

ADM BEST PRACTICES GUIDE

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Introduction

The ADM User Group (formerly known as the ADM Working Group) was established in 2016 in accordance with the requirements set by the Passenger Agency Conference Steering Group (PSG) to identify and address the root causes of the high volume of ADMs in the industry. The Group gathered industry subject matter experts across Airlines, Agents, GDSs, ATPCO, ARC and IATA, all of whom brought an enormous knowledge base in the examination of existing industry practices, challenges and workarounds in the ADM process.

The ADMUG facilitated discussions around three objectives:

- To reduce the need for the issuance of ADMs by addressing its root cause
- To facilitate a lean and efficient revenue auditing and adjustment process
- To improve the relationship between industry stakeholders by reducing the friction brought through ADMs

With the Group's collective knowledge, the ADM User Group agreed on a set of industry best practices, which will facilitate a more efficient and effective working process, together with the Passenger Agency Conference Resolutions, to support the three objectives and extend the benefits to the entire industry.

As discussions evolve, this document may be updated from time to time, when appropriate. Please always refer to the latest version number.

Legend



Airline



Agent



Airline, Agent, GDS

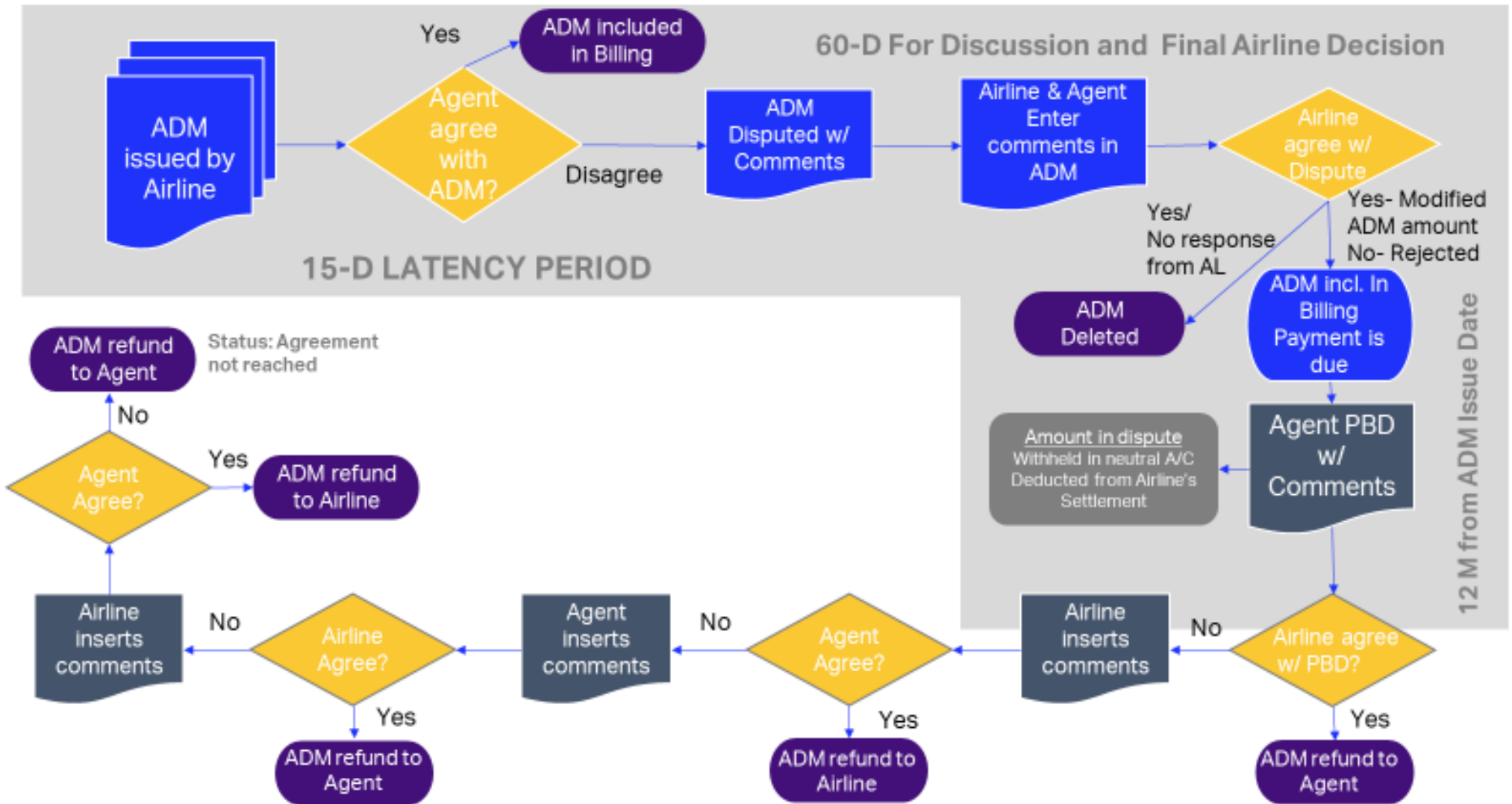
New!

