

## Disclosure requirements regarding cancellation of service and goods return

The card associations have clear rules on the disclosure and acceptance of terms regarding goods returns and cancellations for online purchases/bookings. According to them, merchants must be able to demonstrate conclusively that the terms regarding goods return/cancellation were disclosed to cardholders in a proper manner during the booking and/or purchase process before the purchase is confirmed.

It does not meet the disclosure requirements when the cardholder is directed to read the terms that open in a new window or in a scroll list. The cancellation terms and terms regarding goods return must appear in the booking/purchase window itself. The cardholder, however, must also confirm that he has read the general terms and conditions that apply to the purchase, along with the cancellation terms. This should be done by the cardholder with a direct statement or a check mark. In addition, it is necessary that the terms of goods return and cancellation terms for online transactions are also sent in the order confirmation e-mail or provided on the receipt/invoice to the cardholder.

The cardholder may have dispute rights if the merchant has not properly disclosed to the cardholder the terms of delivery, refund policy and/or cancellation policy, cf. Article 9 of Special terms and conditions of Valitor in Valitor's Terms of Business (<https://www.valitor.is/wp-content/uploads/2019/02/vidskiptaskilmalar-2019-1.pdf>).

Return, refund and/or cancellation policies must be visible in English and the local language before a purchase is confirmed. This applies, equally, to face to face transactions where a card is presented at a merchant's location and also when the card is not presented, e.g. e-commerce;

- When a face to face transaction is executed by the presentation of a payment card at a merchant's location, the merchant must verify that the cardholder has signed and/or placed his letters to accept the merchant's cancellation policy before the purchase is confirmed/completed. It is not enough to disclose the cancellation policy after the purchase and transaction is completed; and
- In case of online transactions (e-commerce), the above information must appear on the same website as the transaction is conducted through and confirmed. It is not considered sufficient disclosure to refer to URLs on other websites, nor to display them in pop-up or request cardholder approval in general, subject to merchant's general terms. The information must be presented prominently, and the cancellation policy must appear on the online purchase webpage, and be clearly visible, before the transaction is confirmed.

The disclosure requirements have not been met, if the cancellation/return terms are so low on the online purchase page that the cardholder is able to complete the transaction without being informed. In addition to having the terms disclosed in accordance with the above, the merchant shall strive to obtain the cardholder's specific acceptance of the cancellation terms, e.g. by confirming this with an electronic signature or by checking a box for acceptance of the cancellation/return policy.