

# Hotel reservation with credit card deposit or credit card guarantee

## Hotel reservation with a credit card deposit (hotel advance deposit)

If your hotel would like to require a deposit to guarantee a booking, this can be processed using the customer's credit card.

We'll show you how to

1. process credit card deposits correctly;
2. cancel deposits correctly;
3. deal correctly with cases of overbooking.

It is important that you follow the instructions below carefully. This avoids customer queries or even chargebacks.

### 1. Processing credit card deposits correctly

#### When discussing the reservation with the guest...

##### ...ask for the following details:

- Last name / first name (as shown on the card)
- Billing address
- Credit card number and expiry date
- Telephone number, postal address, e-mail address
- Date of arrival and length of stay

##### ...give the guest the following information:

- Room price (incl. duties, fees, taxes)
- Amount of the deposit that you will charge to their credit card (must not exceed the price for 14 nights)
- Name, address and telephone number of the hotel
- Booking code<sup>1</sup>, with a note instructing them to keep the code for any queries
- Note that the deposit will be deducted from the final invoice and
- that the accommodation will be kept available for them for the period covered by the deposit

##### ...inform the guest of your hotel's cancellation policy, in particular

- the last possible date for a free cancellation;
- that the deposit will be forfeit in whole or in part after the cancellation period has expired or if the cancellation conditions are not observed.

##### After your discussion with the guest...

##### ...charge the deposit at the payment terminal

- As you have only the card number and not the card, use the "manual card data entry" function<sup>2</sup>.
- Instead of a signature, write "Advance Deposit" by hand in the signature field.

Please note the following: the contractual partner acknowledges that processing of transactions via manual card data entry is associated with risks and that they bear these risks. This is true in particular if it later turns out that the card data has been misused or used without the cardholder's consent.

##### Confirm the deposit to the guest in writing

You are obliged to send the guest a written deposit confirmation and a copy of the booking document within three working days.

#### Complying with PCI DSS guidelines

If you must retain card data on-site, you should ideally use physical storage. In the case of electronic storage, comprehensive PCI DSS certification is required to ensure the security of the card data. See our "PCI DSS compliance instructions Security standards for merchants".

Keep the paper card data (card number and expiry date) in a safe place that is accessible only to a limited and authorized group of people. Ensure that the card details are deleted/destroyed after the customer's departure. Do not query or store card verification numbers (CVV2, CVC2, CID, CAV2).

<sup>1</sup> Assigned by the hotel.

<sup>2</sup> The exact name may vary depending on the model of the payment terminal. If you have any queries, contact the manufacturer of your payment terminal.

The deposit confirmation from your hotel<sup>3</sup> must include the following information:

- Name of the hotel
- Cardholder's name, billing address and phone number
- Planned date of arrival
- Deposit amount
- Date of transaction
- Booking code of deposit
- Last possible cancellation date
- Cancellation conditions as agreed with the guest
- Information on rights and obligations for deposits via credit cards

You must have the cardholder confirm the reservation in writing (by e-mail, letter or fax). The cardholder must expressly confirm that they have read, understood and accepted the cancellation conditions. We recommend that you send the cardholder a template letter for them to sign.

## 2. Cancelling deposits correctly

### When speaking to the cardholder

- Tell them their cancellation code<sup>4</sup>
- Instruct them to retain the code in case of possible queries

### After the conversation

- Provide the deposit confirmation with the comment "cancelled" and the cancellation code
- Calculate the amount to be refunded
- Execute the payment to the credit card at your credit card terminal
- Send an e-mail, letter or fax with a copy of both documents (advance deposit booking document and cancellation credit receipt) to the guest within three business days, along with a message explaining that a credit has been issued

Credits may be made only to the credit card that was originally charged: no other credit or debit cards, no bank transfers.

## 3. How to proceed in cases of overbooking

In principle, the guest is entitled to the room or room category that they booked. If the accommodation reserved by the guest is not available when they arrive, you are obliged to offer them the following alternative services at a minimum:

- Accommodation in another hotel until the reserved room becomes available. This must be at least of the same or a higher quality standard
- Transfer to the replacement hotel and back (daily, if requested by the customer)
- Forwarding of all incoming messages and calls to the replacement hotel
- Two three-minute phone calls, free of charge
- The entire deposit paid by the guest must be credited<sup>5</sup>



<sup>3</sup> The deposit confirmation must be created by your hotel.

