



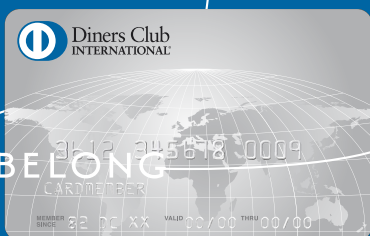
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# DINERS CLUB GROUP CARD ACCEPTANCE QUICK GUIDE

AND

# MERCHANT TERMS AND CONDITIONS

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# WELCOME DINERS CLUB MERCHANTS



Thank you for accepting the Cards in your establishment.

Take some time to go through this booklet. It contains 2 sections: the first section covers all the steps for processing payments and to help you avoid any loss from fraud or chargebacks. Your Merchant Terms and Conditions which govern the use of this facility are available in the second part of the booklet.

For any inquiries, please contact our Merchant Service Team on 0800 280 544, 24 hours a day, 7 days a week. The contact details are listed on the back of this booklet.

## PART A. CARD ACCEPTANCE QUICK GUIDE

### 1. Follow these 7 steps for peace of mind for yourself and your customers

1. Always validate the customer's Card
2. Accept only valid Cards for payment
3. Make sure you authorise all transactions
4. If the transaction is not PIN-verified, remember to have the customer sign the Card sales vouchers and check that the signature on the voucher matches that on the Card
5. Provide a copy of all sales vouchers to the Cardmember
6. Do NOT give cash to Cardmembers (including refunds)
7. If you suspect there's a risk of fraud, contact Diners Club Authorisations on 0800 657 373, quote your establishment name and number and inform the operator that you require a CODE 10. The operator will then provide you with instructions on what to do next.

## 2. Card security features

### – What to look for when validating a Card

Always check that a customer's Card has the following security features:

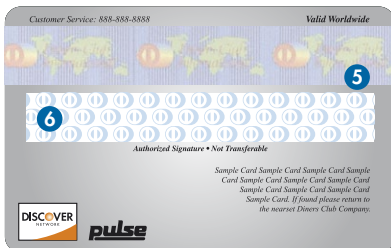
#### Diners Club Card

1. Embossed account number
  - Embossing should be even with all numbers the same size and shape
  - A Diners Club Card has 14 numbers starting with a '3'.
2. Cardmember's name
3. Card valid date
  - Check if this date has passed
4. Card expiry date
  - Check if this date has expired
5. Holographic magnetic stripe
  - Look for the repeating Diners Club logo against the world map
6. Signature panel
  - Check for a signature, a repeated Diners Club logo and an imprinted account number with a 3-digit CVV2 number at the end. Check that there's no evidence of tampering

#### Card Front



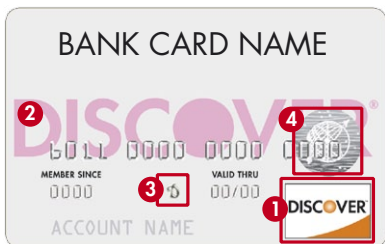
#### Card Back



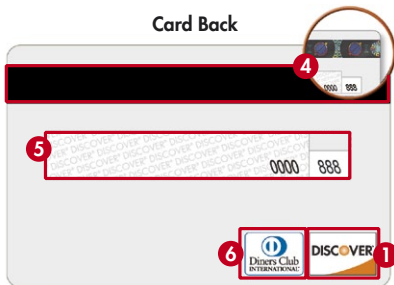
## Discover Card

1. Embossed account number “DISCOVER” should appear on the front of the plastic, either as a logo at the top or the acceptance mark on the bottom right. The acceptance mark is not required on the back if it appears on the front.
2. The words “DISCOVER®” or “DISCOVER NETWORK” appear under an ultraviolet light. All Discover account numbers start with 6011, 6400 or 6500. All Cards have a 16-digit account number.
3. Embossed Security Character appears as a stylized “D”.
4. A hologram will appear on either the front of the Card or within the magnetic stripe on the back.
5. The words “DISCOVER®” or “DISCOVER NETWORK” appear on a tamper evident signature panel along with the last four digits of the account number and the three-digit CID in a box to the right.
6. The Diners Club® acceptance mark may appear alongside the Discover acceptance mark, but is not required to process the transaction.

### Card Fronts



### Card Back



### 3. How to complete a sale

#### 3.1 Card present sales

Follow these steps to complete an on-site sale:

1. Validate the Card;
2. Hold onto the Card until the transaction is complete;
3. How to complete a sale by:

##### ***EFTPOS terminal:***

- Swipe the Card through the terminal reader;
- Key in the value and select the 'enter' key;
- Prompt customer to select 'credit';
- Transactions can be processed with or without PINs. If the Cardmember has not entered a PIN to verify the transaction, ask the Cardmember to sign the transaction receipt and compare the signature on the Card. If the signature matches, finalise the sale by pressing appropriate terminal key, i.e. "Accept with signature".
- If the transaction is declined, review decline message and act in line with decline message.

##### ***Manual charge:***

- Imprint the Card details on your imprinter (zip zap);
- Fill in the details of the sale;
- If the sale is over your merchant floor limit, phone Diners Club on 0800 657 373 for authorisation.
- Obtain the customer's signature on the sales voucher
- Match Card number and the signature on the sales voucher to those on the Card and other appropriate ID if necessary;
- Return the Card and customer copy of the sales voucher to the customer.

#### 3.2 Submitting manual transaction charges

1. Ensure your Merchant number, name and address are entered in the designated areas on the Summary of Sales Vouchers;
2. Enter the number and total value of Sales Vouchers you're attaching on the Summary of Sales Vouchers;
3. Deduct the agreed Commission Rate;
4. Enter the net total
5. Attach the Diners Club copy of the Summary of Sales Vouchers to the Diners Club copies of the relevant Sales Vouchers and mail in the pre-addressed envelope to Diners Club International, PO Box 5845, Wellesley, Auckland 1141
6. Attach the Merchant copy of the Summary of Sales Vouchers to your copies of Sales Vouchers and retain them for your records
7. Please note: We require Diners Club copies for both Summary of Sales Vouchers and Sales Vouchers.

