

Non-Fraudulent Dispute Transactions

A non-fraudulent dispute arises when an account owner contests a debit card transaction(s) for reasons other than fraud. These disputes originate from disagreements or errors in the transaction(s) between the account owner and the merchant, rather than fraudulent activity.

Common Causes and Indicators

- **Billing Errors:** The account owner was charged the wrong amount or was charged multiple times for the same transaction.
- **Non-receipt of Goods or Services:** The account owner paid for goods or services that were not delivered or provided as promised. This includes cash not disbursed at an ATM.
- **Cancellation Issues:** The account owner adhered to the merchant's cancellation policy and correctly canceled a subscription or service, but the merchant continued to charge their account.
- **Returns and Refunds:** The account owner returned a product but did not receive the expected refund or credit as indicated by the agreed upon merchant's terms and conditions.
- **Quality Disputes:** The goods or services received were not as described or were defective or damaged, and the account owner seeks a refund or adjustment that falls within the agreed upon merchant's terms and conditions.
- **Authorization Issues:** The account owner disputes a transaction that was authorized for a different amount, but not involving fraud.

Preventive Measures

- Before completing a purchase, it is crucial to fully understand the terms and conditions of the transaction.
- It is important to keep receipts or transaction documentation for future reference if needed.
- To stay current with your authorized transaction(s), it's essential to regularly monitor your transaction history and account statements for any billing errors.
- Enable transaction alerts through your Texas Community Bank (TCB) online and mobile banking access to promptly detect any billing errors.
- Using a secure and reputable merchant for online and in-person purchases increases the likelihood of receiving reliable customer service if needed.
- It is important to promptly and clearly communicate your concerns to the merchant in detail as soon as an issue is detected.



*****IMPORTANT*****

- Account owners are strongly encouraged to regularly review their transaction history and account statements. Ideally, reviews should be done daily, weekly, or (AT MINIMUM) once a month.
- The key to preventing potential financial loss from non-fraudulent transaction(s) is to detect and address the issue early on with the merchant, minimizing the opportunity for excessive damage.

Scenario of a Non-Fraudulent Transaction Situation

To help prepare you for what to expect, here is an outline of the process when there are concerns about a non-fraudulent debit card transaction(s).

1. Discovery of Issue:

The discovery of a non-fraudulent dispute depends on the nature of the issue.

It may be identified by the account owner noticing a transaction error in their TCB transaction history or bank statement, or it could be related to a problem with the purchased product or service.

2. Personally Review:

Before contacting the merchant, identify the specific issue, whether it's a billing error, non-receipt of goods, defective products, or services not as described. This will assist in clearly communicating the problem.

It is also important to review the merchant's website and their Terms and Conditions (if available) to see if a recommended resolution is described.

3. Contact the Merchant:

Once you have gathered all the information and details of the issue, immediately contact the merchant to notify them.

Provide details of the problem and specify the resolution you seek.

Have any supporting documentation, such as receipts and emails, readily available.

4. Ongoing Merchant Communication:

Maintain ongoing communication with the merchant to stay informed about the resolution they may offer.

If the merchant requires you to take a specific action before offering a resolution, be sure to complete it and provide them with the necessary confirmations and documentation.

Please adhere to the timeframe provided by the merchant for completing the action or resolving the issue before escalating it to the bank.

5. Reporting to the Bank:

If the issue remains unresolved by the merchant, immediately notify your TCB Account Officer/Representative of the exact problem and share any feedback provided by the merchant.

It is essential to be clear and provide as much detail and documentation as possible so we may accurately represent the issue when submitting the dispute claim.

6. Provide Necessary Information:

Be prepared to provide details of the non-fraudulent transaction(s), including the transaction date, amount, and any relevant information.

There may also be follow-up questions asked.

Include all supporting documentation (such as receipts and emails).

If the non-fraudulent transaction(s) resulted in debits to your account, you will be provided with bank dispute forms to complete and sign, detailing the issue with the authorized transaction(s).

It is crucial to accurately state the facts of the situation initially, to ensure a clear understanding of the dispute claim being made.



7. Timely Notification Requirements:

In most cases, the timely notification requirement for Point of Sale (POS) and ATM errors are met when you notify us within 60 calendar days of receiving the first bank statement showing the error. Timely notification periods for POS/ATM transactions are governed by federal laws and regulations.