New Best Practice

Useful links

- Issue and Processing of Agency Debit Memos (ADMs) – [Resolution 850m](#)
- Travel Agent's Handbook – [Resolution 800, 812 & 818g](#)
- ADM User Group Card Chargeback Guidelines – [link](#)
- ADM life cycle – [video tutorial](#)

ADM life cycle



General Best Practices

General ADM Process



Use the same industry-wide fictitious RTDN numbers so it can be easily identified¹.



Keep your contact details in BSPlink up-to-date under the option Address Maintenance.



Always check the BSP's currency and decimals before uploading an ADM into BSPlink, for BSPs using dual currencies. This will help avoid million-dollar transactions issued due to an incorrect currency being used.



Third-party auditors that are managing ADM processes on behalf of Airlines must also apply the same best practices and have access to the same information as the airline.



Avoid using abbreviations in ADM Reason for Memo and subsequent ADM comments. If abbreviations are to be used, the recipient should be able to find a reference glossary or documentation that has a full explanation of the abbreviations used.



Limit usage of emails and use BSPlink as much as possible for ADM conversations to ensure all the comments and feedback can be included in the history of the ADM document and be available for all the parties.



Maintain a list of ADM contacts for second level support for both Travel Agents and Airlines.



Make sure that your ADM reasons are accurately created in BSPlink to enable the ADM Auto-categorization process. For assistance with your ADM reason codes mapping click [here](#). The rules should be updated as much as possible to facilitate the investigation and review on the Agent's side.

¹ Subject to identifying the correct range to use.

ADM Policy



Whenever your ADM policy has been updated, if the **link to the policy has changed**, the link in BSPLink should also be updated accordingly in all applicable markets.



Whenever your ADM policy has been updated, but the **link to the policy remains the same**, utilize the Email Alert mechanism to inform Agents of the changes with comments in the Remarks field in all applicable markets.



Highlight any major changes to your policies in the Remarks field in BSPLink to help Agents easily identify and comply with the new policy and inform them by utilizing the Email Alert mechanism.



Use the standard template (please refer to Attachment 'A') when structuring a new or updating an existing ADM Policy, as much as applicable. This will provide Agents with the necessary information to comply with your Airline's Policies and make informative decisions to prevent ADMs.



Include the full audit scope in the ADM Policy including a reference of any kind to your Airline's Ticketing / Booking policy.



At least once a year, review your Airline's ADM Policy to ensure that the links in BSPLink are still valid and the contents of the links are up to date.



From time to time, validate that your applicable policies are compliant with local legislation in case there have been any recent changes.



Maintain a valid email address in BSPLink to ensure that the annual policy review reminders can be received.



Set up and maintain updated email addresses in BSPLink to receive update alerts from Airlines when their ADM policies have changed.



Stay up-to-date with the Airline ADM Policies to ensure that your Agency has the appropriate information to comply with each Airline's policies.

Disputes



Raise disputes and post-billing disputes only when you have substantial reason and evidence for the dispute.



When you are raising a post-billing dispute for an ADM, make sure you enter the ADM document number and not the related ticket document number.



Consider the dispute reasons and provide comprehensive reasons if the dispute is rejected.



If an ADM has been forwarded to your GDS for investigation, only raise the dispute or post-billing dispute after you have received a reply from your GDS partner.



Aim to provide feedback on disputes with ample time for the other parties to respond and never leaving it until the last day to avoid putting your business partner under last-minute stress and workload.

Best Practices by the Reason

Booking



Churning definition

Horizontal Churning

Repeated cancellation and rebooking of the same itinerary/routing for the same passenger prior to the actual issuance of a ticket, independent of the booking class, PNR and reservation system.

Vertical Churning

Repeated cancellation and rebooking of the same itinerary/routing for the same passenger prior to the actual issuance of a ticket, independent of the booking class.