### 3.3 To complete a mail, telephone or Internet sale

Before processing a charge relating to a mail or telephone order, we recommend you telephone Diners Club authorisations on 0800 657 373 to verify the Cardmember's account number, name and billing address. For further details in regard to electronic commerce charges, please refer to Section 9 of your Merchant Terms and Conditions.

### 3.4 Issuing credits or refunds

If merchandise is returned or exchanged, simply complete these steps (do NOT give cash refunds):

*a. Refunds completed by EFTPOS terminal (Note, for more details please refer to your EFTPOS supplier)*

For returns:

- Swipe the Card through the EFTPOS terminal
- Select 'refund' option on the terminal
- Enter the amount of the refund
- Swipe your EFTPOS Merchant Card through the EFTPOS terminal
- Enter your Merchant PIN
- Select the type of account to be refunded i.e. credit

*For exchanges:*

- If the new item is of a greater value, a sales transaction for the difference is to be processed through the EFTPOS terminal
- If the new item is of lesser value, process a refund as described above
- If the new item is of the same value, no adjustment is needed

*b. Refunds completed manually*

*For returns:*

- Complete a sales voucher for the full amount of the refund
- Write the word "CREDIT" across the voucher
- If Card present, signature is required on the voucher

*For exchanges:*

- If the new item is of a greater value, prepare a sales voucher for the difference and obtain the Cardmember's signature
- If the new item is of lesser value, prepare a credit voucher for the difference
- If the new item is of the same value, there is no need to prepare a sales or credit voucher.

## PART B. MERCHANT TERMS AND CONDITIONS

The Establishment has applied for a facility to enable Cardmembers to purchase goods and services from the Establishment by means of a Card issued by Diners Club or Diners Club Group. When making the application, the Establishment agreed to be bound by these Terms and Conditions if the application was accepted. Acceptance by the Establishment of the Card as payment for goods and services purchased at the Establishment shall constitute confirmation of that agreement by the Establishment.

### 1. Definitions of terms used

#### 1.1 Specific terms

In these Terms and Conditions:

- (a) **“Application Form”** means the form entitled “Diners Club Merchant Application” forming part of these Terms and Conditions;
- (b) **“Approved Medium”** means a machine readable magnetic tape, computer diskette or any electronic means of communication acceptable to Diners Club from time to time;
- (c) **“Approved Terminal”** means an EFTPOS terminal or any other electronic charging system which is approved by Diners Club;
- (d) **“Business Day”** means a day on which banks are open for business in New Zealand and not being a Saturday, Sunday, or national public holidays;
- (e) **“Card”** means a Card issued by any of the Diners Club Group and includes the Discover Card administered by Diners Club;
- (f) **“Cardmember”** means a person or company in whose name a Card has been issued and who is authorised by the relevant entity in the Diners Club Group to use a Card;
- (g) **“Charge”** means a charge made by a Cardmember against that Cardmember’s Card for the purchase of goods and services from an Establishment and for which the Establishment is authorised under these Terms and Conditions to accept payment by the use of a Card, and includes the amount of any Surcharge Fee applied to the transaction giving rise to the Charge;
- (h) **“Commission Rate”** means the rate specified as such in the Application Form as varied from time to time by notification to the Establishment from Diners Club;
- (i) **“Delayed Charge”** means a Charge originated by the Establishment and made against a Cardmember’s Card for the purchase of goods and services from the Establishment, where the amount of the charge is determined by the Establishment after the Cardmember authorises the Charge;

- (j) **“Diners Club”** means Diners Club (NZ) Limited;
- (k) **“Diners Club Group”** means Diners Club International, Diners Club and any other entity authorised to issue Diners Club Cards, or any one or more of them, as applicable;
- (l) **“Direct Credit”** means any election by the Establishment under clause 11.1 to have payments made by Diners Club paid directly into the Establishment’s Bank account;
- (m) **“EFTPOS”** means electronic funds transfer at the point-of- sale;
- (n) **“Electronic Commerce Services”** means a transaction over the internet and other networks which is approved by Diners Club;
- (o) **“Establishment”** means the business (including the operators of the business), the name of which appears on the Application Form and includes all outlets or branches of that business to which Diners Club has agreed to provide the services set out in these Terms and Conditions;
- (p) **“Floor Limit”** means a maximum New Zealand dollar value of any charge which may be incurred by the Establishment before authorisation must be obtained by the Establishment from Diners Club, such amount being that which is set out in the Application Form, as varied from time to time by notification to the Establishment from Diners Club (only applicable for manual charges);
- (q) **“Information system”** means a system for producing, sending, receiving, storing, displaying or otherwise processing electronic communications;
- (r) **“Net Value”** means the total face value of a Charge submitted by an Establishment less the Commission Rate;
- (s) **“Payment Time”** means the period commencing from the date on which details of charges are received (or taken to be received) by Diners Club under Clause 10.1 and ending on the expiration of the number of days stipulated as the “Payment Time” in the Application Form;
- (t) **“Procedures Manual”** means any notice, booklet or written information provided by Diners Club to the Establishment from time to time setting out the procedures which an Establishment must follow when incurring, crediting or otherwise dealing with charges or Cards;
- (u) **“Sales Vouchers”** means the form issued or approved by Diners Club to the Establishment from time to time and which is completed by the Establishment and signed by the Cardmember whenever a manual transaction Charge is incurred;
- (v) **“Special Billing”** means a billing of a Charge outside of the thirty (30) days submission period;
- (w) **“Summary of Sales Vouchers”** means the form provided or the format (including any Approved Medium) of which is notified, to the Establishment by Diners Club from time to time which must be completed by the Establishment with respect to any reimbursement of charges to it by Diners Club;

- (x) **“Surcharge Fee”** means a fee that a Merchant may apply to a transaction the subject of a Charge, which fee is not applied when payment is made via other payment mechanisms. The Surcharge Fee may be either a flat or ad valorem fee;
- (y) **“Uncollectable Charges”** means charges Diners Club consider uncollectable under Clause 13 and for which Diners Club is entitled to recourse.