The timely notification requirement for consumer account ACH errors* is met when you notify us within 60 calendar days from the original entry's settlement date. The timely notification requirement for commercial account ACH errors** is met when you notify us within 2 banking days from the original entry's settlement date. Timely notification periods for ACHs are governed by the National Automated Clearing House Association (NACHA).

Transactions reported outside these periods may not be eligible for reimbursement or correction, and the Account Owner may be responsible for any resulting losses.

If you discover an error outside the timely notification period, PLEASE CONTINUE WITH YOUR DISPUTE SUBMISSION. We will investigate and determine responsibility accordingly.

Type of Account	Type of Error		
	ACH	Debit Card (POS)	Debit Card (ATM)
Consumer	60 Calendar Days*	60 Calendar Days	60 Calendar Days
Commercial	2 Banking Days**	60 Calendar Days	60 Calendar Days

- **Calendar Day** refers to all days of the week, including weekends and holidays.
- **Business Day** refers to a calendar day other than Saturday, Sunday, or a Federal Holiday.
- **Banking Day** refers to a business day on which we are open to the public for substantially all our banking functions.

8. Provisional or Temporary Credit - Dispute Documentation's Written Confirmation:

As outlined within our **Electronic Fund Transfers: Your Rights and Responsibilities** disclosure, account owners may receive provisional/temporary credit for disputed transactions during the investigation.

For eligibility of this credit, please provide a signed copy (written confirmation) of the requested dispute documentation WITHIN 10 BUSINESS DAYS of notifying us of the error.

For a Non-Fraud Dispute scenario, eligibility of the provisional or temporary credit may also be subject to the inclusion of the required details referenced from the selected box within the Cardholder Dispute Letter – Item Statement document you would be provided with.

You may submit the signed form in person at any TCB branch location or by email at Disputes@tx-communitybank.com.

If additional investigation time is required beyond the initial 10 business days, we may extend the investigation up to 45 days (or up to 90 days if the issue involves a new account, a Point of Sale (POS) transaction, or a foreign transaction). An account is considered “new” for the first 30 days following the initial deposit unless you already have an existing account with us.

9. Investigation by TCB:

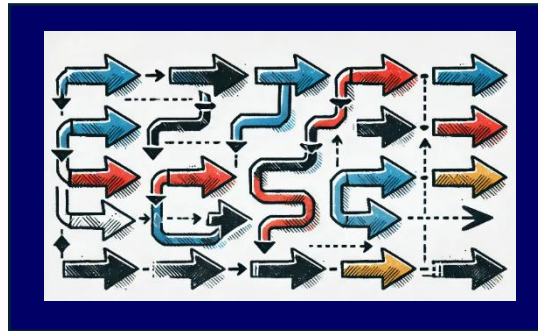
The bank initiates an investigation into the disputed claim, reviewing the transaction(s) in question, examining the transaction history, and possibly directly contacting the involved merchants. This dispute claim is also submitted to the VISA debit card network, where the two parties involved are the acquirer and the issuer.

Acquirer = Merchant | Merchant's Financial Institution
Issuer = TCB | Account owner's Financial Institution

After receiving notification of the dispute claim, the acquirer allows the merchant an opportunity to refute the claim by submitting documentation demonstrating that no error occurred. TCB subsequently reviews the documentation provided by the merchant.

10. Investigation Results and Final Credit Determination:

We will inform you of our findings within three business days after completing our investigation. You have the right to request copies of any documents used in this investigation.



Within the initial 10 business days:

- If a resolution was reached within the initial 10 business days of our Financial Institution receiving notice of a potential error over the transaction, and **no error occurred**, no bank dispute credit will be provided.
- If a resolution was reached within the initial 10 business days of our Financial Institution receiving notice of a potential error over the transaction, and **an error occurred**, permanent bank dispute credit will be provided.
- If **additional investigation time** is required beyond the initial 10 business days, we will provide the eligible provisional or temporary credit.

After the initial 10 business days:

- **If an error occurred**, the provisional/temporary credit will become permanent.
- **If the merchant has already resolved the error**, the partial or complete provisional/temporary credit will be reversed by debiting your account.
- **If no error occurred**, the provisional/temporary credit will be reversed by debiting your account.

If a reversal takes place, we will honor checks, drafts, or similar paper instruments payable to third parties and preauthorized transfers against your account up to the amount being debited for five (5) business days from the date of your notification letter. Additionally, we will not charge you any non-sufficient funds fees if your account becomes overdrawn because of this debit to your account.