

Pega Smart Dispute for Issuers Enterprise Edition



The Challenge

Emerging payments like RTP, P2P, and BNPL continue to evolve and disrupt the market, especially around fraud. Multi-channel support and fragmented internal or third-party systems often hinder automation and slow case processing. Heightened compliance scrutiny, expanding consumer protection laws, and complex network rules add further operational difficulties. Combined with historically high dispute levels that often require manual intervention, this creates an unsustainable environment for financial institutions that increases costs, raises risks, and jeopardizes customer satisfaction.

The Solution

For over two decades, the world's largest financial institutions have trusted Pega to manage fraud claims and non-fraud payment disputes effectively. Pega's next generation Smart Dispute™ comprehensively handles disputes, from initiation to resolution, covering all the necessary steps in between. Built on an industry-leading, AI-powered decisioning and workflow automation platform, it delivers simplified and compliant processing to allow unified payment dispute operations for both current and emerging payment methods. Pega's Build for Change® adaptability continues to offer superior results in first-contact resolution and straight-through processing (STP) rates across all channels compared to traditional, piecemeal approaches. By streamlining payment dispute operations, financial institutions strengthen long-term customer trust and loyalty when transforming this critical "moment of truth".

With Smart Dispute, financial institutions can:

- **Handle all payment types.**
Start with pre-built support for Mastercard, Visa, Amex, Zelle or ACH and easily extended to other payment types with a workflow template in just weeks or even days using Pega GenAI Blueprint™.
- **Eliminate more manual work.**
Increase STP with fully integrated AI, machine learning, business rules and end-to-end workflows to expedite case resolution. Even for cases where full STP is impractical, automating individual steps mitigates the complexity and errors associated with manual claim routing, tracking, and handling.

- **Unify dispute operations.**
Provide customers, contact center representatives, and chargeback/operational teams with an end-to-end dispute solution from any channel. Embedded intelligence and guidance drives "smart" interactions that simplify dispute processing from intake to chargeback to later stages like pre-arb and arbitration.
- **Achieve more with AI.**
Enable data-driven decision-making by applying machine learning to increase process automation and optimization for SLA adherence and reduced losses. Make every employee your best employee with GenAI-powered contextual guidance and summarization. Connect users to the answers they need instantly by extending knowledge management with AI.
- **Engage customer in their preferred channels.**
Provide "channel choice", since disputes often involve emotional interactions. Pega's APIs and omni-channel user experience allow interactions to adapt seamlessly to any device, producing smooth self-service options. Customers can also switch channels without losing context – fostering their satisfaction and loyalty by maintaining a consistent and reassuring service experience.

Case details	Pulse	Attachment	Audit	Related cases	Validations
Transaction ID	14109166812151				
Merchant/Payee name	TechHub USA				
Transaction amount	USD 230.01				
Open tasks 2 results					
Awaiting Regulation Z section 13 final resolution Assigned to VisaDisputes_Issuers • In VD-123163 • Due in a month • Urgency 10					
Awaiting Acquirer response Assigned to VisaDisputes_Issuers • In VD-123163 • Due in a month • Urgency 10					
Regulation Z					
Subject to Reg Z					Yes
Subject to Section 12					No
Has cardholder made the payment for disputed amount in full?					Yes
Is the merchant location in same state as cardholder or within 100 miles?					Yes
Subject to Section 13					Yes
Cutoff date					January 25, 2025
Final resolution due date					December 24, 2024
Provisional credit					Yes

Pega has been at the forefront of automating complex, mission-critical banking applications for decades. Smart Dispute has built on this legacy by continuously enhancing dispute management capabilities and expanding coverage of payment types/networks. With advanced AI-machine learning and GenAI capabilities fully embedded, Pega continues to drive exceptional business outcomes in productivity, compliance, and customer satisfaction that world class organizations demand.

Improve productivity

- Unify dispute processing across multiple payment types – credit cards, debit cards, direct debit, P2P/RTP, ATM, and more – to provide economies of scale, simplify cross-training, and deliver improved operational visibility and control.
- Increase straight-through-processing and intelligent automation for steps like case routing, provisional credits, and customer notifications to eliminate time-consuming, low-value work and improve quality.
- Improve effectiveness and minimize errors with guided processing and GenAI delivered knowledge management for both employees and customers in digital self-service channels.
- Integrate real-time to core systems for a consolidated claim view with transaction data, customer information, and attachments throughout the claim lifecycle.
- Prevent chargebacks with early resolution options like matching merchant credits, duplicate checks, low amount write-offs, and invoking Verifi/ethoca.
- Avoid network rejections through Mastercard and Visa validation rules to avoid unnecessary fees and processing delays.
- Handle single and multi-item transactions with a parent-child case architecture and bulk action options to reduce individual actions/keystrokes.
- Manage KPIs with an extensive suite of real-time reports and interactive dashboards for instant visibility into dispute operations.

Increase customer satisfaction

- Create a simple, consistent customer experience in their preferred channel – allowing customers to self-serve or get assistance depending on the urgency and complexity of their claim.
- Capture all required information at the first point of contact – eliminating delays to acquire missing information increasing processing time.
- Deliver exceptional service through automation that improves NPS and CSAT scores due to reduced resolution time.
- Extend easily to ancillary or supporting workflows (e.g., account hold, reissue plastics) for “one-stop shopping” with full access to Pega Customer Service.

Ensure three-tier compliance

- Comply with network dispute rules for American Express, Mastercard, and Visa - including integration to VROL and MCOM – with updates effective twice a year every April and October.
- Adhere to government regulations – like US Regulations E and Z, UK Section 75, and Canada C-86 – using SLAs and automation to ensure the investigation period, accounting entries, and customer communication are all completed within mandated timelines.
- Support bank policies through service-level agreement rules, including settings for goal, deadline, and past deadline timeframes.
- Record all actions executed by both employees and the system in an un-editable audit trail.

Join dozens of global financial institutions delivering results like these with Smart Dispute:

- 86% improvement in average resolution speed
- 50% reduction in staff
- 30% improvement in first contact resolution
- 15% reduction in processing time
- Go-live in 90 days
- 95% of disputes agents feel confident
- Reduced systems from 15 to 2
- 95% auto resolution of post-status fraud cases