
3.2 Million Checks Bounce in One Month in Brazil: 2% of All Checks Written

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For every one thousand checks processed in Brazil in November of this year, 20.6 were returned for lack of sufficient funds in the accounts on which the checks were written.

This was the second highest rate registered by the Serasa, a Brazilian private financial data analysis firm, in the past 15 years. The record was set in March, 1991, when rubber checks amounted to 20.8 for every one thousand that were processed.

In the month-to-month comparison between November and October, returned checks were up 4.6%, from 19.7 bounced checks for every one thousand processed.

The total of processed checks in November in Brazil was 157.4 million, 3.2 million of which were returned for lack of sufficient funds. The figures for October were 157.8 million checks processed and 3.1 million returned.

According to Serasa's analysis, the increase in bounced checks is attributable to the expansion of credit and the high interest rates charged by the market. Another factor identified as responsible is the acceptance of postdated checks by stores.

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