLING

Dispute Initiation and Communication Channel

On Customer dispute and complaints initiation channel related to Cross-Border QR Payment Transactions disputes and/or error handling:

No.	Source of Complaint	Complaint Channel
1.	Customer	Issuer
2.	Merchant	Acquirer
3.	Acquirer/ Issuer	National Switch

The switches will then collaborate and exchange error codes between each other in order to determine how the merchant/ consumer can be correctly credited/ debited.

Dispute Types

I. Chargeback

- A chargeback is a transaction reversal initiated by a cardholder's issuing bank or merchant’s acquiring bank. It allows consumers or merchants to dispute a charge on their account and request the funds be returned or paid to their account.

- Chargebacks serve as a customer or merchant protection mechanism, ensuring that customer or merchant can regain funds in cases of service failure.

- Chargebacks will be denoted by the prefix '1XXX' in the reason code classification

II. Good Faith

- Good Faith is the intention of parties to deal fairly, honestly, and sincerely in transactions. This principle encourages transparent communication and cooperation between the customer and merchant to resolve disputes amicably.

- Good faith requires both the customer and the merchant to act honestly and reasonably when addressing disputes.

- Good Faith will be denoted by the prefix '4XXX' in the reason code classification

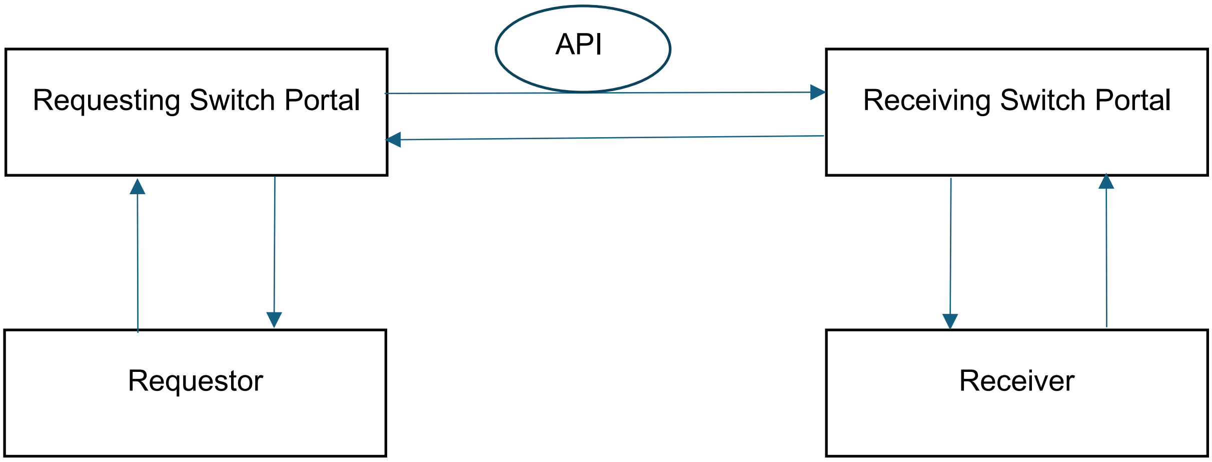
In summary, chargebacks provide a mechanism for consumers and merchants to reverse unauthorized or disputed transactions, while good faith emphasizes the importance of fair and honest dealings among all parties involved in the transaction process.

Customer Dispute Condition

1. All complaints from Acquirers, Issuers and Customers, related to Cross-Border QR transaction disputes and/or error handling, must first be channelled to the local Participating Switch.
2. A Member is not permitted to file a claim or initiate a chargeback without first receiving a request from the customer/merchant. RC Exception are: Chargeback Code 1001, Good Faith Code 4004, 4005 and 4006.
3. The local Participating Switch shall decide if its counterpart should be involved in resolving the complaints after performing the investigation.
4. The Participating Switches shall put their best effort in solving the disputes.

Communication Channel

The communication channel for raising and resolving disputes will be through the existing dispute portals developed/used by each switch. Each dispute raised and its corresponding response should fire the corresponding API tagged to the dispute code.



