

Why Are Card Transactions Declining?

Implementation of an IAS system or completion of a 90% registration does not mean that all card transactions will be approved; there are many valid reasons for a card transaction decline.

Listed below are the main reasons why properly formatted IAS transactions at an IAS merchant can validly decline against cards that are IAS enabled. This is not intended to be an all-inclusive list, but represents the most common reasons that together account for most declines.

MOST FREQUENT VALID DECLINE REASONS

1. The card has not been activated or has been suspended
2. The card has no funds remaining, or the card has insufficient funds and the merchant does not support partial authorization
3. The cardholder is attempting to purchase only non-healthcare eligible items with a card that has only an FSA and/or HRA purse
4. The participant's plan only reimburses the prescription drug amount and
 - a. The merchant does not send the Rx amount in the auth message, or
 - b. The plan requires a match to claim(s) from a pharmacy benefit manager (the cardholder's prescription drug plan) and the transaction failed to match, or
 - c. The merchant sends the Rx amount but does not support partial auth and there are non-Rx items being purchased
5. The participant's card has not been loaded with funds for the new plan year because of delays by the employer or plan administrator in getting the enrollment file to the issuer processor
6. The merchant sent an expiration date that does not match the date in the issuer processor's system – this can happen when there is an error manually entering the expiration date
7. The merchant manually enters in a card number that does not match a valid card on file with the issuer
8. The cardholder was issued a new card, either because their employer changed plan administrators or they changed employers, but is continuing to use the old card that has been closed
9. The participant's benefit plan does not allow the participant to use their card at a 90% registered merchant. Some benefit plans only allow the participant to use their card at an IAS certified merchant
10. The participant tried to use their card as a PIN debit and entered an incorrect PIN
11. The participant tried to use their card as a PIN debit and the merchant does not support PIN debit FSA transactions.

If a merchant believes a decline happened for a reason not listed above, they should contact their acquirer and/or point of sale vendor for further research. In addition, card holder should be instructed to call the customer service number on the back of their card for additional information.

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