



PegaWorld

JUNE 1-3, 2025 | LAS VEGAS

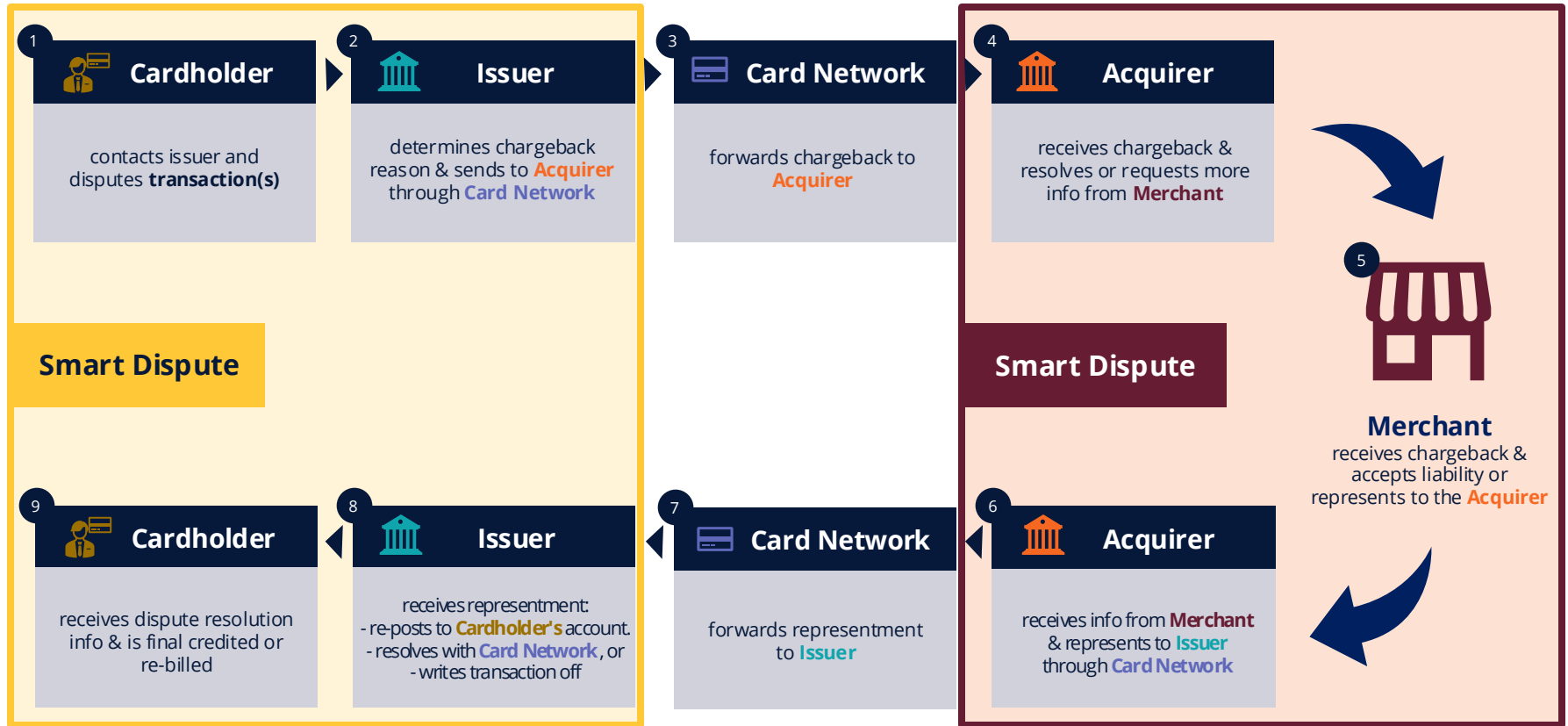
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Ethoca and Pega: Delighting customers with expedited dispute resolution





What is the dispute lifecycle...?



