

**Q2**

**Five Ways to  
Improve Your Dispute  
Resolution Process**

# 5 Ways to improve your dispute resolution process

To tame the growing beast of your dispute resolution workload, consider the following improvements to enhance the account holder experience, automate processing, and simplify compliance. Even if your financial institution (FI) has not begun to fully feel the burden of increased dispute volume, these fixes will help you free up resources, save money, ensure compliance, and more.

## 1. Provide a positive experience

In the eyes of an account holder, a potentially fraudulent transaction might already be seen as a strike against your FI. Providing an inconvenient or cumbersome experience as they're reporting the dispute to your staff can turn a slightly concerned account holder into a thoroughly disgruntled one.

Too many FIs are still taking account holder disputes with pen and paper. In the digital age—where battles are fought with fraudsters online—relying on paper processes doesn't inspire confidence. Nor does it create efficiency, sufficiently support compliance, or help prevent errors.

It's crucial that you equip your front-line staff with processes and tools to better serve and reassure your customers. Consider, also, the possibility of self-service disputing from within your digital channel to save your account holders from hold-times and other inconveniences.

## 2. Reduce back-office workloads

As with paper-based dispute taking, many FIs are using spreadsheets and manual processes to manage disputed transactions. It's time to leverage technology so dispute processing is more efficient, scalable, and error free. Replace your spreadsheets and automate everything from letter-generation and posting adjustment transactions to tracking representations and regulatory timelines.

Automation will make your operation more resilient in times of high volume. Without an automated solution, a single breach can quickly overwhelm dispute management processes that rely on a lot of

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manual touch points. Many FIs have learned this lesson the hard way, when a single breach resulted in overwhelming dispute volume. How would your FI cope?

It's also crucial to cross-train your back-office staff and distribute duties to help avoid bottlenecks or delays when key personnel are out of the office. Relying on one person to manage all of your dispute processes creates significant operational risk.

### 3. Gain insights

Your dispute management process should provide management oversight, have in-depth reporting capabilities, and offer analysis to help your FI understand the impact of fraud.

#### Reporting

The ability to track and report on dispute activity is imperative. This is very difficult with Excel and other traditional solutions. Whatever tool you use for reporting should be simple yet comprehensive, with the ability to tailor reports to the needs of your staff or to the details of a specific breach. You should be able to create reports on both fraud and non-fraud disputes, including adjustment transaction reporting for both current-day and historical activity.

#### Management oversight

Make sure management has visibility into your fraud volume. This should include automated alerts for dramatic changes in activity, specifically sudden increases.

#### Fraud analysis

Traditional dispute management doesn't do much to shed light on the financial impact of fraud. The right technology will track the outcome of a dispute at the transaction level, helping management understand and monitor fraud losses—which is crucial in the face of a significant breach. Furthermore, understanding the fraud activity associated with each data breach is valuable when trying to grasp the magnitude of the event and its impact on the FI.

### 4. Maintain compliance

Automating dispute processes can help ensure your FI remains compliant with both Reg E (for debit cards) and Reg Z (for credit cards). Your dispute administration solution should include comprehensive compliance reporting to provide a full audit of all activity. Anything less leaves you at risk.

Even if your FI has never had a compliance violation, outdated procedures pose operational risk that can—and will—be exposed when there is a significant influx in fraud due to a breach.

### 5. Upgrade your technology

#### Systems integration

A solution that integrates with your core, card processor, customer service portal, and other archives and tools can help you leverage existing data to streamline dispute processes and reduce the effort to resolve disputes.

#### Build vs. buy

Larger FIs may have the resources to build dispute management solutions, but many community FIs don't. Even if the FI has internal programmers on staff, the scope of an internal development project can be significant—and must be repeated for future upgrades. For most community FI's, partnering with a proven vendor is the best option.

**For the vast majority of community FIs, the dispute resolution process is in dire need of an overhaul. It's time to leverage technology to more efficiently and accurately manage disputed transactions. Fraud is an unpleasant reality, and will continue to be so for the foreseeable future—but the workload fraud creates doesn't have to be as unpleasant, or as unmanageable, as it is today. The time is right to fight fraud with efficient, effective technology.**

## About Q2

Q2 is a financial experience company dedicated to providing digital banking and lending solutions to banks, credit unions, alternative finance, and fintech companies in the U.S. and internationally. With comprehensive end-to-end solution sets, Q2 enables its partners to provide cohesive, secure, data-driven experiences to every account holder—from consumer and small business to corporate. Headquartered in Austin, Texas, Q2 has offices throughout the world and is publicly traded on the NYSE under the stock symbol QTWO. To learn more, please visit [Q2.com](https://Q2.com).

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