Prior to the implementation of standarized API communication channel, all parties shall use the existing communication channel for Dispute Resolution

Adjustment FX Rate

For any adjusted transaction, the applicable foreign exchange (FX) rate shall be the rate provided by the respective Settlement Bank on the date of the adjustment.

For adjustments related to Participating Switches' inbound transactions, the refund shall be made in the original local currency amount of the transaction. Any discrepancies arising from FX rate differences shall be borne by the respective Issuing or Acquiring Institutions.

Fund Movement

If a dispute request – whether a chargeback or a Good Faith claim—is accepted, the filing party shall have the right to debit the dispute counterparty through the next business day's settlement.

If the dispute request is not responded to within the stated response SLA time limit, the filing party also has the right to debit the dispute counterparty through the next business day's settlement. However, this right does not apply to Good Faith dispute resolutions.

Accordingly, fund movement for a Good Faith claim may only be initiated once the dispute counterparty has **explicitly accepted** the Good Faith claim.

FRAUD

Definition of Fraudulent Transaction

A fraudulent transaction refers to any unauthorized financial activity where an individual unlawfully accesses or manipulates funds without the knowledge or consent of the rightful owner. This may involve exploiting security vulnerabilities or technical flaws in payment systems. Such transactions are intended to deceive and often result in financial losses for the account holder, business, or financial institution.

Types of Fraudulent Transactions

Common types include:

- Account Takeover (ATO)
- Social Engineering
- Man-in-the-Middle Attacks
- Fake Merchants
- Other deceptive tactics used to gain unauthorized access to financial information or systems.

Fraud Detection and Monitoring

Issuer Responsibilities

- Performs customer onboarding Due Dilligence.
- Monitor all outbound transactions to the Acquirer.
- Detect abnormal patterns (e.g., unusual frequency, transaction amounts).
- Take immediate action to halt suspicious transaction flows and mitigate risks.

Acquirer Responsibilities

- Performs merchant onboarding Due Dilligence.
- Monitor all inbound transactions from the Issuer.
- Detect anomalies in frequency, amount, or timing.
- Promptly notify the Issuer to initiate verification and mitigation.
- Promptly take necessary action on suspicious and/or fraudulent merchant.

Fraud Reporting

- The Issuer shall report any fraudulent transaction to the Acquirer immediately.
- Method: Direct communication (e.g., secure email, phone) via the Issuer switch and Acquirer switch.

Actions and Responsibilities

- Upon receiving a fraud report, all relevant parties must take immediate and appropriate actions, which may include:
  - Terminating online transactions.
  - Freezing associated accounts.
  - Implementing other legally necessary measures.
- Maintain ongoing communication to ensure all stakeholders are informed of progress and resolution.

Settlement

- All approved transactions shall proceed through the normal settlement process.
- Fraud reports shall not interfere with daily settlement between the Issuer and Acquirer switches.
- However, the Acquirer may, where feasible, delay final settlement to the destination account upon receiving a fraud report.

Recovered Fund Reimbursement

Any funds that are successfully recovered, whether partially or in full, shall be returned to the appropriate party through the established dispute resolution process.

Financial Liabilities

- All parties shall make best efforts to recover financial losses resulting from fraudulent transactions.
- Any unrecovered loss shall be the responsibility of the Issuer.

APPENDIX A

Dispute Codes

A list of all dispute reason code is provided below. For each dispute code listed, additional scenarios are listed to determine how to attribute liability. In certain cases, supporting documents will be required to refute or determine liability, and the Participating Switches shall put their best effort in obtaining these documents from the relevant parties.

Dispute Types	Reason Code	Description	Filing party	Filed against party	Time Frame for submission (calendar days)	Time Frame for response (calendar days)
Categories : Request/Required Information						
Chargeback	1001	Request/Required Information	Issuer	Acquirer	30	14
Category : Error in Transaction						
Chargeback	1003	Duplicate Processing	Issuer	Acquirer	30	14
Chargeback	1004	Paid by other means	Issuer	Acquirer	30	14
Chargeback	1005	Transaction Amount Differ	Issuer	Acquirer	30	14
Chargeback	1006	Refund not Received	Issuer	Acquirer	30	14
Category : Non Delivery						
Chargeback	1002	Payment has been made but Goods/Services not rendered	Issuer	Acquirer	30	14
Chargeback	1007	Cancelled Merchandise/Services	Issuer	Acquirer	30	14