Specify the number of repeated cancellation and rebooking that would constitute a churning violation in your booking policy.



Communicate the existence of duplicated booking to the passenger and/or the Agency before cancellation.

Fare



Ensure fares are correctly filed, if in doubt check with ATPCO and your GDS hosting partner for support to ensure that fare is quoting as per your intent. This could avoid ADMs being issued afterwards.



Whenever there is an issue with an automatically priced transaction, verify with the fare filing team first if it was due to an internal error. Whenever the audit is done by a third-party auditor, validate it before issuing the ADM.



If there are discrepancies on an interlining ticket, where the ticket was not issued under your stock, raise it for discussion to your interlining partner. The issuing carrier should be the one raising any necessary ADMs to an Agent for Fare related issues.



If the transaction was incorrectly plated under your Airline's stock, validate and correct all the filing exceptions in the fare rules with your interlining partner to avoid future plating errors.

Commission



When you spot commission discrepancies, first check your Data Quality Billing Report (DQ) available within the Airline Billing .zip file in BSPlink to see if there are any modifications done by Commission Control functionality in the BSP. If you identify that the set-up is incorrect, [contact IATA](#) to modify it.



When issuing commission-related ADMs, use as much as possible consistent terminology to describe commission recall to facilitate the identification of the issue.



Provide breakdown on the amounts to be recovered to distinguish between fees and commission adjustments.

Refunds & Exchanges



If you decide to use EMD vouchers, create clear guidance in your policy on how credits should be utilized in the near future. It will help Agents avoid ADMs by following your policy.



Analyze and prioritize the refund processing to avoid additional workload, for example by the form of payment or the ticket utilization. This will help you avoid potential cardholder chargebacks in the future for non-refunded tickets.



Keep an archive for at least 18 months of your changing refund policies to facilitate the auditing of the transactions and future investigation.

Tax



Based on PSC Manual Recommended Practice 1723, in the first instance Airline should try to approach ATPCO and the System Provider so that the tax-related issue can be remedied as soon as possible.



When issuing tax-related ADMs, utilize the tax boxes provided in the ADM fields to report the Tax ISO code concerned.



If you detect a tax discrepancy related to a specific Tax code, raise to the [Tax Response group](#) to be investigated to prevent a high volume of errors on an industry level.

Chargebacks



Verify the [Card Acceptance policy](#) of the Airline before processing a card transaction. If in doubt, always check with the Airline before accepting the type of credit card on their behalf.



Follow the established principles and Best Practices in the [ADMUG Chargeback Guidelines](#) document.



Transactions issued with a Customer Credit Card must be refunded to the original card following the Global Card Scheme rules. This will help to avoid future cardholder's disputes.



In the event of a cardholder's dispute where their flight has been cancelled, validate if there was a previous refund already issued to avoid double credit to customer. Make sure that the chargeback was not raised before the flight cancellation and provide compelling evidence to your acquirer to fight the chargeback.

Check the process flow below for more suggestions on how to address such situations.

Cardholder initiates a claim to his issuer leading to a chargeback

When the agent has processed the customer's card on their own merchant agreement.

Who was the merchant of record?

When the agent has passed the customer's card detail to the airline to process them through its merchant agreement (BSP Card)

