

THE CHARGEBACK PROCESS

Below are answers to some of the most commonly asked questions about chargebacks. If you don't see the answer to your question, let us know at chargebackinquiries@clubready.com or call our support line at (800) 405-4818.

WHAT IS A CHARGEBACK?

To understand the chargeback process, we first need to understand what a chargeback is. In simplest terms, a chargeback is a disputed charge made using a credit card. The cardholder (that's the person whose credit card we're talking about) is basically saying, "There's a charge on my credit card and I'm not taking responsibility for it for [xyz] reason." The chargeback *process* is the process by which all the many parties involved – yes, there's a few – investigate and figure out whether a charge is valid or not.

WHO ARE THE PARTIES INVOLVED?

In any credit card transaction, there's going to be several parties involved. We can start with the **cardholder** and the bank where he or she holds an account. The cardholder's bank is called the **issuing bank**. That's the one side of a credit card transaction. On the other side of a transaction, you have the **merchant**; this is usually a business where the transaction was made. Like the cardholder, the merchant is also going to have a bank; the merchant's bank is the **acquiring bank**.

Time to go another level deeper. Let's talk about the **card networks**. Visa, Mastercard, American Express are all card brands, or card networks, that you probably recognize. When it's their card brand at play, card networks will seek to impose their own rules related to chargebacks.

Let's now look at how ClubReady fits into this mix. Whether you're receiving payment or billing services from ClubReady as a fully-managed subscriber or a club-managed subscriber, ClubReady is acting as your **payment facilitator**, sometimes referred to in the industry as a "**payfac**." As a payfac, not only does ClubReady provide you with the proprietary technology to be able to run payment transactions – whether ACH or credit cards – through the ClubReady System on behalf of your clients, customers or members (collectively, "**End Users**"), but those transaction funds actually pass through ClubReady's primary merchant account on their way to your bank account. More specifically, you, as our subscriber, are set up under our primary merchant account as a **sub-merchant**. There are some wonderful advantages to the payfac model, like, for example, your ability to process payments virtually overnight because of the streamlined underwriting protocols that we maintain with our **payment processor**, a company called WorldPay (formerly known as Vantiv). If ClubReady, as the payfac, provides the club-management platform with integrated payment technologies, then WorldPay, as the payment processor, "runs the rails" for payment transactions to actually go through.

In the next section, we'll look at how all these parties work together to resolve chargebacks.

HOW DOES THE CHARGEBACK PROCESS WORK?

The "chargeback process" is shorthand for the process by which ClubReady works to resolve chargeback disputes on behalf of fully-managed subscribers. Club-managed subscribers manage and fight their own chargebacks.

The chargeback process begins when a cardholder – an End User at your business – "makes a chargeback." The cardholder might look at her monthly bank statement and say, "This isn't right, I shouldn't have been charged for this." When a cardholder disputes a charge, the chargeback process begins.

The way a cardholder makes a chargeback is really up to the bank (here, the issuing bank). Once a chargeback is made, the issuing bank will usually pre-screen it to make sure there's at least some base level of validity. If the issuing bank finds that the alleged chargeback meets its threshold standards, then a file gets opened and we move on to the next stage of the process.

The issuing bank will usually re-credit any disputed funds to the cardholder's account while a chargeback is considered "pending" or "under investigation." The issuing bank will notify the merchant's bank (here, the acquiring bank) of the chargeback dispute and will send any evidence supporting the claim. The acquiring bank has its own internal procedures for investigating chargebacks, procedures which usually involve contacting the merchant to get more information and gather more evidence. The acquiring bank is trying to learn what happened, what the legal basis was for the charge, and why the cardholder is crying foul now.

Here's where things can get confused when dealing with a payfac model. Because ClubReady holds the primary merchant account with Worldpay's sponsor bank, ClubReady is considered the merchant, and WorldPay is considered the acquiring bank for purposes of the chargeback analysis. Therefore, when the issuing bank reaches out to the acquiring bank, what's actually happening is the cardholder's bank is notifying WorldPay (the acquiring bank) of the chargeback dispute, and WorldPay in turn notifies ClubReady (the de facto merchant). ClubReady may reach out to you, as our sub-merchant, to get more information about a chargeback dispute, but as you will see in the next section, most if not all of the information that ClubReady would need to actually fight a chargeback is already tied to your club site in the ClubReady System. What's important to note is ClubReady works hand-in-hand with our payment processor, WorldPay, to provide a timely response to chargeback disputes on behalf of fully-managed subscribers.