Dispute Types	Reason Code	Description	Filing party	Filed against party	Timeframe for Initiation After Chargeback Initiation Time Frame is Exceeded	Time Frame for response (calendar days)
Category : Good Faith						
Good Faith	4001	Claim request cannot be submitted because general claim resolution time frame ended	Acquirer	Issuer	30	14
Good Faith	4002	Credit Adjustment due to non delivery payment credit or goods/services	Issuer Acquirer	Acquirer Issuer	30	14
Good Faith	4003	Merchant has provided goods/services but no settlement has occurred	Acquirer	Issuer	30	14
Good Faith	4004	Acquirer cannot reject dispute request due to holiday (Late submission of dispute response)	Acquirer	Issuer	30	14
Good Faith	4005	Offline Refund - Manual Refund OR - Exceeds refund time limit)	Acquirer/ Acquirer Switch	Issuer	30	14
Good Faith	4006	Credit Adjustment/Refund Error	Acquirer/ Acquirer Switch	Issuer	30	14
Good Faith	4007	System Error	Issuer/ Issuer Switch Acquirer/ Acquirer Switch	Acquirer Issuer	30	14

APPENDIX B

Dispute Details and Documentation

I. Chargeback

<table>
<tr><th colspan="2">1001 – Request/Required Information</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Unclear Transaction Information</td><td>Merchant Acquirer</td></tr>
<tr><td>Issuer request to Acquirer information for:
- Transaction details (Transaction date/time, TID, Amount, PAN)</td><td>Merchant, unless funds are irrecoverable from the merchant, in which case liability is borne by the merchant acquirer</td></tr>
<tr><td colspan="2"><u>Required Claim Documentation:</u>
• Issuer request form for Acquirer to provide additional information on transaction detail
<u>Required Response Documentation:</u>
• Acquirer to provide copy of approved receipt with <u>at least</u> providing details as follow:
○ Transaction Date
○ Transaction Time
○ Terminal ID
○ Customer PAN
○ Merchant name
○ Amount

* Chargeback Code 1001 does not constitute the financial obligation of the filed-against party.</td></tr>
</table>

<table>
<tr><th colspan="2">1002 – Payment has been made but Goods/Services is not rendered</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Insolvency of merchant</td><td>Merchant Acquirer</td></tr>
<tr><td>Merchant fails to fulfil obligation based on stipulated terms, e.g.:
- Customer disputes the transaction that merchant failed to provide goods/service as agreed
- Goods or services purchased not as described or as advertised</td><td>Merchant, unless funds are irrecoverable from the merchant, in which case liability is borne by the merchant acquirer</td></tr>
<tr><td colspan="2"><u>Required Claim Documentation:</u>
• Letter of complaint from customer, including: Transaction date, Transaction amount, Merchant name, City/ country, Dispute description
• Transaction details, including: Acquirer Name, Reference number, CPAN, MPAN, Merchant name, MID, Transaction Date, Transaction Amount

<u>Required Response Documentation:</u>
• Proof of goods has been received OR
• Letter/confirmation from the merchant that the goods have been given to the customer either via email, apps or other media</td></tr>
</table>

1003 – Duplicate Processing	
Root Cause	**Filed Against Party**
Error by **merchant acquirer**	**Merchant Acquirer**
Acquirer processed the same transaction more than once	**Merchant**, unless funds are irrecoverable by the merchant, in which case liability is borne by the **merchant acquirer**
<u>Required Claim Documentation:</u> • Letter of complaint from customer, including: Transaction date, Transaction amount, Merchant name, Dispute description • Transaction details, including: Acquirer Name, Reference number, CPAN, MPAN, Merchant name, MID, Transaction Date, Transaction Amount **<u>Required Response Documentation:</u>** Approved transaction receipts/invoice to proof the validity of the transactions (transactions are different)	

