



Instructions for hotels and other accommodation providers

Please see as follows, guidelines for hotels and other accommodation providers regarding when it is permitted to charge cards after cardholders have checked out, as per the card associations rules.

In case of conflict, the rules of the relevant card association prevail. The below instructions are by no means exhaustive and are presented for guidance only.

To be allowed to charge for a no-show or a non-refundable booking, the merchant must comply with the following terms and conditions as per the card associations:


During the booking process and confirmation of booking, the merchant must

- Display the booking and cancellation terms during the booking process, click on <https://www.valitor.is/wp-content/uploads/2019/09/afbokaniren.pdf> for helpful information regarding returns and cancellations.
- Send a booking confirmation within 24 hours by e-mail to the cardholder that includes the booking reference, as well as the relevant terms and conditions.
- The cardholder should have the option of free cancellation for 24 hours after making the booking.
- Keep the accommodation reserved for 24 hours from expected arrival if there is no cancellation.
- If the cardholder does arrive within 24 hours from the expected arrival time and the merchant cannot provide the booked accommodation, then the merchant must provide the cardholder with an equivalent or better lodging, without any additional cost to the cardholder.
- Provide a cancellation reference number if the cancellation is received from the cardholder (within the required deadline as per the cancellation policy) and send a confirmation of the cancellation by e-mail to the cardholder.

When booking is made within 72 hours of the scheduled arrival, then the cancellation deadline must be at 6:00 PM on the date of the expected arrival.

Charging a card after the cardholder has checked out:

If a merchant needs to charge for additional charges or cost after the check-out date, the charge must be for service that the merchant has provided to the cardholder. When charging an American Express card or a Visa card, the charge must be processed within 90 calendar days from the check-out date, or when charging a Mastercard, then within 30 calendar days from the check-out date. The



merchant must send the cardholder an invoice and a receipt for the charge, including an explanation for the costs that are being charged.


- No-show: It is only allowed to charge for a no-show if the cardholder has not cancelled the booking in accordance to the cancellation policy and if the service has not been used. A no-show fee may not be any higher than the rate for a one night's stay. An invoice must be issued showing that the charge is for a no-show. Further, the words "No-Show" must be stated on the POS-terminal sales slip. If a cancellation is received within 24 hours of when the booking was made, then the merchant cannot charge for a no-show.
- Non-refundable: The cardholder can be charged for the entire stay that was booked if the merchant has ensured that the terms of the booking have been properly disclosed during the booking process and specifically agreed and accepted by the cardholder. See instructions regarding cancellation policies and how they should be presented to the cardholder on the following link <https://www.valitor.is/wp-content/uploads/2019/09/afbokaniren.pdf>

Charges due to damages, theft and extra cleaning are different between the card association rules.

Below are instructions for each card type available:

VISA

- The cardholder must be notified in writing of the loss/theft/damage/extra cleaning and the estimated cost within 10 working days from the check-out date and allow further 20-days before the charge is processed to the account, for the cardholder to object to the charges.
- The notification of such an additional charge to the cardholder must include:
 - Information explaining the damage/charge and the cardholder's connection to the relevant damage/charge.
 - A copy of the damage report/repair bill/police report if applicable.
 - Whether any damage is covered by insurance and if so, the cardholder's share if appropriate; and
 - Information to the cardholder that payment by the cardholder's credit card is optional and the cardholder should be given the opportunity to pay for the damage by other means.

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- Within 10 working days of the notification of the damage, the cardholder may request another assessment of damage and the repair cost at no additional cost to the merchant.
 - If the merchant charges a card for loss/theft/damage /extra cleaning without the cardholder's permission, the cardholder can dispute the transaction.
 - A charge for loss/theft/damage/extra cleaning must be processed as a separate transaction from the underlying rental, lodging, or other transaction.
 - Merchant may not make any authorisations upon cardholders arrival to cover any possible costs relating to damages/theft/additional cleaning.

American Express and Mastercard

- A charge for loss/theft/damage/extra cleaning must be processed as a separate transaction from the underlying rental, lodging, or other transaction.
- Merchant may not make any authorisations upon cardholders arrival to cover any possible costs relating to damages/theft/additional cleaning.
- The cardholder must authorize the transaction amount after being informed of the amount and reason for the charge.
- The merchant must provide a reasonable estimate of the cost of repairs and obtain agreement from the cardholder prior to processing the transaction.
- The merchant must process the transaction as one of the following:
 - The transaction must be a card present transaction, a card verification method (PIN/signature) must be obtained.
 - A fully authenticated SecureCode (3DS) or identity check e-commerce transaction.
- The transaction receipt must include a statement indicating that the estimated amount charged for repairs will be adjusted upon completion of the repairs and submission of the invoice for such repairs.

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