If the issuing bank determines that the evidence returned is sufficient to support the disputed charge, then the issuing bank will deem the cardholder's chargeback "lost" and will debit the cardholder's account. A fee – in the ClubReady System, you might see it labeled as a "return item fee" – usually gets tacked on as well. If your membership agreement references the return item fee, or a similar fee, the cardholder (End User) would be responsible for paying this fee in addition to the amount of the disputed charge.

If, however, the issuing bank determines there is insufficient evidence to support the charge, then the cardholder "wins" the chargeback and will get to keep the disputed funds returned to him or her at the start of the chargeback process, and no additional fees will be charged.

WHAT IS CLUBREADY DOING INTERNALLY TO MANAGE THE CHARGEBACK PROCESS?

When an End User files a chargeback, a series of actions get kicked off behind the scenes at ClubReady. The steps described below happen on a per-chargeback basis; so, if more than one chargeback is filed by a cardholder related to the same events, the same steps would be followed.

Intake and System Update

- Worldpay (our payment processor and the acquiring bank for purposes of the chargeback process described above) receives the chargeback notice from the issuing bank.
- At the start of each day, Worldpay sends ClubReady (a payfac and the merchant for purposes of the chargeback process described above) a list of known chargebacks, including the cardholder's name, the amount in dispute, the applicable sub-merchant location, and a designated chargeback code. All of this information is sent to ClubReady in the form of a CSV file.
- ClubReady then takes that CSV file and loads it into the ClubReady System, at which point the technology takes over and starts performing some automated functions. The chargeback information gets pinned to the relevant End User's account and updates his or her file accordingly. The invoice subject to the chargeback gets marked as "past due" in the system, and the payment record associated with the End User's account is updated to show the applicable invoice as being "charged back." Here is what that looks like:

5/10/2017 1:17 AM \$159.00
+ \$0.00 tax = \$159.00
VISA (35707253) Credit Card (Through ClubReady)
Visa ending 1302
Transaction ID: 82561446299758774
ClubReady Txn ID: 1929CFD84
Ran by Draft

Charge-Back By Customer
7/28/2017
Fraudulent Transaction - Card Not Present
Chargeback Redeposit

Fees Assigned

- Depending on how you've set up your ClubReady account, a "return item fee" – this is a fee that the End User would be responsible for paying – may be generated and tied to the End User's account under its own separate invoice number. To be clear, if you're set up this return item fee to hit, the fee will get tied to each and every charged back invoice; this would be true even if there are several chargebacks all occurring in the same month.
- In addition to tagging the return item fee, ClubReady also takes its fees for chargeback services (the "Chargeback Fee"). ClubReady's Chargeback Fee is discussed in more detail below.

ClubReady Investigates

- Next thing that happens is ClubReady goes to work fighting the chargeback. Card networks generally give us 30 days to respond to the allegations.
- A trained chargeback analyst will personally review the chargeback details, usually within no more than 10 days after it's received.
- After ClubReady's internal review, a determination is made about whether a chargeback is "representation"-worthy. "Representation" is an industry-specific term related to chargebacks.
- There are two key factors in determining whether a chargeback is representation-worthy: the first thing ClubReady considers is the "reason code" associated with the chargeback (more on this later); and the second thing ClubReady investigates is what specific documentation exists in the system to be able to offer a credible defense to the chargeback.
- Documentation that might be presented includes check-in logs; a signed and dated membership contract; customer service notes; proof that the End User had actually used services and classes; the cancellation forms submitted, as applicable; and the authenticity of signatures.

Representation

- As a general matter, so long as there's something in the system that ClubReady can make a good faith defense, ClubReady will make it – we "represent" the chargeback.
- Specifically, ClubReady will send a file with supporting documentation, and sometimes a written explanation, to the issuing bank.
- Once this happens, ClubReady changes the chargeback designation in the system from "charged back" to "represented." The invoice will now show as "paid" and a "credit payment" will appear on the payments page (see image below):