## 1.2 General Terms

Any reference to “Terms and Conditions” or “Agreement” means these Terms and Conditions (including the Application Form) and any agreement formed by the acceptance of these Terms and Conditions by the Establishment, respectively, as varied from time to time in accordance with Clause 17.3.

## 2. Acceptance of the Card

### 2.1 Use of the Card

- (a) Subject to these Terms and Conditions the Establishment and Diners Club agree to permit Cardmembers to use the Cards to purchase goods or services sold or supplied by the Establishment in the ordinary course of its business. The Establishment shall ensure each Card accepted by the Establishment is a valid Card, which has been signed by the Cardmember and used within the validity date shown on the Card;
- (b) The Establishment shall only permit Cardmembers to use the Cards to purchase goods and services sold or supplied by the Establishment in the ordinary course of its business;
- (c) Should there be any marking on a Card indicating that the Card is only valid for certain uses (e.g. a Card marked “Taxi Only” may only be used in taxis) or in certain countries (e.g. a Card marked “Valid for India only” may only be used in India), the Establishment shall not accept the Card for any uses not consistent with that marking.

### 2.2 No direct billing Cardmember

The Establishment agrees not to bill Cardmembers direct or through the use of other Cards other than a Card for any goods and services purchased by Cardmember by means of a Card.

### 2.3 Indemnity for goods and services provided

The Establishment indemnifies and holds harmless Diners Club for any and all liabilities, claims, demands, damages, costs or expenses Diners Club pays, suffers or incurs or is liable for in relation to or arising in connection with any goods purchased by a Cardmember from the Establishment or services provided to a Cardmember by the Establishment by means of a Card.

### 2.4 Surcharge Fee

If the Establishment adds a Surcharge Fee to its usual prices when a Cardmember chooses to pay with a Card, it must:

- (a) Clearly display notices on its website and at its physical premises, as well as a notice next to all points of sale, stating that it will add a Surcharge Fee when payment is made with the Card;
- (b) Notify the Cardmember, as part of the sales transaction environment or process at a physical point of sale or by electronic transaction or telephone order, that if they choose to pay with a Card there will be a Surcharge Fee applied to the transaction, and give the Cardmember an opportunity to cancel the transaction prior to completion of the transaction;
- (c) Ensure the Surcharge Fee bears a reasonable relationship to its cost of accepting the Card and that the Cardmember is informed of the rate, amount or method of calculation of the fee at the time of purchase;
- (d) Include the Surcharge Fee as part of a total single Charge, and not collect it separately;
- (e) Not in any way inform the Cardmember or give the Cardmember the impression that the Surcharge Fee is imposed by Diners Club;
- (f) Ensure that the Sales Vouchers and any transaction receipt clearly shows the amount of the Surcharge Fee.

## **2.5 Mail, internet or telephone orders**

If indicated in the Application Form, the Establishment may allow Cardmembers to purchase goods and services by mail, internet or telephone order and to charge such orders to their Cards subject to these Terms and Conditions.

## **2.6 Cheques or cash**

Diners Club Group will not be responsible for cheques made or endorsed by Cardmembers and cashed by the Establishment. The Establishment, with the exception of Establishments who have been authorised by Diners Club to make cash advances, agrees that no cash advance will be made as a Charge to Cardmembers, unless in each case specifically agreed to in writing by Diners Club. In no case will cash refunds be made to Cardmembers in relation to Charges made on a Card.

## **2.7 Charges not permitted**

The Establishment shall not permit:

- (a) A Cardmember to use Cards to incur Charges at the Establishment where that Cardmember is the owner of, a director of or a partner in that Establishment, except where Diners Club otherwise agrees in writing and which agreement (if given) may be withdrawn by Diners Club at any time; or
- (b) Any other person, entity or 3rd party to utilise or benefit from the services provided by Diners Club under this agreement without the prior written consent of Diners Club. The only Charges that may be submitted to Diners Club under this agreement are those incurred in the provision of goods and services by the Establishment and not any third party.

## 2.8 Charges in another currency

An Establishment in Tonga or Samoa may accept Charges in their local currency or New Zealand dollars and submit those Charges (in the currency in which they were incurred) to Diners Club in accordance with this agreement. Diners Club's obligation under Clause 10.2 is to pay to the Establishment submitting the Charges in New Zealand dollars.

## 2.9 Conversion of another currency

In making any conversion of currency under Clause 2.8, Diners Club will use the exchange rate it selects or through its bankers, purchase the currency at the spot rate on the day the Charges are received.

## 2.10 Exceeding Floor Limit

The Establishment must obtain telephone authorisation from Diners Club for any Charge that exceeds the Floor Limit. The Establishment shall indemnify Diners Club the face value of any Charge that exceeds the Floor Limit for which no telephone authorisation is obtained, in accordance with Clause 13.1 as if the Charge was deemed to be an Uncollectable Charge.

# 3. Processing of Charges

## 3.1 General Provision

Except for Charges processed under Clause 4 or Charges which relate to mail, internet or telephone order, the Establishment shall process each Charge in accordance with the procedures set out in the following Terms and Conditions:

- (a) Where a Charge is a Delayed Charge, the Establishment shall show it as a separate item in the Delayed Charge column of a Sales Voucher. Diners Club will attempt to collect the Delayed Charge from the relevant Cardmember, but will not be liable to make any payment to the Establishment on account of the Delayed Charge amount unless the Delayed Charge amount is actually recovered by Diners Club from the Cardmember;
- (b) Where the Establishment accepts a Card to enable a Cardmember to pay for goods or services, the original copy of Sales Vouchers showing a Cardmember's signature will be forwarded by the Establishment to Diners Club no later than thirty (30) days after the relevant Charge has been incurred. If the Establishment does not do so, the Establishment shall indemnify Diners Club for the full amount of the Charge in accordance with Clause 13.1 as if the Charge was deemed to be an Uncollectable Charge. The Establishment agrees to retain its copy of the Sales Vouchers for a period of eight (8) months.