Dispute & fraud operations key challenges

Operational Efficiency

- Multiple systems and manual processes limit STP
- Process variations across products restrain cross-skilling
- Disparate (or limited) channel solutions curb automation

Regulatory Compliance

- Continuous time & effort applied for networks/regulation changes
- Limited visibility or automation to prevent compliance failures
- Stay compliant even if it means lower efficiency or higher losses

Fraud & Loss Liability

- Losses continue to rise with increased “friendly fraud” claims
- Newer payment losses growing exponentially – especially “scams”
- Pressure/laws to protect customers and take more fraud liability

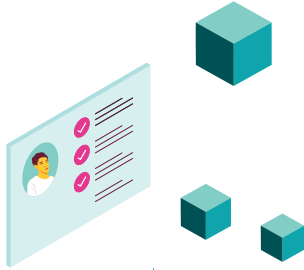
Customer Experience

- Customers have been trained by Tech/Fintech companies to expect a seamless, frictionless experience
- They also expect protection with newer payment types that matches traditional payment products
- This unique “moment of truth” in a banking relationship has an oversized impact on loyalty and attrition



Leading the market for 20+ years

Extensive clients & experience in dispute & fraud operations

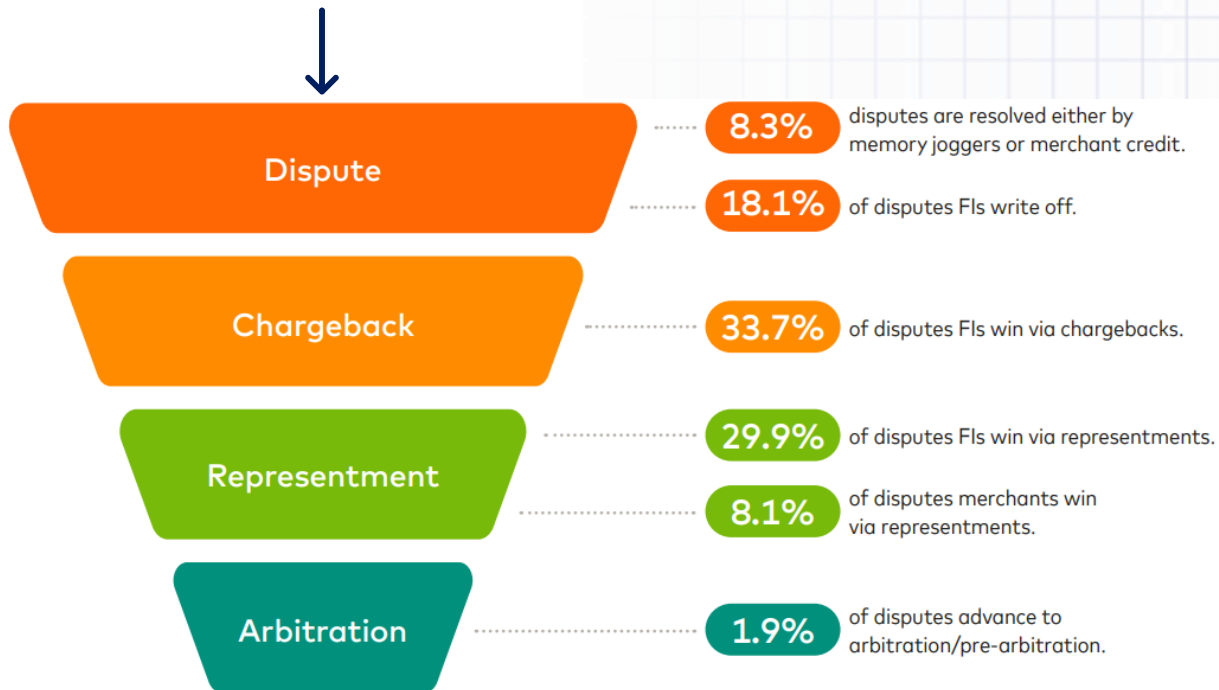


U.S. cardholder- Initiated dispute lifecycle*

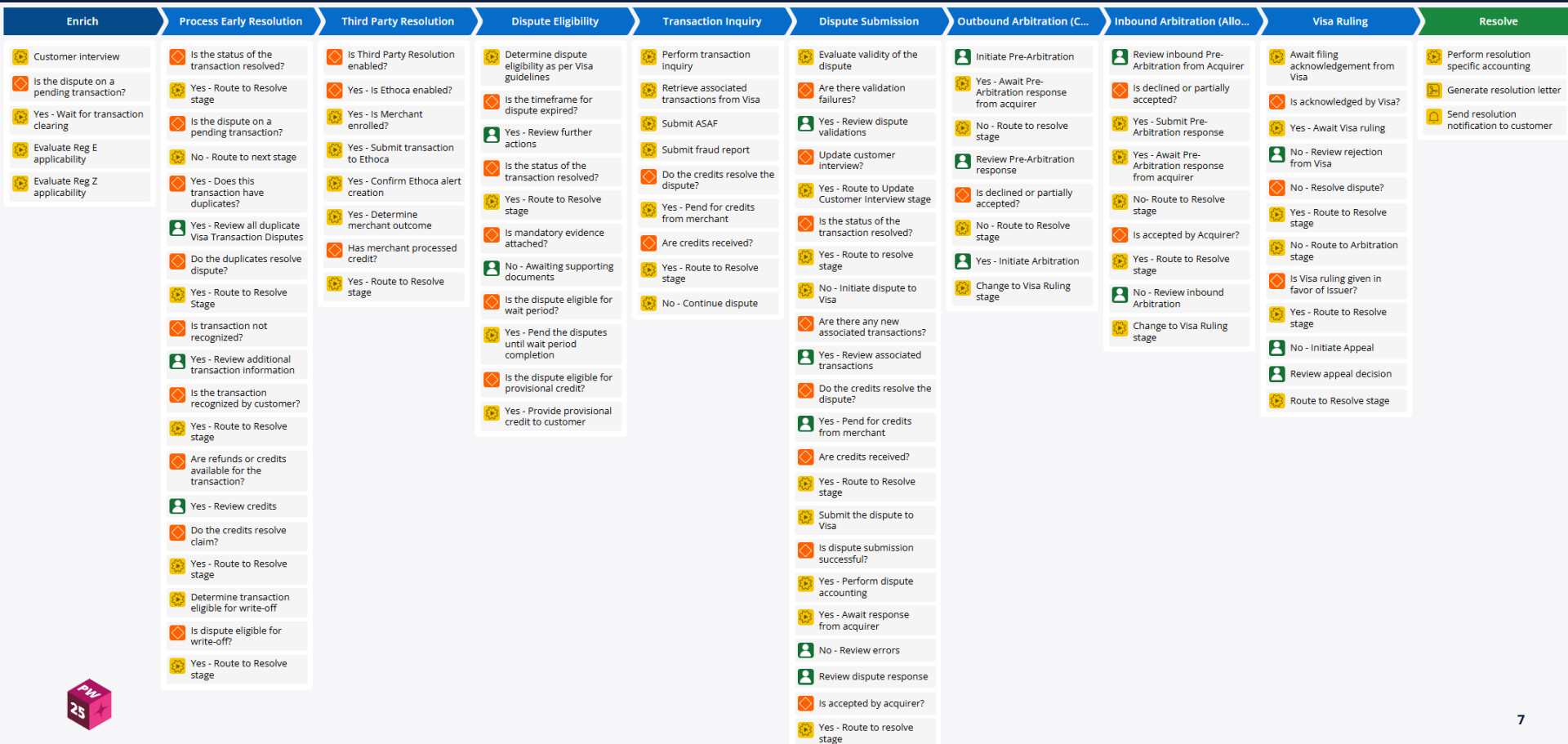
Most disputes, **73.6%**, become chargebacks. A smaller portion, **26.4%**, are resolved, preventing a chargeback.

FI's win **45.8%** of chargebacks and merchants represent **54.2%** of them.

4.8% of representments advance to arbitration/pre-arbitration.



