In response to evolving merchant business practices, Visa is expanding merchant eligibility for guaranteed reservations to include additional merchant types. A guaranteed reservation ensures that a cardholder’s reservation will be honored when a Visa card is used to make it, and allows a merchant to charge a no-show fee for one day if the cardholder does not cancel the reservation.

**Eligible Merchant Types**
- Lodging (currently allowed)
- Car rental*
- Equipment rental
- Truck and trailer rental
- Trailer park or campground
- Boat rental
- Motor home rental
- Aircraft rental
- Motorcycle rental
- Bicycle rental

**Enhanced Rules, Greater Flexibility**

*Effective for transactions processed on or after 16 October 2015,* eligible merchant types may guarantee a reservation and charge a no-show fee for one day if the cardholder does not cancel within the merchant’s properly disclosed cancellation policy. In addition, Visa is revising the rule that allows cancellation of a guaranteed reservation to allow merchants to set their own cancellation polices. This change is beneficial to merchants that reserve inventory because it accommodates the need for greater flexibility in policies and improves inventory management as well as the cardholder experience.

**How to Guarantee a Reservation**

- Provide proper disclosure of cancellation policy and other terms and conditions for reservation
- Obtain Visa account number from cardholder to guarantee reservation, but do not complete an authorization at the time of booking
- Send confirmation to cardholder that includes reservation details and appropriate disclosures of reservation conditions at time of booking

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* Car rentals are currently allowed to guarantee reservations in Visa Europe and limited instances in the US including peak-time reservations and specialized vehicles.

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Additional Requirements
These requirements provide reservation assurances for cardholders, including clear disclosure of rate and cancellation policies, while allowing merchants to better manage inventory and, if needed, charge no-show fees. Consistent guaranteed reservation rules are applicable across all eligible merchant types.

- **Cancellations.** Merchants may set the cancellation policy that meets their business needs. Visa only requires that merchants offer at least a 24-hour cancellation period after the receipt of the cancellation policy to the cardholder. Cancellation/return/refund policies must be properly disclosed to the cardholder.

- **No shows.** Eligible merchant types may charge a no-show fee for one day if cardholder does not cancel within the disclosed cancellation terms. Merchants are protected from no-show disputes when policies are properly disclosed to the cardholder.

- **Availability.** If the goods or service is not available at the time specified in the reservation, the merchant must provide the promised service at a comparable establishment and transportation to that establishment. A merchant must hold inventory available for one day to accommodate cardholder arrival delays.

Proper Disclosure
A merchant that properly discloses their cancellation policy to the cardholder at the time of a reservation can improve cardholder satisfaction and reduce potential disputes. The Visa rules for proper disclosure have been revised to allow new options for clarifying return/refund/cancellation policies to the cardholder. For example:

- Written notice to be provided through mail, email, or text message for guaranteed reservations made by phone
- eCommerce merchants have a choice of where the disclosure can be located within their website or application with either of the following:
  - In the sequence of pages before final checkout, including a "click-to-accept" or other acknowledgement button, checkbox, or location for an Electronic Signature
  - On the checkout screen near the "submit" button

It is important for merchants to know issuers retain their dispute rights if the merchant fails to properly disclose or prove the cardholder received their policy or the cardholder can prove they canceled according to the agreed upon policy.

For More Information
For additional merchant resources or questions, please contact your merchant bank or visit [www.visa.com](http://www.visa.com).