## 3.2 Refunds

The Establishment agrees to issue refunds or other credits to Cardmembers for Charges only in the form of credits to the Cardmember's Card. Credits may be processed through Approved Terminals referred to in Clause 4 or manually processed on a Sales

Voucher and submitted under a Summary of Sales Voucher. The Establishment agrees to submit each credit to Diners Club within ten (10) days of the date the credit was issued. The Establishment agrees to retain its copy of the Sales Vouchers for a period of eight (8) months. Diners Club will deduct the full amount of each credit from any amount payable to the Establishment under clause 10.2.

## **4. Electronic Point-of-Sale Processing or other Electronic Charge Processing**

### **4.1 Use of Approved Terminal**

Where an Establishment has an Approved Terminal, all Charges shall be processed by using the Approved Terminal except where the Approved Terminal is not operating or Diners Club ceases to accept Charges through the Approved Terminal, and, in either case, the Charges shall be manually created in accordance with the procedures referred to in Clause 3.

### **4.2 Procedures for use of Approved Terminals**

Each Charge arising by use of a Card through an Approved Terminal shall be processed by the Establishment in accordance with the following procedures:

- (a) The Establishment shall process the Card through the Approved Terminal in accordance with any applicable operating instructions issued by the supplier or manufacturer of the Approved Terminal. If the Establishment uses the Approved Terminal to process Charges made by Charge Cards or Credit Cards other than the Cards, the Establishment is responsible for complying with any separate agreements it may have in relation to those Cards;
- (b) Where an authorisation code is not obtained through the Approved Terminal, the Establishment shall comply with the procedures referred to in Clause 3 for manually created Charges;
- (c) The Establishment shall obtain the Cardmember's signature on the receipt produced by the Approved Terminal if it is not PIN-verified. The Establishment shall retain the original or a copy of the sales vouchers for eight (8) months from the date the Charge was incurred. The Establishment will forward to Diners Club the original or a copy upon request by Diners Club. If the Establishment fails to provide the receipt upon request, the Establishment shall indemnify Diners Club for the full amount of that Charge in accordance with Clause 13.1 as if the Charge was deemed to be an Uncollectable Charge.

### **4.3 Manually Keyed Transactions (PAN Entry)**

Where a Cardmember buying goods or services is not present i.e. telephone, internet or mail order transactions, or where the Establishment elects to manually key Cardmember-present transactions, authorised Establishments operating Approved Terminals with "PAN Entry" capability can manually process transactions. Any approval of a transaction in this manner should not be construed to mean that the Charge is valid and the

Establishment will be required to indemnify Diners Club for the full amount of the Charge in accordance with Clause 13.1, if the Charge was deemed to be an Uncollectable Charge.

#### **4.4 Maintaining Approved Terminals**

The Establishment agrees that should Diners Club provide it with an Approved Terminal or imprinter:

- (a) It will not damage, part with possession of, alter or permit another to acquire any interest in the Approved Terminal or imprinter or permit another to use or benefit from the use of the Approved Terminal or imprinter;
- (b) It will promptly inform Diners Club should the Approved Terminal or imprinter not operate correctly.

#### **4.5 Approved Terminal property of Diners Club**

Any Approved Terminal or imprinter provided by Diners Club shall remain the property of Diners Club at all times and the Establishment shall not transfer or otherwise allow any other entity or person to use the Approved Terminal or imprinter (without the prior written consent of Diners Club) and shall promptly hand over the Approved Terminal or imprinter to Diners Club upon request.

### **5. Processing by an Approved Medium**

#### **5.1 Use of an Approved Medium**

In lieu of sending to Diners Club Sales Vouchers and Summary of Sales Vouchers, the Establishment may submit a summary of all Charges recorded on an Approved Medium. Any submission by an Approved Medium shall contain at a minimum the following information with respect to each Charge (a "Summary of Sales Vouchers"):

1. Cardmember's name;
2. Card number;
3. expiry date of the relevant Card;
4. date of transaction;
5. dollar value of the Charge;
6. description of goods and services; and
7. such other information as Diners Club may from time to time notify the Merchant should be included in the Summary of Sales Vouchers.

#### **5.2 Format of Approved Medium**

Submissions of any Approved Medium shall be made in accordance with the format, information and procedures which Diners Club informs the Establishment from time to time.

#### **5.3 Failure to satisfy approved format**

If a Summary of Sales Vouchers in an Approved Medium does not meet the requirements of Diners Club, Diners Club shall use its best efforts to advise the Establishment in writing within three (3) Business Days of receipt of the Approved Medium.

## 5.4 Compliance with laws

In the event that:

- (a) The Establishment is precluded or prohibited by law or government regulation from submitting a Summary of Sales Vouchers in an Approved Medium, or in the format in which such is to be submitted pursuant to this agreement, or from including information required by Diners Club; or
- (b) The approved medium does not satisfy Clause 5.2; neither party shall be obliged to reimburse the other for any costs related to complying with such laws or reverting to other methods of submitting the Summary of Sales Vouchers to Diners Club pursuant to this agreement.

## 5.5 Acceptance of Summary of Charges not a waiver

The acceptance of Summary of Sales Vouchers in an Approved Medium which does not comply with the appropriate format or, if in the appropriate format, does not contain the information in respect to each Charge summarised therein required by the terms of this agreement, shall not constitute a waiver of, or preclude Diners Club from exercising its rights of indemnity contained in Clause 13.1 of this agreement.

## 6. Additional instructions and direction

The Establishment will comply with any other instructions or directions regarding the processing of Charges issued by Diners Club to the Establishment in writing or by electronic communication or by telephone instruction from time to time. The Establishment shall indemnify Diners Club the face value of any Charge which is incurred by the Establishment in contravention of any instructions or directions issued by Diners Club, in accordance with Clause 13.1 as if the Charge was deemed to be an uncollectable Charge.