1004 – Paid by other means	
Root Cause	**Filed Against Party**
Error by **merchant acquirer**	**Merchant Acquirer**
Customer debited for the transaction but asked to pay or paid using other means of payment (e.g. Cash, debit card, credit card, etc)	**Merchant**, unless funds are irrecoverable by the merchant, in which case liability is borne by the **merchant acquirer**
<u>Required Claim Documentation:</u> • Letter of complaint from customer, including: Transaction date, Transaction amount, Merchant name, Dispute description • Transaction details, including: Acquirer Name, Reference number, CPAN, MPAN, Merchant name, MID, Transaction Date, Transaction Amount **<u>Required Response Documentation</u>** • Approved transaction receipts / invoice to proof the validity of the transactions (transactions are different) OR Proof that it has been refunded • Letter / confirmation from the merchant that the customer does not pay by other means of payment, either by mail, email, apps or other media	

1005 – Transaction Amount Differ	
Root Cause	**Filed Against Party**
Error by **merchant acquirer**	**Merchant Acquirer**
Customer dispute that the amount billed is greater than the amount transacted	**Merchant Acquirer**, unless they can prove the error was solely caused by the consumers' negligence in which case liability is borne by the **consumer.** If funds are irrecoverable by the customer, in which case liability is borne by the **consumer.**
<u>Required Documentation:</u> • Letter of dispute claim from consumer, including: Transaction date, Transaction amount, Disputed amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Dispute Description. • Acceptance or rejection letter from Issuer or Customer. **<u>Response Documentation:</u>** • Proof of merchandise/services delivered/received by customer.	

<table>
<tr><th colspan="2">1006 – Refund Not Received</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by merchant acquirer</td><td>Merchant Acquirer</td></tr>
<tr><td>Merchant has not fulfilled refund</td><td>Merchant, unless funds are irrecoverable by the merchant, in which case liability is borne by the merchant acquirer</td></tr>
<tr><td colspan="2"><u>Required Claim Documentation:</u>
Letter of complaint from customer, including: Transaction date, Transaction amount, Merchant name, Dispute description
Transaction details, including: Acquirer Name, Reference number, CPAN, MPAN, Merchant name, MID, Transaction Date, Transaction Amount
<u>Required Response Documentation:</u>
Proof that refund has been made</td></tr>
</table>

<table>
<tr><th colspan="2">1007 - Cancelled Merchandise/Services</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by merchant acquirer</td><td>Merchant Acquirer</td></tr>
<tr><td>Consumer disputes the transaction that has been cancelled, but the merchant failed to credit the consumer</td><td>Merchant, unless funds are irrecoverable by the merchant, in which case liability is borne by the merchant acquirer</td></tr>
<tr><td colspan="2"><u>Required Claim Documentation:</u>
Letter of complaint from customer, including: Transaction date, Transaction amount, Merchant name and Dispute description
Transaction details, including: Acquirer Name, Reference number, CPAN, MPAN, Merchant name, MID, Transaction Date, Transaction Amount
<u>Required Response Documentation:</u>
Approved transaction receipts / invoice to proof the validity of the transactions.
Merchant Confirmation that they did not receive cancellation at the time of purchase</td></tr>
</table>

II. Good Faith

<table>
<tr><th colspan="2">4001 - Claim request cannot be submitted because general claim resolution time frame ended</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by issuer</td><td>Merchant Acquirer</td></tr>
<tr><td>• Claim exceed time frame</td><td></td></tr>
<tr><td>Error by Acquirer</td><td>Issuing Institution</td></tr>
<tr><td>• Claim exceed time frame</td><td></td></tr>
<tr><td colspan="2"><u>Required Good Faith Documentation:</u>
• Merchant statement letter, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer, Transaction Reference Number, Good Faith Description
• Letter or confirmation from customer, including: Transaction date, Transaction amount, Merchant name, Good Faith Description

<u>Response Documentation:</u>
• Acceptance or rejection letter from filled against party</td></tr>
</table>

<table>
<tr><th colspan="2">4002 – Credit Adjustment due to non delivery payment credit or goods/services</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by the customer/issuer</td><td>Merchant Acquirer</td></tr>
<tr><td>• Customer has received goods or service but payment unsuccessful (proactive customer/issuer)</td><td></td></tr>
<tr><td colspan="2"><u>Required Good Faith Documentation:</u>
• Letter from customer, including: Transaction date, Transaction amount, Merchant name, Good Faith Description

