

# Venue Smart Pty Ltd

## ***Refund Policy***

Document History (Version Number)	Date Modified	Author	Summary of Changes
V1.0	22 <sup>nd</sup> August 2023	Franchesco Vorster	Initial Draft

**Approved by the Board on:** XXXX

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## 1. Definition

Capitalised terms used in this document have the following meaning, unless the context otherwise requires:

**Aggregator (Aggregation)** means a payment aggregation service used to process BPay, Direct Entry and NPP transactions provided by a Service Provider to Venue Smart and on-supplied by Venue Smart to Merchants;

**AML/CFT Act** means the *Anti-Money Laundering and Countering Financing of Terrorism Act 2006* ;

**AML/CFT Policy** means the anti-money laundering and combating the financing of terrorism policy and processes developed by Venue Smart to detect ML and FT and manage and mitigate the risk of ML and FT;

**AML/FT Risk Assessment** means this document which records Venue Smart assessment of the risk of ML and FT as amended from time to time;

**AML/CFT Risk Register** means the register of risk maintained by the General Manager with oversight from the Payments Risk Committee.

**Beneficial Owner** means any individual (natural person) who, satisfies any one (or any combination) of the following three elements:

- Has Effective Control of a Merchant;
- Has Effective Control of the person on whose behalf a transaction is conducted;
- or
- Who owns a prescribed threshold (being more than 25%) of the Merchant or person on whose behalf a transaction is conducted,

and “Beneficial Ownership” will have a similar meaning;

Note: It is possible for ownership to be split into parcels of 25 percent or less but, if the Merchant’s ownership structure is understood at each layer, it might become apparent that relationships between the parties may give an individual aggregate ownership of the Merchant that amounts to more than 25 percent.

**Board** means the Venue Smart board of directors from time to time;

**BPay** means that payment type, supplied by the banks, that allows a payer to pay a biller using a BPay biller reference and a payer customer reference;

**Card Acquirer** means a business that has the right (allocated to them by a card Association/Scheme) to acquire card payments from a Merchant and send that payment to the

Issuer of that card. The Acquirer either utilises insourced or outsourced technologies to perform this function. The Card Acquirer also means Global Payments and Fiserv or such other replacement or successor appointed by Venue Smart from time to time;

**Chargebacks** means the dispute process that results in the return of money or the reversal of a card transaction initiated by the Card Acquirer or a Merchant's customer's issuing bank;

**Complaint** means an expression of dissatisfaction made to Venue Smart by any person, related to its products or services, or the complaints handling process itself, and dispute has a corresponding meaning;

**Complaints Policy** means complaints and disputes policy including any schedules to it as amended from time to time;

**Complaints Register** means the register of Complaints maintained by the General Manager, Payments.

**Compliance Manager** means the staff member appointed by Venue Smart to manage compliance;

**Credit Management Team** means the group of staff appointed by Venue Smart to manage credit risk;

**Credit Risk Policy** means this credit risk policy as amended from time to time;

**Direct Entry** means that payments type, inclusive of direct debits and direct credits, supplied by a Service Provider that allows a payee to debit a bank account and a payer to credit a bank account overnight.

**Dispute** means the dispute process that results in the return of money or the reversal of a Direct Debit, NPP or BPay transaction initiated by the Service Provider or a Merchant's customer's bank;

**Effective Control** means to:

- any individual(s) with the ability to control the Merchant and/or dismiss or appoint those in senior management positions;
- any individual(s) holding more than 25 percent of the Merchant's voting rights;
- any individuals (for example, the CEO) who hold senior management positions; and
- trustees (where applicable);

**Forward Dated Risk** means the credit risk associated with the PayFac/Aggregation service being provided to the Merchant taking into account the risk of Chargebacks/Disputes in respect of payments received in advance before the Merchant provides the goods or services;

**FT** means financing of terrorism;

**General Manager** means a person who is appointed by the board of Venue Smart from time to time;

**ISO** means an entity that acts as an independent sales organisation on behalf of a Card Acquirer where the ISO resells the Card Acquirers payment service. The ISO typically has responsibility for signing up the Merchant to the Card Acquirers compliance and credit risk standards but does not underwrite the risk. The ISO typically receives the margin difference from the Card Acquirers ISO wholesale fee rate and the rate the ISO sells the payment service for;

**Issuer** means the issuing bank responsible for issuing the bank card (whether credit, debit or prepaid) to the cardholder;