## 7. Processing of Charges relating to mail or telephone order

### 7.1 Proof of Charge

Where a Card relates to a mail or telephone order, if the Establishment does not obtain the signature and Card number of the Cardmember on the Sales Vouchers before submitting the Charge to Diners Club, or cannot produce to Diners Club on demand a bill or order form for the goods or services the subject of the Charge bearing the signature and Card number of the Cardmember, the Establishment will be required to indemnify Diners Club the face value of the Charge in accordance with Clause 13.1 as if the Charge was deemed to be an Uncollectable Charge.

### 7.2 Telephone authorisation

Before processing a Charge relating to a mail or telephone order, the Establishment is required to telephone the Diners Club Authorisation Centre to verify the Cardmember's account, number, name and billing address, but any verification of Cardmember details or the provision of approval number in this manner is not guaranteed and shall not be construed that the Charge is valid.

### **7.3 Withholding payment for mail or telephone Charges**

If Diners Club determines that it is appropriate to do so, it may withhold payment of the face value of any mail or telephone order Charges for thirty (30) days to enable it to investigate and verify the validity of the Charge.

### **7.4 Proof of delivery**

The Establishment shall not submit to Diners Club a Charge relating to mail or telephone order unless the goods and services the subject of the Charge have been provided to the Cardmember or as directed by the Cardmember or the delivery of the goods or services can be substantiated by proof of delivery to the Cardmember's billing address.

## **8. Validity of Charges**

Subject to Clause 7, any Charge which has not been processed in accordance with Clauses 3, 4, and 6 shall be invalid and the Establishment shall indemnify Diners Club in respect of such Charges in accordance with Clause 13.1 as if the Charge was deemed to be an Uncollectable Charge. A Charge will not be invalid for the purpose of this Clause by reason only that the Establishment has failed to obtain the Cardmember's signature on the Sales Vouchers or Approved Terminal receipt provided that the Establishment can produce to Diners Club upon demand a bill or order form bearing the signature and Card number of the Cardmember for the purpose of the relevant goods or service. A copy of such bill or order form must be retained by the Establishment for a period of at least eight (8) months from the date the relevant Charge was incurred.

## **9. Electronic Commerce Services**

### **9.1 Non approved Electronic Commerce Services**

- (a) An Establishment must not accept an order for goods or services using an Electronic Commerce Service, which has not been approved by Diners Club. Diners Club will approve the use of any Electronic Commerce Service which uses strong encryption and provides appropriate levels of: data storage; authentication; data integrity; physical security; system security; maintenance; and technical support.
- (b) If the Establishment is in breach of clause 9.1 (a), Diners Club need not reimburse the Establishment for that Charge and Diners Club are not otherwise liable to the Establishment in relation to that Charge.

### **9.2 Processing by approved Electronic Commerce Service**

Where a Charge relates to an order made through an Approved Electronic Commerce Service, the Establishment must not fulfill the Cardmember's order until the authorisation of the Charge is received. Any approval of a transaction in this manner is not guaranteed and shall not be construed to mean that the Charge is valid.

### **9.3 Binding contracts between the Establishment and Cardmember**

- (a) The Establishment acknowledges that, on receipt of notice of the authorisation of the Charge, the Establishment has a valid, binding and enforceable contract with the Cardmember for the supply of goods or services relating to that Charge.
- (b) If the Establishment claims that the contract is not binding, or is invalid, unenforceable or incomplete, the Charge will be treated as an Uncollectable Charge.

### **9.4 Liability**

Diners Club is not liable to the Establishment for any loss that an Establishment suffers, incurs, pays or is liable for, relating to the Establishment's use of an approved Electronic Commerce Service or a Charge authorised by Diners Club through an approved Electronic Commerce Service.

### **9.5 Representations and Warranties**

The Establishment represents and warrants to Diners Club that;

- (a) It is able to supply the goods and services ordered using an approved Electronic Commerce Service;
- (b) An Establishment's website complies with all relevant laws and industry codes of conduct or practice; and
- (c) An Establishment's website does not contain material that is defamatory or obscene or infringes any copyright or other intellectual property rights.

## **10. Submission and payment of Charges, and Debit Balances**

### **10.1 When details are to be submitted**

Subject to Clause 7.4, the Establishment agrees to submit details of all Charges incurred by Cardmembers to Diners Club no later than thirty (30) days after the Charge is incurred on a Summary of Sales Vouchers or in such other manner agreed to by Diners Club from time to time. Charges incurred in relation to mail, internet or telephone orders shall not be submitted until after the goods or services, which are the subject of such order, have been provided.

### **10.2 Payment of Charges by Diners Club**

Subject to these Terms and Conditions Diners Club agrees to arrange for, or initiate, payment to the Establishment of the Net Value of all Charges submitted to Diners Club prior to the expiration of the Payment Time. Payment of any Charge by Diners Club is not to be construed that the Charge is a valid Charge.

### **10.3 Special Billings**

A Charge received more than thirty (30) days after said Charge was incurred by the Cardmember, may be subject to payment in some circumstances on a collection basis. A fee may be applied and payable to Diners Club by the Establishment in relation to such Charges and will be deducted from the payment due.

#### **10.4 Process with an Approved Terminal**

Where the Establishment operates an Approved Terminal, the Establishment shall process Charges in accordance with Clause 4 of these Terms and Conditions.

#### **10.5 Charges in New Zealand and Related Territories**

Charges incurred with the Establishment in New Zealand, Fiji, Samoa, Tonga and such other countries as Diners Club may notify the Establishment from time to time, must be submitted to Diners Club.

#### **10.6 Commission Rate**

The Establishment agrees to pay to Diners Club a Commission Rate in relation to each Charge submitted to Diners Club under this agreement. The Commission Rate may be reviewed and varied by Diners Club periodically. Diners Club is not, however, bound to review the Commission Rate at any given time.

#### **10.7 Off-setting of Commission Rate**

Diners Club may set-off the Commission Rate payable to it against any amounts payable by Diners Club to the Establishment under Clause 10.2.

