

Managing COVID-19-Related Debit Memos and Chargebacks

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This post was updated on April 20 to clarify that, while ARC itself will not take action on certain COVID-19-related debit memos, airlines may still issue and enforce all types of debit memos.

One of ARC's core functions is facilitating efficient commercial relationships between its participating airlines and accredited travel agencies. This includes the management of debit memos and chargebacks. Given the unprecedented nature of the COVID-19 pandemic and its impact on the travel agency community, ARC is taking the following actions to help agencies more easily manage debit memos and chargebacks through this challenging period.

ARC will not take action on any debit memos that:

1. **Involve a flight canceled by an airline or government entity as a result of COVID-19**
2. **Are related to a passenger compensation dispute resulting from COVID-19**

This means ARC will not use the ARA or threat of termination to enforce COVID-19-related chargeback debit memos. ARC will not, itself, hold travel agencies liable for the payment of such memos, nor will ARC take any action against agencies that could affect their accreditation status for failure to do so.

However, airlines may still issue and independently enforce all types of agency debit memos. All decisions on debit memo issuance, validity and resolution remain, as they always have, at the discretion of the airline. ARC does not have the authority to enforce, regulate or waive the issuance or payment of agency debit memos.

ARC encourages its accredited agencies to work with the airline toward resolution of any outstanding debit memos. Failure to do so could negatively impact the travel agency's relationship and standing with that airline.

If travel agencies receive debit memos resulting from a COVID-19-related event as outlined above, ARC has an optional new code — COVID19 — that agencies can

enter in the Agency Reason field in ARC Memo Manager when disputing the debit memo. This code is intended to be used for tracking and dispute purposes, but it has no impact on debit memo validity. ARC's objective is to help our customers more easily track these debit memos both now and in the future.

Please note: If a travel agency is unable to use the Agency Reason field, they can alternatively use Flex Field 6. However, in this instance the code will not be visible to the airline.

Beginning with debit memos loaded on April 9, 2020, and until further notice, ARC has extended the Ticket Resolution Services (TRS) compensatory fee grace period from 15 days to 45 days. ARC hopes that by extending the window, travel agencies and airlines can more easily resolve open debit memos during this challenging time.

Please note: Any debit memos loaded prior to April 9, 2020, will be subject to the regular 15-day grace period.

ARC has suspended the ARC Pay chargeback fee for an interim period beginning on April 9, 2020, and until further notice. This action is designed to help our travel agency customers better manage the costs associated with the rapid increase in chargebacks resulting from the COVID-19 pandemic.

Please note: This waiver does not apply to travel agencies who have been notified they are subject to ARC's Alternative Business Requirements Agreement (ABRA) program.

A list of FAQs can be found [here](#). Additionally, a list of FAQs related to ARC Pay disputes can be found [here](#).

ARC has been in close contact with the various card brands and has advocated on behalf of our customers. ARC has also been closely working with a core group of travel agencies and airlines, including the Debit Memo Working Group, to develop mitigation strategies for the increasing number of chargebacks and debit memos resulting from this unprecedented period.

As a member of the global air travel community, ARC fully appreciates the tremendous pressure our customers are facing as a result of the COVID-19 pandemic. If you have any questions or concerns, please contact ARC's Customer Care Center at cchelp@arccorp.com or 703-816-8003.