**Management Team** means the General Manager , Chief Executive Officer, Chief financial officer who is appointed by the board of Venue Smart from time to time;

**Merchant** means a Venue Smart customer that is approved to use the PayFac, Aggregation or ISO service;

**ML** means money laundering;

**NPP (New Payments Platform)** means that payment type, supplied by the bank, that allows a payer to pay a payee real time or a payee to debit a payer in real time using an NPP payment identifier;

**PayFac** means a payment facilitation service used to process card transactions provided by the Card Acquirer to Venue Smart and on-supplied by Venue Smart to Merchants;

**Payments Operations Team** means the group of staff appointed by Venue Smart to manage payment operations.

**PCI DSS** means the Payment Card Industry Data Security Standard introduced by the Schemes for the protection of cardholder data and the associated transactions.

**PEP (politically exposed person)** means:

a An individual who holds, or has held at any time in the preceding 12 months, in any overseas country the prominent public function of:

- Head of State or head of a country or government; or

- government minister or equivalent senior politician; or
  - Supreme Court Judge or equivalent senior Judge; or
  - Governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of Australia; or
  - Senior foreign representative, ambassador, or high commissioner; or
  - high-ranking member of the armed forces; or
  - board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise; and
- b. An immediate family member of a person referred to in paragraph (a), including:
- a spouse; or
  - a partner, being a person who is considered by the relevant national law as equivalent to a spouse; or
  - a child and a child's spouse or partner; or
  - a parent; and
- c. Having regard to information that is public or readily available:
- any individual who is known to have joint Beneficial Ownership of a legal entity or legal arrangement, or any other close relationship, with a person referred to in paragraph a; or
  - any individual who has sole Beneficial Ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person described in paragraph a;

**Venue Smart** means Venue Smart (ABN 52 604 254 766);

**Venue Smart Risk Committee** means the risk committee, comprised of at least 2 Board directors or such other members who are appointed as comprising the risk committee from time to time;

**Venue Smart CRM** means a web-based, customer relationship management system used by Venue Smart to serve as a central repository for customer records and Complaint handling;

**Venue Smart Risk Management Framework** means the risk management plan developed by Venue Smart from time to time detailing Venue Smart's risk management process and which is adopted by Venue Smart it's risk management framework;

**Prescribed Transaction** means a transaction conducted through the PayFac or Aggregator service in respect of:

- a domestic (i.e. within Australia) physical cash transaction of AUS\$10,000 and over;

**Prohibited Industry** means a Merchant that operates within an industry that is prohibited by Venue Smart, the Card Acquirer, the Service Provider, legislation, card scheme rules, regulations or otherwise;

**Prohibited Merchant** means a Merchant that is prohibited from using the PayFac or Aggregator service by Venue Smart, the Card Acquirer, the Service Provider, legislation, card scheme rules, regulations or otherwise (refer to the Credit Risk Policy for more information on “Prohibited Merchants”);

**Refund** means the returning of customer funds or fees where the request may be as a result of one (but not limited to) overcharging, charging a fee not in an agreement, non supply of goods or services, faulty supply of goods or services, service level failure or a breach of an agreement;

**Resellers** means those parties that develop business management software for an industry and have embedded the PayFac’s payment processing capabilities within their business software. The Reseller also has an agreement with the PayFac to resell their services.

**Risk Register** means the register of risk maintained by the General Manager Payments;

**Scheme** (also Association) means an organisation that has created a card product or Scheme with associated rules and regulations for the issuance, acquiring and use of that product. Also known as a card Scheme. Typical card Associations/Schemes include, Visa, MasterCard, China UnionPay, JCB, Diners, Discovery and EFTPOS; and

**Service Provider** means that business that has the ability to supply Aggregated Direct Entry, NPP or BPay payments services to Venue Smart.

## 2. Introduction

Venue Smart Pty Ltd (Venue Smart) is a multi-channel payments processor offering merchants the ability to accept both online and across the counter payments (via an EFTPOS device). The service is called Venue Smart.

Venue Smart supports the following payment types online:

- Card (Visa and MasterCard debit and credit cards)
- BPay
- Direct debit and NPP payments

Venue Smart supports the following payment types across the counter via an EFTPOS device:

- online and card (Visa and MasterCard debit and credit card)

- proprietary EFTPOS cards).

The online payments facilities are provided by Global Payments.

