

Best Practices for Lodging, Vehicle Rental, and Cruise Lines

Summary

MasterCard is providing best practices for the management of specific practices for Lodging, Vehicle Rental, and Cruise Line merchant transactions. These best practices are intended to guide merchants in the usage of these transactions.

Specific Scenarios

Lodging, Vehicle Rental, and Cruise Lines merchants have a number of unique situations with transaction processing. This set of best practices addresses a number of areas that are unique to these merchant segments.

Incremental Authorization

The purpose of these transactions is principally to increase the authorized amount for a previous (original) transaction. These should be used when the merchant intends to settle multiple authorizations with a single settlement record. It is necessary to link the additional (incremental) authorization to the original (first) authorization in order to ensure proper liability coverage. Reversal management is also unique to these transactions. Merchants should contact their acquirer for specifics on the data requirements for these transactions.

Guaranteed Reservations

It is common for cardholders to reserve services in these merchant categories well in advance of the date of use. While there is no standard approach, there are common practices that have evolved for each specific merchant category.

- Vehicle Rental – An account status inquiry is completed at the time of the request to confirm the cardholder account is in good standing. An authorization is submitted for the agreed upon amount at the initiation of the vehicle rental.

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- Cruise Lines – Typically, cruise lines charge the entire amount of the cruise at the time of the reservation. Any charges incurred during the cruise are managed as separate transactions, using the incremental authorization process if multiple purchases are to be aggregated into a single settlement record.
- Lodging Reservations – Lodging merchants participating in the Guaranteed Reservations service have the option of utilizing the rules in regards to the “no show” policies. The Cardholder is obligated to cancel a confirmed reservation before 18:00 at the hotel, motel, or resort (Merchant’s local time). If the cardholder fails to cancel the confirmed reservation, the Merchant can charge the Cardholder a no-show charge equal to one night’s lodging. In this case, it is appropriate for the merchant to send an authorization for the amount that would be charged for one night’s lodging if they so choose.

Long Running Transactions

Occasionally, transactions have an extended life. Examples of these scenarios are car rentals for multiple weeks, extended resort stays, or long cruises. MasterCard expects merchants to authorize the estimated amount at the initiation of the service. Incremental authorizations would be requested if the permitted tolerance (if applicable) is exceeded.

For Europe, with the specific intent of extending the authorization lifecycle, an incremental authorization is recommended (requested amount may be any value greater than zero).

Extending Security Features (Europe Only)

SecureCode protocol authentication relates only to the transaction (and any related incremental authorizations if applicable) for which they were originally provided. An acquirer may retain these features by submitting an incremental authorization transaction with an amount greater than zero.