#### **10.8 Method of Payment by Diners Club**

Any payment by Diners Club of any amount under this Clause 10 shall be made by way of Direct Credit in accordance with Clause 11 of this agreement or by cheque sent to the last known address of the Establishment. Payment by cheque will be taken to be made once the cheque is posted. Diners Club may charge a fee if the Establishment wishes to receive payment by cheque.

#### **10.9 Uncollectable Charges**

- (a) Should a Charge prove to be uncollectable, on receiving written notice from Diners Club of the Charge being uncollectable, the Establishment hereby agrees to refund to Diners Club the amount equal to the full amount of any Charge which proves to be an Uncollectable Charge.
- (b) Unless Diners Club informs the Establishment that a Charge is or may become uncollectable pursuant to Clause 13 of this agreement, within eight (8) months of receipt of the Charge by Diners Club, the Establishment's obligation to indemnify Diners Club will lapse.

#### **10.10 Debit balances**

If as a result of the operation of these Terms and Conditions (and taking into account all set offs against and deductions from amounts payable to the Establishment under these Terms and Conditions which Diners Club is entitled to make) there is an amount owing by the Establishment to Diners Club, the Establishment agrees to immediately pay that amount to Diners Club. Diners Club may require the Establishment to sign a Direct Debit Authority authorising Diners Club to deduct from the Establishment's Bank Account any amount owing to it from time to time.

## **11. Payment of Charges to Service Establishments by Direct Credit**

### **11.1 Direct Credit arrangements**

- (a) The Establishment may elect to have payments made by Direct Credit paid directly into the Establishment's account with a financial institution by notifying Diners Club in writing of such election and providing to Diners Club details of the Establishment's banking arrangements as Diners Club may require.
- (b) Diners Club agrees to arrange for or initiate payment to the Establishment by way of Direct Credit on the expiration of the Payment Time in accordance with Clause 10.2 of the Net Value of all Charges, less any set-off against the Charges permitted under this agreement.
- (c) Payment of any Charge by Diners Club to the Establishment's account with a financial institution is not to be construed that the Charge is a valid Charge.

### **11.2 Change in Establishment's Direct Credit account**

It is the Establishment's responsibility to provide Diners Club with correct details of its Direct Credit account at all times.

### **11.3 Account adjustments**

If any credit is mistakenly applied to the Establishment's account the Establishment agrees to immediately refund any excess payment.

### **11.4 Compliance with conditions**

The Establishment agrees to comply with any procedures established by Diners Club from time to time as a condition of participation in the Direct Credit arrangements. Diners Club is entitled to modify such procedures from time to time at its discretion, by giving the Establishment at least thirty (30) days notice in advance.

### **11.5 Termination of Direct Credit**

Diners Club at its discretion may terminate the Direct Credit arrangements at any time.

## **12. Complaints**

### **12.1 Establishment responsible for complaints**

The Establishment agrees to be responsible for handling all complaints and also making any necessary adjustments relating to the payments for goods and services obtained from the Establishment by Cardmembers, except those complaints Cardmembers made which may relate to Diners Club's method of billing. The Establishment may only make price adjustment or refund to a Cardmember in relation to the goods and services purchased by means of a Card by crediting the Cardmember's Card in accordance with Procedures Manual to give effect to that adjustment or refund. No cash refunds may be given in respect to a Charge.

## 13. Uncollectable Charges

### 13.1 Indemnity in respect to Uncollectable Charges

Upon receiving written notice from Diners Club that a Charge is an Uncollectable Charge, the Establishment shall indemnify Diners Club on demand for the full amount of the Charge. A Charge will be deemed to be uncollectable if it was incurred in any manner set out below:

- (a) Any Charge incurred by a Cardmember whose Card or identifying symbols or numbers applicable thereto is mentioned in any notice to Merchants prior to incurring of the Charge by the Cardmember and the Establishment did not receive telephone authorisation from Diners Club in respect to that Charge;
- (b) Any Charge incurred by the Cardmember on a Card which is not a valid Card;
- (c) Any charge incurred in contravention of any marking specified on the Card indicating the use of the Card is restricted;
- (d) Any Charge incurred involving forgery of the Cardmember's signature on a Sales Voucher;
- (e) Any Charge which is invalid pursuant to Clause 7;
- (f) Any Charge that has not been incurred or processed in accordance with these conditions or the processing guidelines;
- (g) Any Charge which is a Delayed Charge pursuant to Clause 3.1 (a), which is deemed by Diners Club to be uncollectable;
- (h) A Charge that relates to a transaction which the Establishment manually keyed through an Approved Terminal despite not having obtained an authorisation code for the Charge through the Approved Terminal;
- (i) Any Charges that relates to a purchase of goods or services made through an approved Electronic Commerce Service which is disputed by the Cardmember;
- (j) Any Charge incurred involving a Sales Voucher that is incomplete or illegible as to the Cardmember's name, number of the Card or the validity date of the Card;
- (k) Any Charge processed through an EFTPOS terminal or other electronic charging system, which is not an Approved Terminal or where the transaction details are fully or partially incapable of being deciphered or processed;
- (l) Any Charge the details or date for which is received by Diners Club more than thirty (30) days after the said Charge was incurred by the Cardmember;
- (m) Any Charge which was previously billed directly or through the use of a Card (other than a Card issued by Diners Club Group) by the Establishment to the Cardmember;
- (n) Any Charge which exceeds the Floor Limit and (not being a mail, internet or telephone order Charge) does not have a telephone authorisation from Diners Club or authorisation has been denied;