The across the counter payments facilities are supplied by FiServ.

To support the above payment types Venue Smart is required to operate as follows:

- Online Cards processing as a Payment Facilitator (PayFac)
- Across the counter EFTPOS processing as an Independent Sales Organisation (ISO)
- Direct debit/NPP processing as a Direct Entry/NPP Aggregator
- BPay processing as BPay Master Biller

As a PayFac Venue Smart is pre-issued card based Merchant ID's which are in-turn allocated by Venue Smart to a merchant. All funds are settled into the Card Acquirers owned and managed custodial account (in the name of Venue Smart) held at its bank. Venue Smart initiates disbursements from the custodial settlement account to the merchant's designated bank account.

As a Direct Entry/NPP and BPay Aggregator all funds are settled into a Venue Smart settlement account. Venue Smart initiates disbursements from the settlement account to the merchant's designated bank account.

As an ISO Venue Smart acts as a reseller of the Card Acquirer.

As a PayFac and Aggregator, Venue Smart absorbs the compliance and credit risks associated with servicing the merchant with a payment service.

As an ISO, the Card Acquirer absorbs the compliance and credit risks associated with servicing the merchant with a payment service.

Venue Smart has risks associated across the following broad areas:

- Regulatory
- Credit
- Financial and Market
- Strategic
- Operational
- Cyber Security & Privacy

This document is to provide the reader with an understanding of when to provide customers with refunds associated with the supply of the payment service.

### **3. Management and maintenance**



The Refund Policy will be managed and maintained on a day to day basis by the company Compliance Manager.

#### **4. Monitoring and review process**

The Compliance Manager is to provide the Refund Policy to the management team **12** monthly for review.

The Compliance Manager will ensure that the Refund Policy is reviewed and approved by the Board on an annual basis.

The General Manager is to ensure the Refund Policy is operationally implemented, i.e. will ensure Venue Smart undertakes the refund processes as detailed in this document.

The General Manager is to report monthly to the Compliance Manager the company's status against the Refund policy.

#### **5. Refund Policy**

##### **Merchant (customer) refund requests**

A refund is where a customer of Venue Smart requests a refund of a fee or charge. The request may be as a result of one of the following:

- Overcharging
- Charging a fee not in an agreement
- Service level failure
- Breach of an agreement

The Refund process is as follows:

- All Refund requests are to be documented by the Operations Manager within the Venue Smart CRM including the reason.
- Refunds are to be forwarded to the General Manager Finance for ratification and approval/decline
- Refunds (if approved) are to be processed by finance within 48 hours
- Declined Refunds are to be notified to the customer by Operations within 48 hours.
- If a customer wishes to escalate a refund decline then this is to be managed by the Operations Manager with the Compliance Manager.

## **Cardholder Refunds requests**

If a cardholder of a Merchant approaches Venue Smart requesting a refund on a payment processed by a Venue Smart customer (Merchant) using Venue Smart then the cardholder should be referred back to their Merchant.

Note: If the cardholder informs Venue Smart (or makes a complaint) that a Merchant fails to process a refund for them, and it is clear in the Merchant terms and conditions or otherwise, that they are entitled to a refund then Venue Smart should contact the Merchant within 48 hours of the complaint seeking clarification or proof that no refund is entitled.

If the Merchant fails to prove they are within their right to not refund the cardholder and Venue Smart is clear that the cardholder should be refunded, then Venue Smart should;

- Instruct the cardholder to initiate a Chargeback with their Issuer to recover the funds
- Follow the Chargeback process detailed within the Credit Risk Policy

## **Bank Account refunds requests**

If a bank account holder of a Merchant approaches Venue Smart requesting a refund on a direct debit, NPP or BPay payment processed by a Venue Smart customer (Merchant) using Venue Smart then the bank account holder should be referred back to their Merchant.

Note: If the bank account holder informs Venue Smart (or makes a complaint) that a Merchant fails to process a refund for them, and it is clear in the Merchant terms and conditions or otherwise, that they are entitled to a refund then Venue Smart should contact the Merchant within 48 hours of the complaint seeking clarification or proof that no refund is entitled.

If the Merchant fails to prove they are within their right to not refund the bank account holder and Venue Smart is clear that the cardholder should be refunded, then Venue Smart should;

- Instruct the cardholder to initiate a Dispute with their Issuer to recover the funds
- Follow the Dispute process detailed within the Credit Risk Policy