Date	Amount	Details	Status
9/18/2018 11:01 AM	\$160.00 + \$0.00 tax = \$160.00	VISA (58064476) Credit Card (Through ClubReady) Funds From Charge-Back That Was Reversed Ran by Melanie Oliver	Mark As A Charge-Back Paid In Full
8/30/2018 1:57 AM	\$160.00 + \$0.00 tax = \$160.00	VISA (57357947) Credit Card (Through ClubReady) Visa ending 4288 Transaction ID: 827377057952236934 ClubReady Txn ID: 30605A473 Ran by Draft	Charge-Back By Customer 9/18/2018 Cancelled Recurring Chargeback Redeposit
8/16/2018 2:04 AM	\$160.00 + \$0.00 tax = \$160.00	VISA (56916031) Credit Card (Through ClubReady) Visa ending 4288 Transaction ID: 827201037034782917 ClubReady Txn ID: 2FD583B09 Ran by Draft	Mark As A Charge-Back Paid In Full
8/2/2018 2:19 AM	\$160.00 + \$0.00 tax = \$160.00	VISA (56393958) Credit Card (Through ClubReady) Visa ending 4288 Transaction ID: 825617641276704661 ClubReady Txn ID: 2F2F2569F Ran by Draft	Charge-Back By Customer 9/11/2018 Cancelled Merchandise/Services The Chargeback Was Redeposited on 9/18/2018 (Reversed)

Recrediting

- At this point, while the chargeback investigation is pending, ClubReady will re-credit the fully-managed subscriber's account with the disputed funds. It used to be that we held these funds in escrow pending the outcome of the investigation, but a policy change in July 2018 resulted in having any disputed chargeback funds transferred back to fully-managed subscribers immediately. If the chargeback is lost, then we pull the funds once again with an additional fee.

Issuing Bank Review

- Once your chargeback defense has gone in, the issuing bank will usually take between 30 and 45 days to review the material and reach a final determination.
- Per many card network rules, the issuing bank's failure to respond within the allotted time will result in an automatic win for the merchant (or you, the sub-merchant, as the case may be).
- If the issuing bank determines that there *is* sufficient evidence to support the charge, then the cardholder "loses" the chargeback and the merchant gets the money. Since ClubReady had already re-credited the disputed amount earlier in the process, the fully-managed subscriber keeps those funds and ClubReady is made whole once the funds are received via Worldpay from the issuing bank.

Pre-Arbitration (Another Second Swing at Bat)

- If, upon review of the defense materials, the issuing bank determines that there still is *not* sufficient evidence to support the charge, then a second chargeback request would be made. This phase is sometimes called "pre-arbitration," since it immediately precedes the last stage of the process, which is arbitration.

Arbitration

- If the issuing bank still disagrees, then the parties can elect to arbitrate. Most chargeback cases never make it this far. It's worth noting that under card network rules, the losing party in arbitration can be liable for up to \$500 in fees and other expenses, in addition to the loss of the amount in dispute. Given the high stakes, ClubReady requires a separate written sign-off before engaging in the arbitration process on behalf of its fully-managed subscribers.

HOW LONG DOES THE CHARGEBACK PROCESS USUALLY TAKE?

It depends on whether the chargeback case goes all the way through arbitration. At the shorter end, chargeback disputes can be resolved in about six weeks. At the longer end, however, the process can drag on for six months or more. As a general matter, chargeback disputes will usually wrap up in about 60 to 90 days.

CAN I HANDLE MY OWN CHARGEBACKS?

Yes, if you are a club-managed subscriber to the ClubReady System. No, if you are a fully-managed subscriber. As a fully-managed subscriber, chargeback management and defense are one or many billing services you're receiving for ClubReady's comprehensive payment services. Most ClubReady customers sign up as fully-managed subscribers for the efficiency, convenience and cost-effectiveness this service provides, as well as the complete integration of these payment services with other products and services offered by the company. If you are a franchisee operating within the framework of a larger franchise system, then you may be mandated to use ClubReady's fully-managed billing and payment services.

HOW MUCH IS CLUBREADY'S CHARGEBACK FEE? IS IT FAIR AND REASONABLE?

ClubReady's fee for chargebacks is \$25; the fee is charged for each chargeback filed. The \$25 chargeback fee is consistent with industry standards for other payfacs, and we believe it to be fair and reasonable given the time, effort and cost involved with managing and defending chargebacks.

Defending chargebacks is expensive. Consider, for example, that we employ a team of chargeback analysts whose job it is to manage the chargeback process for fully-managed subscribers from intake to resolution. ClubReady's costs associated with providing this end-to-end solution are fixed and will be incurred regardless of whether a chargeback is won or lost.

In addition to the administrative costs, there are also chargeback fees that ClubReady is charged on a per-chargeback basis by Worldpay. These fees are also due regardless of whether the chargeback is won or lost. For chargebacks that go all the way through appeal, ClubReady's chargeback fees alone to Worldpay can approach \$20 per chargeback.