Unified and integrated process



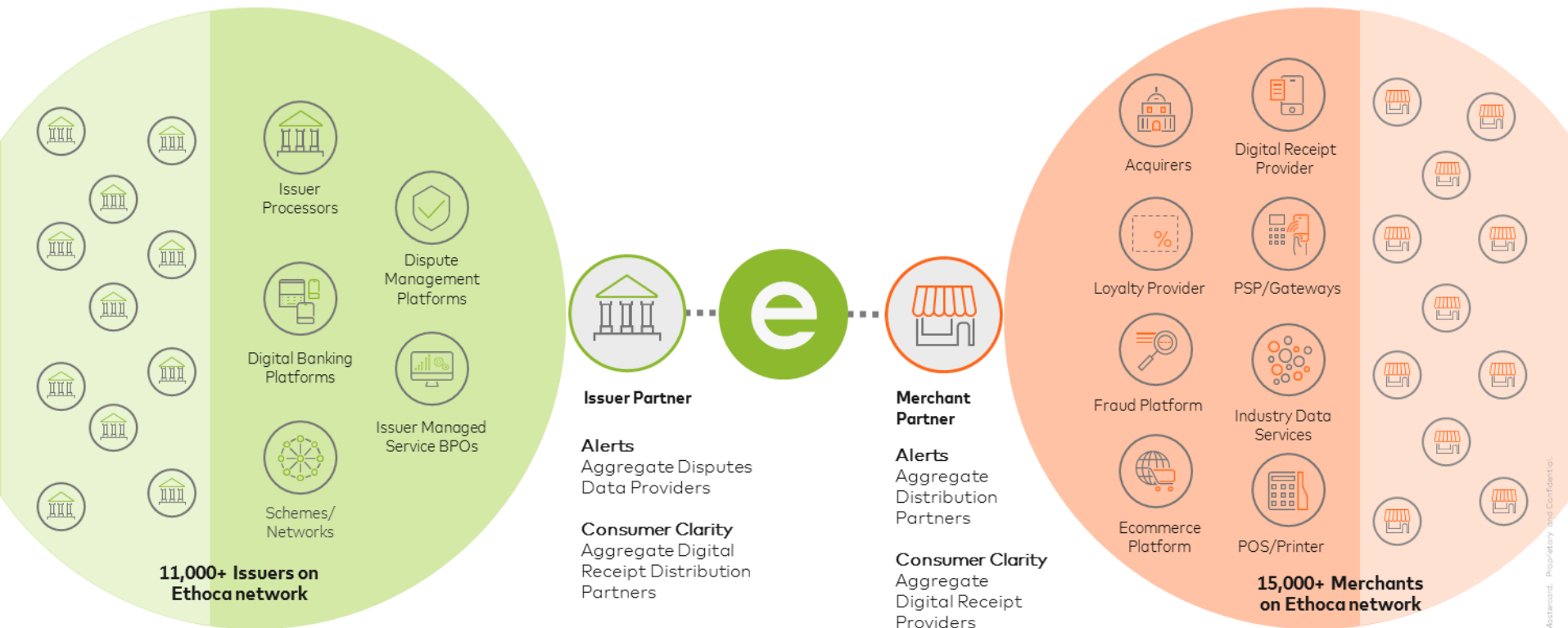
Unified and integrated process

Rich	Process Early Resolution	Third Party Resolution	Dispute Eligibility	Transaction Inquiry	D
Interview	<ul style="list-style-type: none"> Is the status of the transaction resolved? 	<ul style="list-style-type: none"> Is Third Party Resolution enabled? 	<ul style="list-style-type: none"> Determine dispute eligibility as per Visa guidelines 	<ul style="list-style-type: none"> Perform transaction inquiry 	<ul style="list-style-type: none"> Ev
ute on a transaction?	<ul style="list-style-type: none"> Yes - Route to Resolve stage 	<ul style="list-style-type: none"> Yes - Is Ethoca enabled? 	<ul style="list-style-type: none"> Is the timeframe for dispute expired? 	<ul style="list-style-type: none"> Retrieve associated transactions from Visa 	<ul style="list-style-type: none"> An
for transaction	<ul style="list-style-type: none"> Is the dispute on a pending transaction? 	<ul style="list-style-type: none"> Yes - Is Merchant enrolled? 	<ul style="list-style-type: none"> Yes - Review further actions 	<ul style="list-style-type: none"> Submit ASAF 	<ul style="list-style-type: none"> Ye
eg E	<ul style="list-style-type: none"> No - Route to next stage 	<ul style="list-style-type: none"> Yes - Submit transaction to Ethoca 	<ul style="list-style-type: none"> Is the status of the transaction resolved? 	<ul style="list-style-type: none"> Submit fraud report 	<ul style="list-style-type: none"> Up
y	<ul style="list-style-type: none"> Yes - Does this transaction have duplicates? 	<ul style="list-style-type: none"> Yes - Confirm Ethoca alert creation 	<ul style="list-style-type: none"> Yes - Route to Resolve stage 	<ul style="list-style-type: none"> Do the credits resolve the dispute? 	<ul style="list-style-type: none"> Ye
eg Z	<ul style="list-style-type: none"> Yes - Review all duplicate Visa Transaction Disputes 	<ul style="list-style-type: none"> Yes - Determine merchant outcome 	<ul style="list-style-type: none"> Is mandatory evidence attached? 	<ul style="list-style-type: none"> Yes - Pend for credits from merchant 	<ul style="list-style-type: none"> Is
y	<ul style="list-style-type: none"> Do the duplicates resolve dispute? 	<ul style="list-style-type: none"> Has merchant processed credit? 	<ul style="list-style-type: none"> No - Awaiting supporting documents 	<ul style="list-style-type: none"> Are credits received? 	<ul style="list-style-type: none"> Ye
	<ul style="list-style-type: none"> Yes - Route to Resolve Stage 	<ul style="list-style-type: none"> Yes - Route to Resolve stage 	<ul style="list-style-type: none"> Is the dispute eligible for wait period? 	<ul style="list-style-type: none"> Yes - Route to Resolve stage 	<ul style="list-style-type: none"> Ne
	<ul style="list-style-type: none"> Is transaction not recognized? 		<ul style="list-style-type: none"> Yes - Pend the disputes until wait period completion 	<ul style="list-style-type: none"> No - Continue dispute 	<ul style="list-style-type: none"> Ar

