


Pay by Bank

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Understanding ACH: Returns & Retries

WHAT IS AN ACH RETURN?

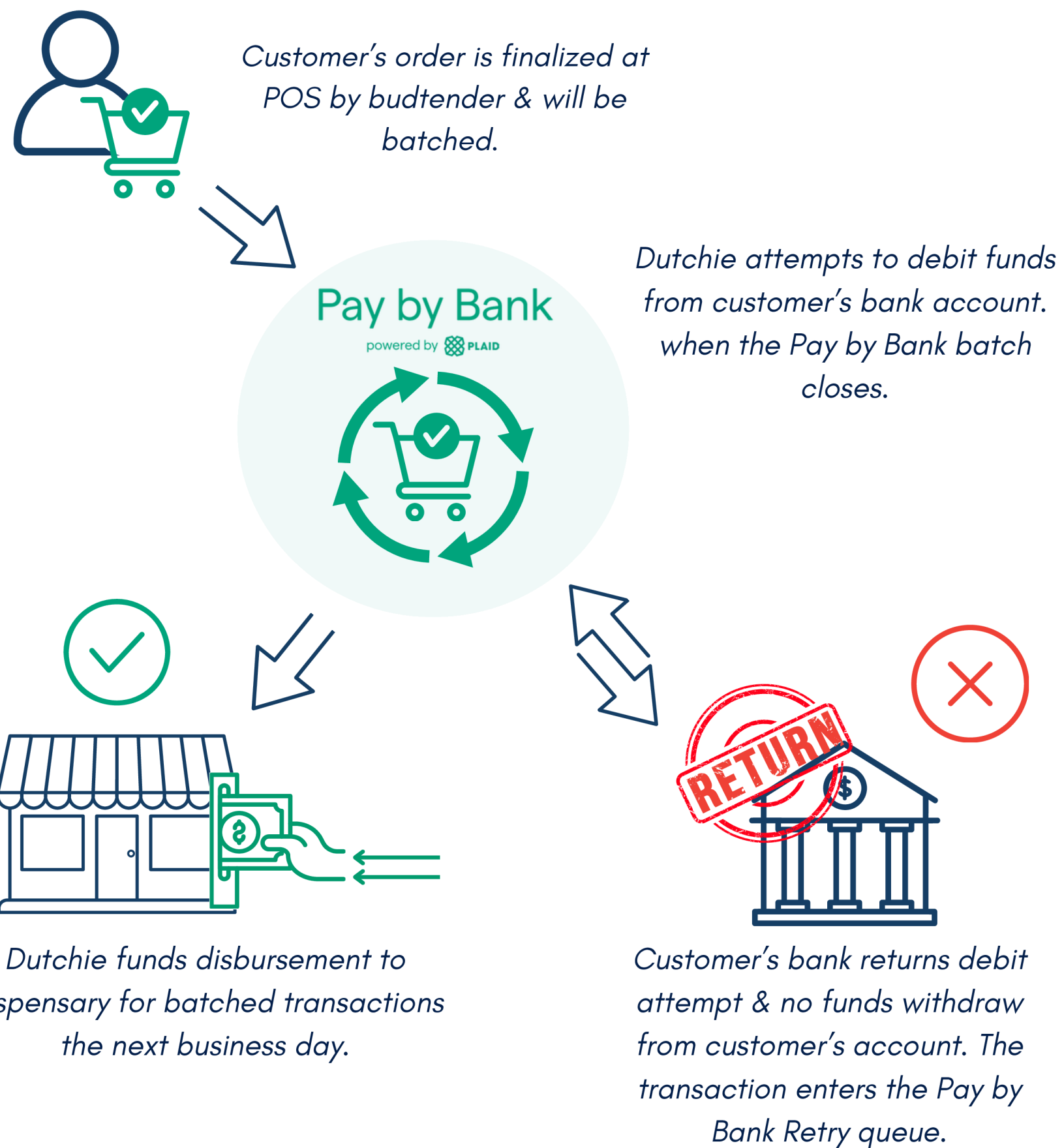
When a transaction was successfully approved & processed at the register, but when the batch closed & the attempt to debit funds from the customer's account occurred - the attempt failed & was returned.


 The most common reason for most returned ACH payments are *Insufficient Funds*.

WAS MY STORE PAID FOR THE TRANSACTION IF IT WAS RETURNED?


 Short answer? Yes!

Returned transactions are settled to the dispensary as expected, as currently Dutchie takes on the potential loss & the task of collecting returned payments.



 We will retry the transaction up to 2x over 180 days after the original transaction date.

WHAT DOES A RETRY LOOK LIKE TO MY CUSTOMER?

 Most often a retried payment can raise questions if customers do not fully understand ACH payment processing.

They will note that this charge is the same amount as a previous order within the last 180 days.

They may feel this is an incorrect, erroneous, or "double" charge as they believe they have already paid.

On the customer's bank statement they will see the line item description contains "RETRY PYMT"

They will be able to confirm with their bank that no funds were taken previously for that order.

In reality, their bank returned the payment and no funds were debited from their account at the time for that order. The charge they see is a retried payment.

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CUSTOMER EXPERIENCE OF RETRY PROCESS: TOMMY'S JOURNEY

Let's take a look at Tommy Diamond's experience as a Pay by Bank customer when he had an ACH returned transaction that was processed through the Pay by Bank retry process.



Tommy placed an online order at Happy Plant Dispensary on Friday, March 15th for \$35 - using Pay by Bank.

Insider Knowledge: Placing the order online with Pay by Bank does a balance check, but no funds are withdrawn.



Tommy picked up his order from the dispensary that same day and the budtender closes out his order in the POS - sending him on his way with his receipt.

Insider Knowledge: A final balance check was completed to finalize the Pay by Bank payment.



Tommy did some Friday shopping afterwards. By the time he was done, he realized he'd spent more shopping than he planned.

Insider Knowledge: Tommy thought Pay by Bank withdrew funds instantly & that all the money he saw in his account was available to spend. Tommy did not leave enough funds to cover his Pay by Bank order.



About 10 days after his purchase at Happy Plant, Tommy sees a charge hit his account for \$35 marked as "RETRY PYMT". But he got a receipt for his Happy Plant order so he's sure it was paid...

Insider Knowledge: The Pay by Bank settlement batches the next business day after a transaction. Tommy's initial order was on a Friday (March 15th) so it did not batch & funds did not attempt to pull from his account until that Monday (March 18th). By that time his account balance was too low & the transaction was returned as an ACH Return R01 for Insufficient Funds.



Tommy calls Happy Plant dispensary with his concerns. This budtender is an expert at Pay by Bank payments and educates Tommy on ACH payment processes, knowing this is likely an ACH return due to insufficient funds after hearing Tommy's story.



He provides Tommy the contact information for Dutchie Support and shares the Help Center article for customers on ACH Retries and Pay by Bank account blocks. Tommy learns that now that the charge has processed, he can use Pay by Bank again!



The next time Tommy visits Happy Plant, he has a newly found understanding of how ACH payments work & awareness that funds need to remain in his account for a Pay by Bank order until at least 48 business hours after the purchase.



Checkout this article in the Dutchie Consumer Help Center that the budtender in this story shared with Tommy!