IS THERE ANY WAY I CAN RECOUP CLUBREADY'S \$25 CHARGEBACK FEE?

Yes, absolutely! You can recover ClubReady's \$25 chargeback fee in the form of a return item fee directly from the cardholder (End User). Not only is this how it should work, but this is how the ClubReady System is set up to function. If you successfully defend a chargeback, you should get to keep the money you charged the cardholder, and you shouldn't be out a dime in chargeback fees to ClubReady.

If you cancel an invoice that's been charged back, ClubReady will still collect its \$25 chargeback fee because the case had been opened, but you will lose out on the ability to recover those funds through a return-item fee where a chargeback is won – thus, we don't recommend that you cancel invoices that have been charged back.

Here's a bit more about why...

The ClubReady System is designed to make you whole on a chargeback that is won. Recall, once a chargeback is tagged to an End User's account and payment history, assuming you've enabled this setting, a new invoice would be automatically created showing a "return item fee," usually in the same amount as ClubReady's \$25 chargeback fee. Once a chargeback is won, that return item fee becomes a collectible invoice which the End User would be responsible for paying. Presumably, the contract that you got signed with the End User would support you being able to collect these fees.

The return item fee offsets ClubReady's \$25 chargeback fee – what differs is simply the timing for payment. ClubReady collects its \$25 chargeback fee at the beginning of the chargeback process. You would not be able to recoup these funds until the chargeback is won and the End User pays the open invoice, whether voluntarily, through past due communications, or through collection efforts.

WHY WOULD CLUBREADY EVER CHOOSE NOT TO FIGHT MY CHARGEBACKS?

While we would like to fight and win every chargeback dispute that we get, sometimes we're prohibited from doing so, and other times we know the fight is lost before it even starts.

Here are some of the reasons why we might not fight a chargeback:

- The evidence needed to win is lacking. The defense we can make will only be as good as the information that exists in the system. If there is insufficient evidence to make a defense, we might not defend the chargeback.
- You cancel the disputed invoice within the 10-day case review period and preempt a defense.
- The cardholder (End User) pays the disputed invoice within the 10-day case review period.

- The cardholder's (End User's) account has already gone into "third party" status, meaning the membership agreement is in default and the account is no longer active in the ClubReady System.
- The card network rules pre-empt a fight. For example, with Visa's new claim resolution rules, some cases are received as "pre-arbitration fraud cases." In these limited situations, ClubReady has the ability to respond only under certain conditions; otherwise, the cases are closed and no further action can be attempted.

WHAT IS A CHARGEBACK REVERSAL?

A "chargeback reversal," sometimes called an "issuer credit," is what happens when the issuing bank decides to credit the merchant (ClubReady or you) on its own accord, sometimes even without a defense being made. Maybe the issuing bank looked at the chargeback dispute more closely and determined that the grounds were insufficient, maybe the End User decided to withdraw from the fight, oftentimes we don't know what the reasoning is. What we do know, however, is the merchant gets the money without having to go any further in the chargeback process. If a chargeback reversal happens, and sometimes it does, we'll process the funds on your behalf and mark the relevant End User invoice as "paid." If you're not already in receipt of the disputed funds, you would see those funds show up on your next remit report.

AS A FULLY-MANAGED SUBSCRIBER, CAN I HELP FIGHT MY OWN CHARGEBACKS?

Sort of.

Again, ClubReady offers chargeback management as part of a comprehensive billing and payment service. We manage this process end-to-end for you. As described above, many of the processes are automated, and things often proceed down a pre-determined track. The process is formulaic, we deal with the same issues a dozen times a day, there's nothing that you can do once that process has begun except wait for the result.

With that said...

There are many things you can do to help us win chargebacks on your behalf. A complete listing of chargeback "best practices" are described in detail in a later section. ClubReady encourages you to employ these practices in the operation of your business and train your staff in them as well. Winning chargebacks is a two-way street, and your efforts are not wasted. We depend on your efforts to win.

HOW AM I MADE AWARE OF NEW CHARGEBACKS?