- (o) Any Charge which the Cardmember refuses to pay because goods or services which are subject of that Charge were defective, returned or undelivered or not as promised;
- (p) Where a Charge relates to the rental of a motor vehicle, any Charge which cannot be substantiated with written evidence that the Charge was incurred and approved by the Cardmember;
- (q) Any Charge relating to mail or telephone order which is disputed by the Cardmember;
- (r) Any Charge relating to mail, telephone or internet order which the Cardmember has failed to pay immediately upon request by Diners Club where the Establishment did not obtain the signature of the Cardmember on a Sales Voucher acceptable to Diners Club before the Charge was submitted to Diners Club or cannot produce on demand a bill or an order form bearing the signature and Card number of the Cardmember for the goods or services the subject of the Charge bearing the signature of the Cardmember;
- (s) Any Charge altered by the Establishment or any other person in any way after the Cardmember has signed the Sales Vouchers;
- (t) Any single transaction which has been split into two or more Charges which together exceed the Floor Limit;
- (u) Any Charge incurred in the Establishment through the use of a Card which was apparent on its face, or which the Establishment has reasonable grounds to suspect was a counterfeit;
- (v) Any unsigned Charge in a hotel Establishment for which a Cardmember can furnish a cancellation number provided by the hotel for a confirmed reservation, or where the amount of the Charge exceeds the cost of one night's stay;
- (w) Any in-flight or on-board ship sales Charge without authorisation that Diners Club is unable to collect from the Cardmember;
- (x) Any payment received by Diners Club in respect of a Charge from a Cardmember is wholly or partially avoided or a claim is made for its avoidance (and the claim is upheld, conceded or compromised) under any applicable law, including without limitation, any law relating to bankruptcy or liquidation; and
- (y) Any Charge that is otherwise deemed by Diners Club to be an Uncollectable Charge under these Terms and Conditions.

### **13.2 Notification of Uncollectable Charges**

Unless Diners Club informs the Establishment that a Charge is or may become an Uncollectable Charge pursuant to Clause 13.1 within eight (8) months of receipt of the Charge by Diners Club, the Establishment's obligations to indemnify Diners Club shall thereafter lapse.

### **13.3 Repayment of amounts received by Diners Club**

Should Diners Club receive any payment from a Cardmember in relation to an Uncollectable Charge which has been paid by the

Establishment under the indemnity set out in Clause 13.1, Diners Club shall forward that payment to the Establishment except where Diners Club is entitled to withhold payments payable to the Establishment under these Terms and Conditions.

### **13.4 Establishment to assist with enquiries**

Should Diners Club make any enquiry of the Establishment with respect to a Charge, the Establishment agrees to promptly assist Diners Club in its enquiry. In any event should an enquiry made by Diners Club not be answered by the Establishment to the satisfaction of Diners Club, the Charge to which the enquiry relates will be deemed to be uncollectable for the purpose of Clause 13.1.

### **13.5 Suspicious or fraudulent Charges**

Should a disproportionate number of fraudulent Charges or a disproportionate number of Cardmember complaints arise with respect to the use of the Cards at the Establishment, Diners Club may:

- (a) Upon notifying the Establishment in writing, treat any Charge incurred by the Establishment and which is disputed by the Cardmember as an Uncollectable Charge in accordance with Clause 13.1 and the Establishment shall indemnify Diners Club on demand for the full amount of those Charges in accordance with Clause 13.1 as if the Charges were deemed Uncollectable Charges; and
- (b) From time to time, withhold payment of any Charges incurred by the Establishment for thirty (30) days to enable it to investigate and verify the validation of any Charge.

## **14. Publicity by Establishment**

### **14.1 Notify acceptance of Cards**

The Establishment shall notify all reservation systems and such places where acceptance of the Cards by such Establishment are listed, that the Cards are accepted for payment at the Establishment. The Establishment hereby consents to the use of its name in any list of Establishments published by Diners Club Group from time to time.

### **14.2 Confidentiality**

The Establishment acknowledges that all information it or its officers or employees receive in the course of dealing with Cardmembers' Cards or Diners Club (including Cardmember details), is the property of Diners Club and the Establishment agrees to hold that information in the strictest of confidence and shall not disclose any of that information to any third party or use it for its own or another's benefit or intended benefit in each case without the prior written consent of the Cardmember and Diners Club.

### **14.3 Consent to credit assessments**

The Establishment agrees that for the purposes of this agreement Diners Club may, from time to time, undertake credit assessments and otherwise obtain, verify and exchange information (including, without limitation credit reports) concerning the Establishment or

its owners, directors, partners, operators with third parties. The Establishment undertakes that it will promptly procure the consent of its owners, directors, partners, or operators should Diners Club so request for the purposes of this Clause.

## **15. Indemnity and set-off**

### **15.1 General Indemnity**

In addition to all other liabilities and obligations under this agreement and subject to any applicable law, the Establishment indemnifies Diners Club on demand from and against all claims, payments, losses, expenses and damages which may be made, suffered or incurred by Diners Club (including without limitation to other entities in the Diners Club Group) as a result of or arising from:

- (a) The failure of the Establishment to observe any of its obligations under these Terms and Conditions;
- (b) Any dispute between the Establishment and Cardmember in respect of the supply, use or quality of goods and services; and
- (c) Any financial institutions duties, debits, taxes and any other government duties, rates, taxes or charges now or hereafter imposed or charged under or in connection with the use of a Card at the Establishment, any Charge or this agreement.

### **15.2 Set-off of all payments**

When pursuant to these Terms and Conditions or any other agreement between Diners Club and the Establishment or pursuant to any law or regulation Diners Club is entitled to any payment, repayment or reimbursement from the Establishment (including without limitation, any payment by way of indemnity under Clauses 2.3, 4.3, 10.9, 13.1, 13.5, 15.1, 15.3 or 15.4), Diners Club shall be entitled to set-off such payment, repayment, or reimbursement from amounts due and payable by Diners Club to the Establishment under these Terms and Conditions.

### **15.3 Establishment Cardmembers**

The Establishment agrees that any amounts billed to a Card held by a director, partner, owner or operator of the Establishment in respect of which amounts billed to the Card are not paid within thirty (30) days, Diners Club may deduct these amounts from time to time, from any amounts payable by Diners Club to the Establishment under these Terms and Conditions.

### **15.4 Indemnity against Cardmember claims**

Where a Cardmember is entitled to claim damages against or recover a sum of money from the Establishment for misrepresentation, breach of contract or failure of consideration in relation to any Charge, the Establishment shall indemnify Diners Club on demand for the amount of such claim.