<sup>4</sup> The cancellation code must be assigned by your hotel.

<sup>5</sup> For the procedure, see section 2: Cancelling deposits correctly.

## Hotel reservation with a credit card deposit (hotel advance deposit)

Credit card holders (Visa, Mastercard®, UnionPay, JCB, Diners Club International or Discover Card) can use their card to guarantee their first night in the hotel. As a hotel and/or a hired booking agent, you need to be aware of a number of important points, which are set out in this factsheet. Ensure that the booking agent forwards all information regarding the reservation/cancellation to you immediately.

### How reservations work

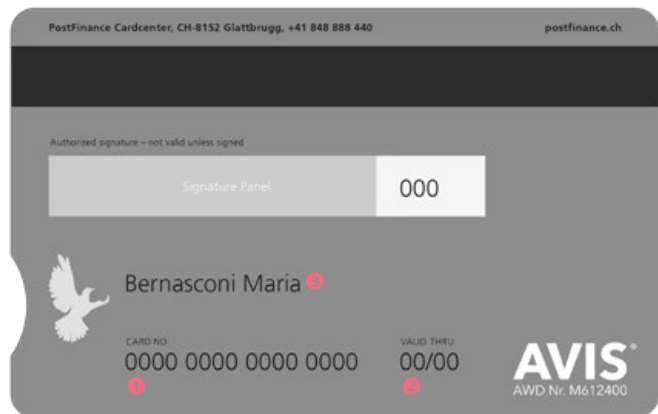
1. Ask your guest for the following information when they are making the reservation:

- ❶ Credit card number
- ❷ Expiry date
- ❸ Cardholder's first and last name (must be the same as guest), address, cardholder's telephone/fax number and e-mail address

2. Inform the guest of your terms and conditions.

Ideally, you should send them a confirmation by e-mail, post or fax with the following information:

- Price per night for the requested room category and invoice total (incl. VAT)
- Exact address of the hotel
- Reservation number
- Do not include any credit card information in the reservation confirmation
- **Information on cancellation or debit conditions: if the cardholder does not cancel the reservation by 6 p.m. local time on the planned date of arrival, they may be charged for one night's accommodation plus fees**



### These are the conditions for a cancellation

You have a general obligation to accept all cancellations received by 6 p.m. local time on the planned date of arrival. You must also give the cardholder the cancellation number.

If this cancellation period is not sufficient for you, you can extend it to a maximum of 72 hours before the guest's planned arrival. In this case, you must inform your guest of the special cancellation date in writing. State the specific date and time of this deadline clearly in your reservation confirmation.

If the customer does not show up and has not cancelled the reservation, you can issue a receipt for the cardholder to be charged for one night. As you have only the card number and not the card, use the "manual card data entry" function<sup>6</sup>. Instead of a signature, write "No Show"<sup>7</sup> by hand in the signature field. If the cardholder denies having made the hotel reservation themselves, you are not entitled to remuneration.

### Complying with PCI DSS guidelines

If you must retain card data on-site, you should ideally use physical storage. In the case of electronic storage, comprehensive PCI DSS certification is required to ensure the security of the card data. See our "PCI DSS compliance instructions Security standards for merchants".

Keep the paper card data (card number and expiry date) in a safe place that is accessible only to a limited and authorized group of people. Ensure that the card details are deleted/destroyed after the customer's departure. Do not query or store card verification numbers (CVV2, CVC2, CID, CAV2).

<sup>6</sup> The exact name may vary depending on the model of the payment terminal. If you have any queries, contact the manufacturer of your payment terminal.

<sup>7</sup> "No show" is a standard term.

## How to proceed on the date of arrival

Ask your guest for their credit card when they check in, and use your payment terminal to reserve the amount expected to be due at the end of their stay. Have the reservation authorized with a PIN. Be sure to scan the card at the payment terminal.

## Replacement accommodation

You are obliged to make the reserved accommodation available to your guest. If you are unable to do this, you must organize equivalent accommodation in the same town. The guest is also entitled to transfer to the alternative accommodation and a three-minute phone call. You are required to forward all messages and calls to the new accommodation free of charge.

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