A strategic alliance since 2016



The Ethoca Network is powered by our partners.

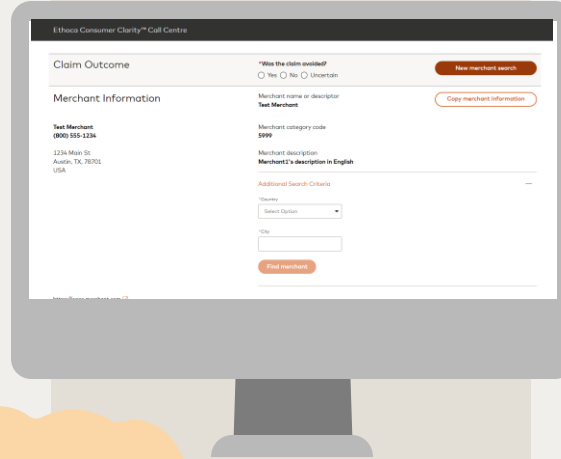
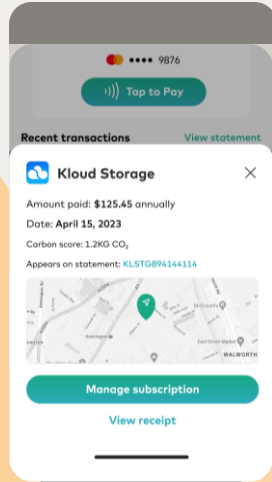
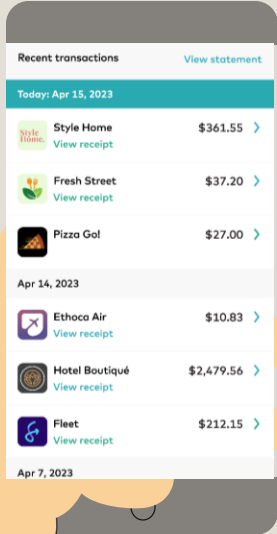


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How our solutions create a seamless omnichannel purchase journey

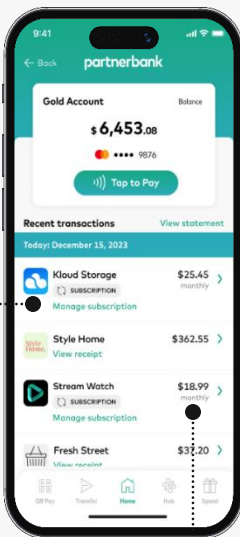
1. **Ethoca Consumer Clarity in digital bank apps** helps reduce confusion and related first-party fraud
2. **Ethoca Consumer Clarity Subscription Controls** gives cardholders more self-serve controls over their transactions
3. **Ethoca Consumer Clarity Call Center** gives issuer agents access to more information to resolve inquiries sooner
4. **Ethoca Alerts** helps prevent chargebacks when customers still need to dispute a charge



via Pega Smart Dispute

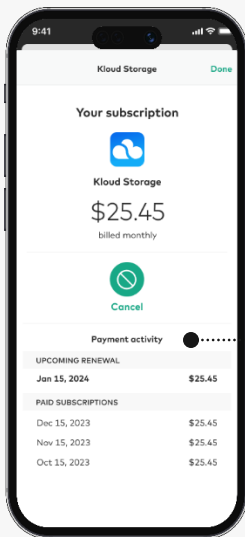
Ethoca Consumer Clarity connects issuers and merchants together to empower subscription controls for cardholders