<u>Response Documentation:</u>
None</td></tr>
<tr><td>Error by the merchant/Acquirer</td><td>Issuing Institution</td></tr>
<tr><td>• Customer/issuer settled and credit payment to merchant/Acquirer but goods/services are not rendered (proactive merchant/acquirer)</td><td></td></tr>
<tr><td colspan="2"><u>Required Good Faith Documentation:</u>
• Letter from merchant, including: Transaction date, Transaction amount, Customer PAN, Merchant name, Good Faith Description

<u>Response Documentation:</u>
None</td></tr>
</table>

<table>
<tr><th colspan="2">4003 – Merchant has provided goods/ services but no settlement has occurred</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by the issuing bank</td><td>Issuing Institution</td></tr>
<tr><td>Customer has received goods or service but payment unsuccessful and acquirer does not receive payment credit</td><td>Customer, unless funds are irrecoverable by the customer, in which case liability is borne by the issuer</td></tr>
<tr><td colspan="2"><u>Required Documentation:</u>
Letter of dispute claim from merchant, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Dispute Description
Proof of merchandise/ services delivered/ received by customer
<u>Response Documentation:</u>
Acceptance or rejection letter from issuer or customer</td></tr>
</table>

<table>
<tr><th colspan="2">4004 - Acquirer cannot reject dispute request due to holiday (Late submission of dispute response)</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by merchant acquirer</td><td>Issuing Institution</td></tr>
<tr><td>Acquirer has been debited for issuer chargeback claim due to not submitting response within time limit.
Acquirer late for submitting response due to holiday</td><td></td></tr>
<tr><td colspan="2"><u>Required Good Faith Documentation:</u>
Merchant statement letter, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Dispute Description
<u>Response Documentation:</u>
Acceptance or rejection letter from filled party</td></tr>
</table>

<table>
<tr><th colspan="2">4005 – Offline Refund (Exceeds refund time limit)</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by merchant acquirer</td><td>Issuing Institution</td></tr>
<tr><td>Refund performed by merchant exceed refund time limit
Acquirer use manual refund</td><td></td></tr>
<tr><td colspan="2"><u>Required Documentation:</u>
Merchant statement letter, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Good Faith Description
<u>Response Documentation:</u>
None</td></tr>
</table>

<table>
<tr><th colspan="2">4006 – Credit Adjustment/ Refund error</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by merchant acquirer</td><td>Issuing Institution</td></tr>
<tr><td>Refund performed by merchant acquirer is incorrect, e.g.:
Multiple refunds to issuer side for same transaction
Refunds to incorrect customer/issuer</td><td></td></tr>
<tr><td colspan="2"><u>Required Documentation:</u>
Merchant statement letter, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Good Faith Description
Claim refund(s) date and ID
<u>Response Documentation:</u>
Acceptance or rejection letter from filled against party</td></tr>
</table>

<table>
<tr><th colspan="2">4007 – System Error</th></tr>
<tr><th>Root Cause</th><th>Filed Against Party</th></tr>
<tr><td>Error by the Issuing Institution /issuing switch</td><td>Issuing Institution/Issuing Switch</td></tr>
<tr><td>Processing Error on issuing side</td><td>Issuing Institution/Issuing Switch</td></tr>
<tr><td>Error by the acquiring switch</td><td>Acquiring Bank/Acquiring Switch</td></tr>
<tr><td>Processing Error on acquiring side</td><td>Acquiring Bank/Acquiring Switch</td></tr>
<tr><td colspan="2"><u>Required Documentation:</u>
If the error is from the issuing end:
Written statement from customer, including: Transaction date, Transaction amount, Merchant name, Good Faith Description
If the error is from the acquiring end:
Merchant statement letter, including: Transaction date, Transaction amount, Merchant name, MPAN, MID, CPAN, Issuer Name, Transaction Reference Number, Good Faith Description
<u>Response Documentation:</u>
Acceptance or rejection letter from filled against party</td></tr>
</table>