You may opt in to receive daily email notification when a chargeback is loaded into the site. To activate this feature, go to Setup > Communication > Internal Reports > Locate "Chargeback Notification" from list of reports > Click "Manage the Distribution List" > Add email of the staff member you want to receive these notifications

You may also run the following reports to review chargebacks:

Reports > Sales > Refunds & Returns > Select Date Range > Only Returns > Generate Report

Also, you can check to see the status of your returned chargeback funds at:

Reports > Sales > Payment Types > Select Date Range > Won Chargebacks

ClubReady understands that all subscribers want more visibility into chargebacks at their clubs or studios. We are in the process of exploring new functionalities that will improve the chargeback process, including the rollout of a new "payments dashboard" that will include, among other things, more information on chargebacks and chargeback activity.

HOW ARE CHARGEBACKS, PAST DUE COMMUNICATIONS AND COLLECTIONS RELATED?

They're not. The process for chargebacks, past due communications ("PDC") and collections are completely different.

Chargebacks are chargebacks, as explained above. It's a disputed credit card charge that's fought by ClubReady on behalf of the sub-merchant through a predefined process that costs time and money. That's it in a nutshell.

PDC is a ClubReady service (provided through its wholly-owned subsidiary, GYM HQ, LLC) related to calling on active, non-defaulted accounts where an invoice has not been paid more than 10 days from the date it's due. PDC communications would only come into play where a chargeback is fought and won; then the invoice would be considered a valid charge that the End User must pay.

Collections is what happens after the End User's account goes into default and there are still open invoices on the books. Once the account goes inactive (usually, after 90 days of no payment), the account is boxed up and electronically shipped off to our preferred vendor for debt servicing, Swift Collections, or some other company designated by you, for debt servicing.

WHAT ARE SOME OF THE MOST COMMON CHAREBACK REASON CODES? WHY DO THEY COME UP? WHAT'S NEEDED TO FIGHT THEM?

Here are the chargeback reason codes we see most often, for Visa, Mastercard and Discover:

Services Not Provided / Merchandise Not Received/Non-Receipt of Merchandise

VISA (13.1); Mastercard (4855); Discover (4755)

Common reasons for this code:

- Club ceases doing business;
- Club temporarily closed;
- Staff unavailable for scheduled services;
- Club merged with another location and member unaware.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Check-in history;
- Booking log;
- Club notes and email correspondence;
- Email notification of club closure or temporary closure;
- Email notification of club merger or transfer of services.

Cancelled Recurring Transaction

VISA (13.2 or 13.7); Mastercard (4841); Discover (4541)

Common reasons for this code:

- Membership agreement has auto-renewed and still billing monthly after the initial term of the contract has been paid in full;
- Member did not understand the length of the agreement;
- Member did not understand the cancellation policy;
- Club failed to properly cancel the agreement;

- Club did not follow its own cancellation policy.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Check-in history;
- Booking log;
- Club notes and email correspondence showing cancellation policies explained;
- Rescission letter or certified tracking information, and copy of dated postmark;
- Medical cancellation documents on file, and date of receipt;
- Relocation cancellation documents on file, and date of receipt.

Transaction Not Recognized / Does Not Recognize – Potential Fraud

VISA (10.1 or 10.4); Mastercard (4863); Discover (4752)

Common reasons for this code:

- Member thinks membership is cancelled when it really isn't;
- Member used another person's credit card to purchase services;
- Club changed its billing service provider and description of charges on bank statement changed as well;
- A change in the amount normally charged, for example, an annual enhancement fee is paid together with monthly dues;
- Member has a past due balance and club brings account current by charging the credit card on file.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Invoice and payment receipt for transaction;
- Club notes, showing communication between staff and member;
- Booking log and check in history, if appropriate, showing member used the services.

Card Not Present – Potential Fraud / Fraudulent Transaction – No Cardholder Authorized

VISA (10.1 or 10.4); Mastercard (4837); Discover (7030)

Common reasons for this code:

- Member doesn't recognize the charge;
- Member believes the membership to be cancelled when it's not;
- Member used another person's card to purchase membership;
- Member is unaware of recurring billing;
- Club changed its billing service provider and description of charges on bank statement changed as well;
- Fraud;
- The member's cardholder information on file does not match the issuing bank's information.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Check-in history;
- Booking logs;
- Club notes showing communication between member and club staff;
- Email correspondence between member and club staff.

Credit Not Processed

VISA (13.2 or 13.7); Mastercard (4860); Discover (8002)

Common reasons for this code:

- Member is expecting a refund or credit but it's not reflected on the bank statement;
- Member believes the membership to be cancelled when it's not;
- Amount of a charge is incorrect and member was expecting a credit for the difference;
- Member's agreement was previously frozen and reinstated without member consent;
- Member did not follow the cancellation policies.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Check-in history;
- Booking log;
- Signed cancellation or freeze forms, as applicable;
- Email correspondence between member and club regarding cancellation procedures;
- Rescission letter with tracking information;
- Club notes showing member and club communication regarding cancellation;
- Medical cancellation documents on file, and date of receipt;
- Relocation cancellation documents on file, and date of receipt.