Transaction list



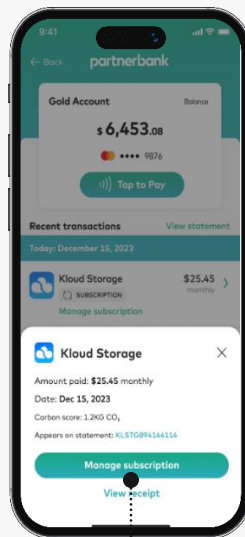
Eliminate confusion caused by unclear descriptors and provide clear **merchant names / logos**

Digital receipt/ subscription detailed view

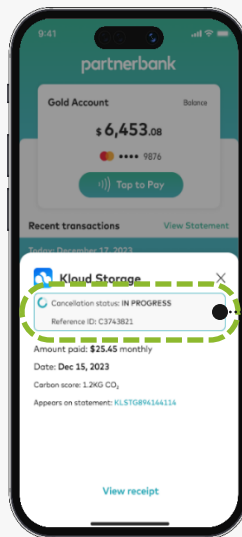


Enrich subscription with additional information (e.g., **past and upcoming payments**)

Subscription action flow



Allow cardholders to **manage subscriptions** including pause, resume and cancel



Update cardholders with status of **subscription action**

Indicate **frequency** of subscriptions



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Make Consumer Clarity Call Center available to agents in all support channels to maximize the value of the solution



