

## Virtual Check - Correction Notices

**Correction Notices begin with the letter 'C'.** Correction notices (or notifications of change - NOC) are created by the Receiver's financial institution (your customer's bank) and sent back via your financial institution to your company. The NOC system allows the Receiver's financial institution to send correcting information to you without having to stop the transaction. The NOC tells you that your information is either inaccurate or that something has changed requiring your files to be updated; and it tells you which information to change. You must make these changes so that subsequent entries will process properly.

Transactions that receive a "Correction Notice" have been processed by the customer's bank. **Do not resubmit this transaction.** Please use the corrected information to update your records. Typically correction notices require a corrected 9-digit Bank Routing/Transit Number (RTE) or a corrected Bank Account Number for your customer.

Reject Code	Description	Action
C01	Incorrect Account Number	The account number is incorrect or is formatted incorrectly. Change the customer's bank account number in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C02	Incorrect Routing Transit Number (RTE)	A once valid transit routing number must be changed. Change the customer's financial institution routing number record. Correct the bank Routing Transit Number in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C03	Incorrect Routing Transit Number (RTE) and Account	The transit routing number and the account number are incorrect. Change the customer's bank transit routing number and their bank account number in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C04	Incorrect Account Holder Name	The customer has changed the name on the account or the Company has submitted the name incorrectly. Change the customer's (Individual or Company) Name in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C05	Incorrect Transaction Code	The transaction type code (a 2-digit number meaning checking or savings account) is wrong. Consumer initiated transactions (WEB) must use checking accounts. If this is a recurring transaction, be sure to update the bank account number in your virtual terminal recurring entry file. Contact customer support if clarification is needed - do not resubmit this transaction.
C06	Account Number and Transaction Code	The customer's bank account number is incorrect and the type of transaction code is wrong. Change both the customer's bank account number and the type of transaction code in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C07	Transit/Routing Number, Account Number & Transaction Code	The transit/routing number and the account number and the transaction type code are all incorrect. (Three corrections.) Change the customer's account number, financial institution transit/routing number and the type of transaction code in your records and virtual terminal recurring transaction entry (if applicable) – do not resubmit this transaction.
C10	Company Name	Due possibly to a merger or consolidation, the Company name is no longer valid (applies only to <u>consumer initiated/WEB transactions</u> ). NET1 has already responded to this correction notice. No merchant action is required – do not resubmit this transaction.
C13	Addenda Record Error	The Entry Detail Record is correct, but information in its Addenda Record is unclear or formatted incorrectly. This correction must be made by the processor (Network 1). NET1 will automatically correct the addenda record format – no merchant action is required – do not resubmit this transaction.

## Virtual Check - Reject Notices

**Reject Notices begin with the letter 'R'** and indicate that the transaction was not accepted. Depending on the reason for the reject code (see below), some of these transactions may be corrected and re-submitted.

Transactions that trigger a "Reject Notice" **have not been processed** by the customer's bank and payment was not collected from or credited to your customer's account.

Reject Code	Description	Action
R01	Insufficient Funds	The customer's bank account did not contain enough money to process the transaction. The merchant may initiate a new entry (up to 2 times including the original transaction) or Network 1 can resubmit this transaction automatically. Call customer service at (800) to sign up for this time saving service.
R02	Account Closed	Contact your customer and explain that this account was closed; does he or she wish to use a different account? Then correct the info and resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Do not resubmit this transaction without updated account information from your customer. Be sure to update recurring transaction entry data if applicable.
R03	Unable to Locate	Contact your customer and confirm billing information. Then correct the info and resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Do not resubmit this transaction without updated account information from your customer. Be sure to update recurring transaction entry data if applicable.
R04	Invalid Account	Contact your customer and confirm bank account information. Then correct the info and resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Do not resubmit this transaction without updated account information from your customer. Be sure to update recurring transaction entry data if applicable.
R07	Authorization Revoked	Your customer has instructed their bank not to accept or process this payment. You must contact the customer to obtain new authorization before initiating a new entry. *
R08	Payment Stopped	Your customer has instructed their bank not to accept or process this payment. Contact your customer for an explanation. You must contact the customer to obtain new authorization before initiating a new entry. *
R09	Uncollected Funds	Merchant may initiate new entry to process this payment.
R10	Not Authorized	Your customer has not authorized this payment. You must contact the customer to obtain new authorization before initiating a new entry. *
R12	Account at Other Branch	Contact your customer and confirm bank account information. Do not resubmit this transaction without updated account information from your customer. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Be sure to update recurring transaction entry data if applicable.
R14	Holder Deceased	The bank account holder is deceased. It is possible that this is a fraudulent transaction. Contact your customer for clarification and correct bank account information. Do not resubmit this transaction without updated account information from your customer. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Be sure to update recurring transaction entry data if applicable. *
R16	Account Frozen	Contact your customer and confirm bank account information. Do not

		resubmit this transaction without updated account information from your customer. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Be sure to update recurring transaction entry data if applicable.
R20	Non-Transaction Account	This bank account is not set up to accept ACH transactions. Contact your customer to obtain updated account information before initiating a new transaction. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction. Be sure update recurring transaction entry data if applicable.
R23	Credit Entry Refused by Receiver	Contact your customer and obtain authorization before initiating a new entry.
R24	Duplicate Entry	Review your batch and confirm that this was a duplicate entry. If so, no further action is required. If this transaction was not a duplicate entry, then it may be resubmitted for payment.
R29	Not Authorized	Your customer has not authorized this payment. You must contact the customer to obtain new authorization before initiating a new entry. *
R42	RTE Error	A once valid transit routing number must be changed. Contact your customer or their financial institution to obtain correct information before initiating a new transaction. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if this was a WEB transaction. Correct the bank Routing Transit Number in the virtual terminal recurring transaction entry if applicable.
R43	Invalid Account	Check the Account number again; especially if this number was keyed in, it may simply be a typographical error. If so, it may be resubmitted. Otherwise, contact your customer for updated information and authorization. You may then resubmit merchant-initiated transactions or ask the customer to re-initiate the transaction with the correct account information if it was a WEB transaction.

**\*Take extreme precautions upon receipt of a Return that indicates a dispute of authorization (R07, R08, R10, R14 & R29). Initiation of the entry should stop immediately. The RDFI (customer's bank) is required to obtain a signed Affidavit from the Receiver, which details the consumer's claim. You may request a copy of this Affidavit, through Network 1 Financial, for up to one year from the settlement date of the Return.**