Not As Described or Defective Merchandise / Quality of Goods and Services Disputed

VISA (13.1); Mastercard (4860); Discover (8002)

Common reasons for this code:

- Member not satisfied with the club's amenities;
- Classes or personal training sessions were unsatisfactory;
- Member did not agree to the policies of the club through a valid agreement;
- Terms and policies in the contract not sufficiently explained at time of purchase;
- Billing or cancellation terms not adequately explained at time of purchase.

Documentation often used to fight this chargeback code:

- Signed membership agreement;
- Signed freeze and/or cancellation forms;
- Email documentation showing communication as to an explanation of services provided or terms of the membership;
- Club notes documenting verbal or written communication with member advising of policies of contract or attempting to resolve issues with goods or services.

IS THERE SOMETHING I CAN DO TO BETTER MY CHANCES OF WINNING CHARGEBACKS?

Absolutely, glad you asked.

In fact, ClubReady's ability to win chargebacks on the club's behalf is heavily dependent on the actions at the club level. Below is a good list of chargeback "best practices" for your staff to follow:

- Make sure that your staff is loading in relevant agreements, signed and dated by the member and buyer, as applicable.

- Make sure that you're getting all cancellation notices in writing, or that evidence of proper cancellation is loaded into the system when it's been hand-delivered. It's always a good idea to even scan the envelope with a certified mail receipt, and proof of mailing.
- Many ClubReady subscribers will provide their members with a separately initialed checklist of documents being provided and signed by the member. This checklist is another good way to show that a member received important documents relevant to your services.
- Make sure that your team is keeping good customer service notices in the system. Notate all interactions with members relevant to cancellation, freezes, or other service-related issues.
- Keep track of all email correspondence between you and your members.
- Make sure that a member's check-in history or session bookings log is accurate and up to date.
- Pre-empt chargebacks by engaging in good customer service practices on the front end.
- Devote adequate time and resources to training your staff in how to complete agreements, load them to the system, and interact with members on a range of service-related issues.
- Be thorough and complete in your approach to getting agreements signed. Specifically, make sure that all names are spelled correctly and that all billing information is accurate and tied to the correct purchaser of services.
- Make sure your policies are explained, ideally both in the membership agreement and at your club (could be on your website).
- Note the difference between a member (the person using services) and the buyer (the person paying for services). Most of the time, the member is the buyer, but sometimes they're different. You'll want to make sure this is spelled out clearly in your membership agreement.
- If you change your business practices in a way that materially changes your products or services, you should notify all members in advance of the change and, in some cases, you may consider getting signed amendments or even getting new agreements altogether.
- Don't get lazy and load pictures (i.e., .jpg, .tiff) of contracts to the system. The best practice is to get clear and readable PDF document.
- Please make sure all of your documentation is legible, and that there are no blank spaces in contracts.
- Get your agreements reviewed and vetted by a legal professional licensed in your state of operation. Many states have their own health club or health spa statues, and a failure to comply with regulatory requirements could have the effect of making any membership agreement void at the member's request.
- Maintain good communication with ClubReady when it comes to chargebacks, and don't expect us to do it all. There's a lot you and your staff can do to help us win.

IS CLUBREADY LIABLE FOR MY CHARGEBACKS?

No. Our Terms of Service make this clear. Under no circumstances will ClubReady be liable for chargebacks associated with your business. This is true even though funds may be running through ClubReady's primary merchant account.

WHERE CAN I FIND MORE INFORMATION ABOUT THE CARD NETWORK RULES?

Visa Claims Resolution (VCR):

<https://usa.visa.com/dam/VCOM/download/merchants/visa-claims-resolution-efficient-dispute-processing-for-merchants-VBS-14.APR.16.pdf>

Visa Merchant Chargeback Management:

<https://usa.visa.com/dam/VCOM/download/merchants/chargeback-management-guidelines-for-visa-merchants.pdf>

Mastercard Rules:

<https://www.mastercard.us/content/dam/mccom/en-us/documents/rules/chargeback-guide.pdf>

Discover Card Dispute Resolution:

https://servicecenter.discovernetwork.com/disputes/help/Merch_Dispute_UserManual.pdf