Issuer call centers



Back-office teams



Issuer branch locations



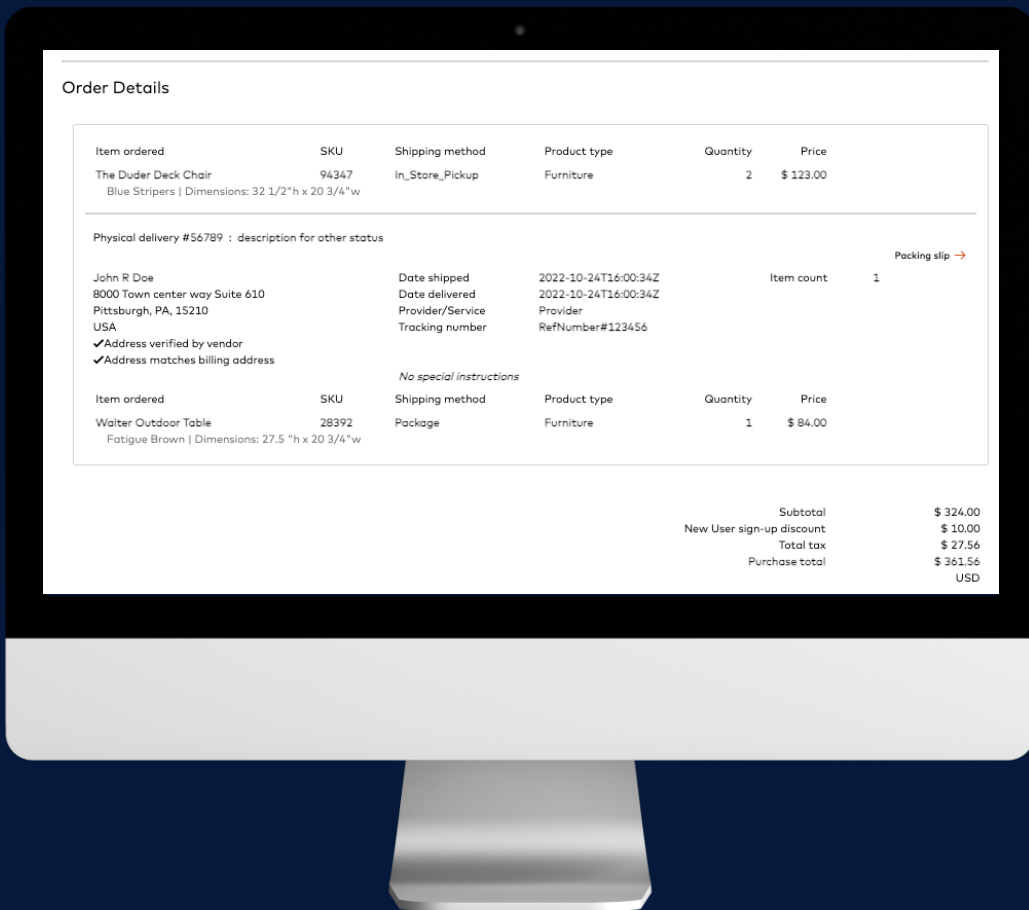
Branch support line



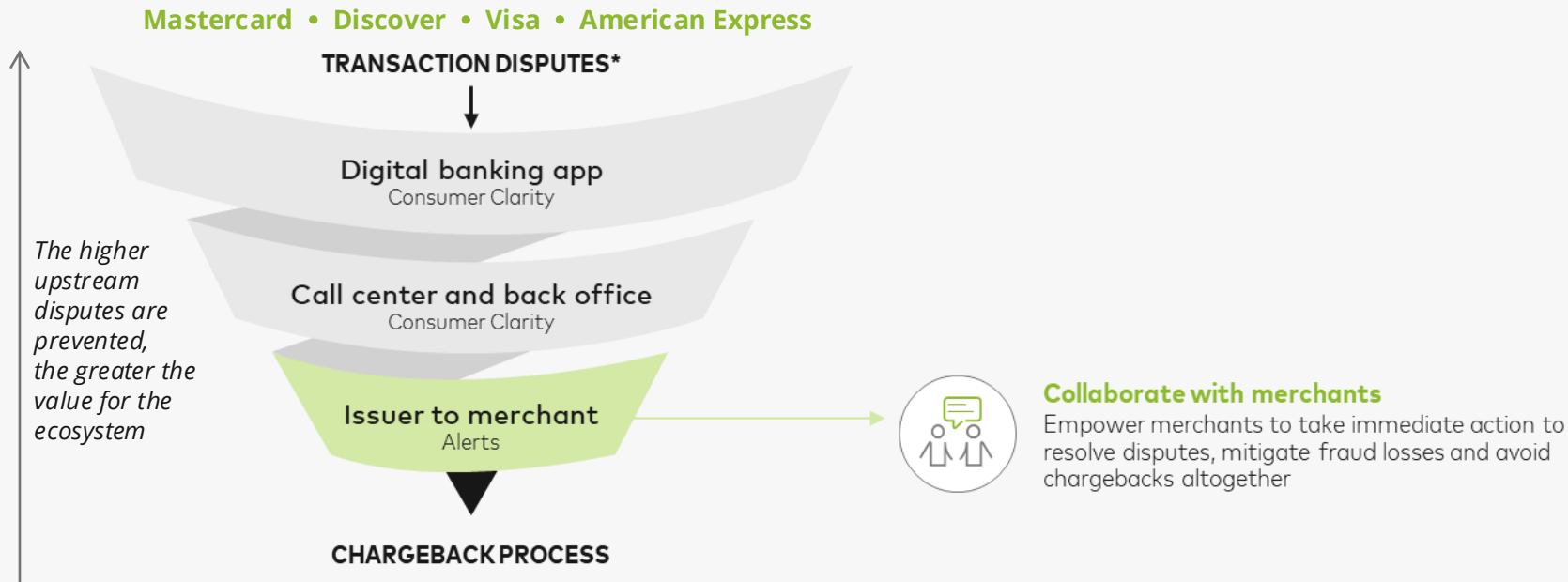
SMS and live chat



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Drive prevention & resolution upstream with a digital-first approach



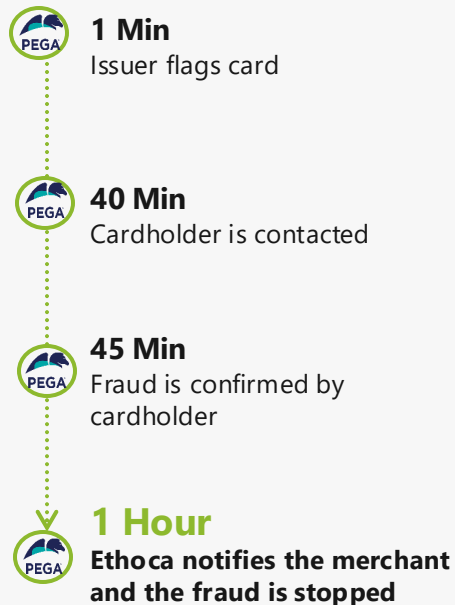
How real-time alerts speed up dispute resolution

The traditional dispute resolution process could take weeks, but with Ethoca Alerts via Pega Smart Dispute, the process can be completed within hours.