Agent

Airline

		BSP Cash transaction	BSP Card transaction
Cancelled flight	TICKET ALREADY REFUNDED (BY AGENT)	<p>-The chargeback is fought and won by proving a card refund was executed by the acquirer.</p> <p>-A voucher accepted by the client does not preclude him from raising a claim later on.</p>	<p>TICKET ALREADY REFUNDED</p> <p>-The chargeback is fought and won by proving a card refund was executed by the acquirer.</p> <p>-A voucher accepted by the client does not preclude him from raising a claim later on.</p>
	TICKET NOT YET REFUNDED	<p>-Determine if the chargeback can be disputed by:</p> <p>1. The Agent's Terms & Conditions (T&Cs) allow to impose a solution to the client and a proof that cardholder consented to those (Agent's) T&Cs</p> <p><i>(or)</i></p> <p>2. Local legislation imposes a solution to the cardholder (<u>chargeback cannot circumvent the legislation</u>)</p> <p>-If the Chargeback can be disputed, share the specific evidence such as:</p> <p>1. Extract of relevant T&Cs with English translation and proof of the cardholder's consent.</p> <p><i>(or)</i></p> <p>2. Source of legislation, any relevant extract with English translation.</p> <p>-If the issuer refuses the representation, go to Card Scheme Arbitration as the sole way to know if your arguments are valid or not.</p> <p><i>Note that a pending card refund or a refund not yet executed do not remedy a chargeback.</i></p> <p>-In the event that fighting the chargeback was unsuccessful, ensure that the Airline is aware to avoid further refunds to the same tickets.</p>	<p>TICKET NOT YET REFUNDED</p> <p>-Determine if the chargeback can be disputed by:</p> <p>1. The Airline's Terms & Conditions (T&Cs) allow to impose a solution to the client. Ask the Agent for proof that the cardholder consented to the those (Airline's) T&Cs.</p> <p><i>(or)</i></p> <p>2. Local legislation imposes a solution to the cardholder (<u>chargeback cannot circumvent legislation</u>)</p> <p>-If the Chargeback can be disputed, share the specific evidence such as:</p> <p>1. Extract of relevant T&Cs with English translation and proof of the cardholder's consent.</p> <p><i>(or)</i></p> <p>2. Source of legislation, any relevant extract with English translation.</p> <p>-If the issuer refuses the representation, go to Card Scheme Arbitration as the sole way to know if your arguments are valid or not.</p> <p><i>Note that a pending card refund or a refund not yet executed do not remedy a chargeback.</i></p> <p>-In the event that fighting the chargeback was unsuccessful, consider the individual merit of each dispute, T&Cs and applicable legislation, to determine if post-billing recovery is warranted.</p>
Future flight		<p>-A Chargeback is fought by proving that the flight is still scheduled.</p> <p>-A cancellation by the customer is subject to the Agent's T&Cs and based that a proof of cardholder's consent to the Agent T&Cs can be provided.</p>	<p>-A Chargeback is fought by proving that the flight is still scheduled.</p> <p>-A cancellation by the customer is subject to the Airline's T&Cs, subject to proof of the cardholder's consent to the Airline's T&Cs can be provided by the Agent.</p>

Attachment 'A'

ADM Policy Template

1. Issuance Process & Procedures

Issuance Principles should be established in accordance with Passenger Agency Resolution 850m, clearly indicating:

- If Airline has any minimum value established for the issuance of a single ADM
- In case Airline collects any administration fees associated with the raising of an ADM, it should be (a) incorporated in the same ADM document raised for adjustment and (b) communicated to the Agent the inclusion of the fee
- The airline will provide Agent with the contact details of a personal department that has knowledge of the concern ADM should it be different from Section 6 of this Policy
- Any alternative uses of ADMs will be listed in this Policy after a consultation has taken place as per Resolution 850m
- ADM, which group together unrelated transactions, will not be issued, however, more than one charge can be included on one ADM if the reason for the charge is the same
- No more than one ADM should be issued in relation to the same original ticket issuance, unless it is specified for a different adjustment from the ADM previously issued
- ADMs shall only be processed through the BSP if issued 9 months after the final travel date or after the refund has been made by the Agent. Any exceptions that apply should also be clearly listed in the Policy.

2. Expectations

Global Best Practices and Individual Expectations per Airline for Travel Agents, including (but not limited to) providing valid contacts for any ADM related matter and second level escalation contacts.

3. Audit Scope & ADM Reasons

Please ensure to include the full audit scope of your Airline. Wherever applicable, to use the following categories as a section so it is clear which standard ADM Reason Code the audit item relates to.

(New!) Include a link to your archive where previous versions your policy could be found to facilitate future audit and reconciliation.

- Booking
- Chargebacks
- Commission
- Exchange
- Fare
- Fees
- Refund
- Tax

4. Disputes

Airline processes for the Dispute (in accordance with R850m) and Post-Billing Dispute for ADMs (R818g and R812).



5. ACMs

- Airline issuance principles and processes for ACMs should be addressed, as well as Agent's expectations for ACM requests.
- Consider including the circumstances or reasons where an ACM will be issued and the expected timeframes.
- Include any timeframes in which ACM requests from Agents will be accepted as a general practice, and include the channels for receiving such requests.

6. Contact Details

Airline contacts relating to ADMs, including other departments (if applicable) and possible second level escalation contacts. Examples of types of contacts:

- ADM/ACM queries and disputes
- Chargeback team contacts (if any)
- Local Sales team contacts (if any)
- Fare Filing teams contacts (if any)

7. Glossary & Miscellaneous

Indicate a list of abbreviations used for ADM communications, as well as any miscellaneous information that the Airline may wish to include in their Policy.



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