## **16. Insolvency, Assignment and other Events**

### **16.1 Notice of events**

The Establishment shall advise Diners Club immediately in the event that:

- (a) The Establishment is placed in receivership, has an administrator appointed to it, is wound up, or any person or its agent takes possession of all or any part of the Establishment property;
- (b) The Establishment is or the Establishment's premises are sold, assigned, leased or transferred;
- (c) Any other event occurs which might prevent or restrict the Establishment in the performance of its obligations hereunder;
- (d) Any owner, director or partner of the Establishment is declared bankrupt or becomes unable to pay his or her debts;
- (e) Any person attempts, takes steps, or threatens to do any acts, matters or things referred to in (a), (b) or (c);
- (f) The legal or trading name of the Establishment changes.

### **16.2 Assignment restricted**

The Establishment shall not sell, assign, lease or transfer any of its rights or obligations under this agreement without the prior written consent of Diners Club. A change in the effective control of the Establishment shall be treated as an assignment or transfer of the Establishment's rights or obligations under this agreement. The Establishment agrees that if Diners Club inadvertently or otherwise effects a payment of Charges to the Establishment or other party after sale, assignment, lease or transfer and it is alleged the payment was made to the wrong party, any dispute regarding payments shall be settled without recourse to Diners Club. Diners Club may assign or transfer any of its rights under this agreement without the prior consent of the Establishment.

### **16.3 Withholding payment upon notice**

Should Diners Club become aware, or have reason to suspect that:

- (a) Any of the events referred to in Clause 17.2 has occurred, or in the opinion of Diners Club is likely to occur, with respect to the Establishment;
- (b) The Establishment has ceased, or intends to cease trading; or
- (c) The Establishment has breached the Terms and Conditions,

Diners Club may, upon notifying the Establishment, withhold all or any part of any amounts thereafter payable by Diners Club to the Establishment under these Terms and Conditions for a period of six (6) months from the date of notification.

## **17. Term**

### **17.1 Termination with notice**

These Terms and Conditions shall supersede any previous Terms and Conditions forming part of any agreement between the Establishment and Diners Club on this subject. Subject to Clause 17.2 this agreement shall continue until terminated by either party by not less than one (1) month's written notice.

## 17.2 Termination without notice

Diners Club may, in its absolute discretion, terminate this agreement without giving any notice to the Establishment in the event that:

- (a) The Establishment or any parent company of the Establishment (if applicable) becomes insolvent, has a receiver or receiver and manager or administrator appointed over the whole or any part of its assets or business, has the whole or any part of its assets possessed by any chargee or mortgagee or its agent, makes any composition;
- (b) The Establishment makes any arrangement with its creditors, takes or suffers any similar action in consequence of its indebtedness or an order or resolution is made for its dissolution or liquidation (within or outside the Territory), other than for the purpose of solvent amalgamation or reconstruction;
- (c) Any owner, director or partner of the Establishment is declared bankrupt or becomes unable to pay his or her debts;
- (d) The Establishment breaches or fails to comply with any Terms or Conditions of this agreement or the Establishment participates in, or Diners Club has reasonable grounds to suspect that the Establishment is participating in any fraud against Diners Club or a Cardmember.

## 17.3 Varying Terms and Conditions

Diners Club may vary these Terms and Conditions from time to time by giving notice of the variations to the Establishment. The acceptance by the Establishment of a Card as payment for goods and services purchased at the Establishment after notification of the variation shall constitute acceptance by the Establishment of that variation.

## 18. General

### 18.1 Governing law

These Terms and Conditions are governed by the laws of New Zealand and the Establishment submits to the non-exclusive jurisdiction of the courts of New Zealand.

### 18.2 Certificate conclusive and binding

A certificate signed by an employee of Diners Club stating the amount owed by the Establishment to Diners Club under this agreement will be conclusive evidence of the amount of the Establishment's liability to Diners Club at the date of the certificate in the absence of manifest error or fraud.

### 18.3 Rights of access

The Establishment hereby grants Diners Club the right to enter into any premises on which the Establishment conducts business to:

- (a) Remove or protect any property of Diners Club which is in the possession of the Establishment;
- (b) Install, inspect, repair or service any Approved Terminals or imprinters the property of Diners Club in the possession of the Establishment;

- (c) Take any copies of any documentation in the possession of the Establishment relating to any Charges incurred or to be incurred by the Establishment, in each case, during normal business hours of the Establishment.

## **19 Notices**

### **19.1 Method of notice**

Except to the extent that any clause in these Terms and Conditions requires or permits another means of communication (e.g. by telephone), Diners Club and the Establishment can give any notice, direction or information to each other by post or by electronic communication to the most recent address, or in accordance with the most recent details for electronic communication, provided by each party to the other. Diners Club may also give notice or provide information to the Establishment (other than a notice varying the terms or terminating this agreement) by such other methods as Diners Club selects, including on a payment advice, by public advertisement or by notice displaying on EFTPOS terminals.

### **19.2 Receipt of notices**

A notice, direction or information sent by electronic communication by Diners Club to the Establishment is deemed to have been received by the Establishment at the time the electronic communication enters an information system outside the control of Diners Club. A notice sent by post by Diners Club to the Establishment is deemed to be received on the second Business Day after the date on which it was posted.



## DINERS CLUB GROUP MERCHANT SERVICES CENTRE

TOLL-FREE 24 hours, 7 days a week

General Enquiries • 0800 280 544

Transactions Authorisation Centre • 0800 657 373

### POSTAL ADDRESS

General Correspondence

PO Box 1533, Shortland Street, Auckland 1140

Submitting Manual Sales Vouchers

PO Box 5845, Wellesley Street, Auckland 1141

Fax • 09 359 7798

Email • [merchant.services@dinersclub.co.nz](mailto:merchant.services@dinersclub.co.nz)

Website • [www.dinersclub.co.nz](http://www.dinersclub.co.nz)

Diners Club International®

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