BEFORE



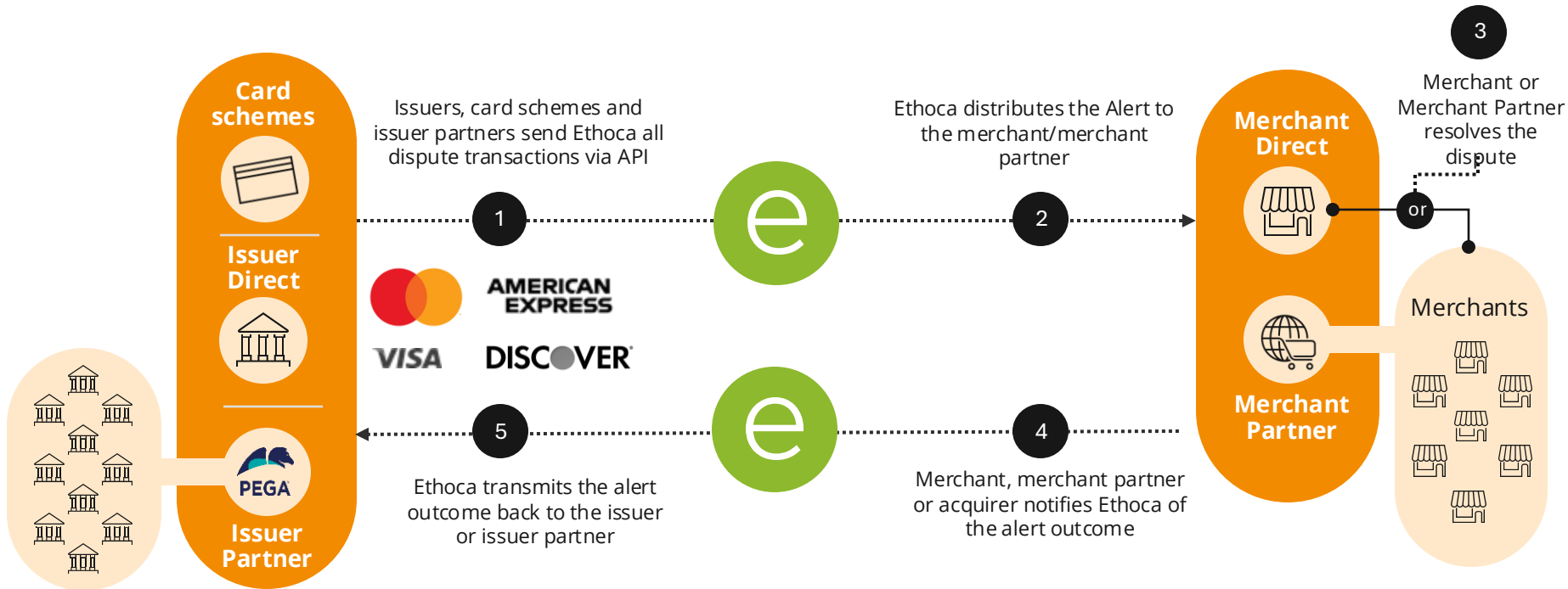
AFTER



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How actionable dispute information is shared quickly



Ethoca Alerts via Pega SD helped a NAM based card issuer prevent chargebacks

In 2024...

200K+

chargebacks
prevented

\$18M

in disputed
transaction value
resolved

For one North American based card issuer, the exponential growth of chargebacks was straining its operational resources.

By tapping into Ethoca Alerts via Pega Smart Dispute this leading U.S. card issuer resolved \$1.5 million in nonfraud chargebacks and stopped \$16.5 million in fraud chargebacks in one year.



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What's next...

With Pega Smart Dispute, customers can harness the power of Ethoca's Alerts and Consumer Clarity Solution to proactively stop chargebacks in their tracks—accelerating claim resolution with unmatched speed and efficiency.

Connect with your Pega Account Team today to explore the capabilities and experience a live demo.



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