

Market Illustration

Complaint and Funds Refund Mechanism in Brazil

Country: Brazil

Challenge: Pix recognized that some potential and existing users of the IPS were concerned about using the system for fear of experiencing fraud and loss of funds.

Result: Pix's Special Mechanism for Return is used extensively, although recovery of funds tends to be limited. Further improvements are planned.

Complaint and Funds Refund Mechanism in Brazil

Challenge

Pix recognized that some potential and existing users of the IPS were concerned about using the system for fear of experiencing fraud and loss of funds. (This is a potential concern of end users in all payment systems, not specific to instant payment systems or Pix.) This concern could have prevented higher use of Pix by some end users.

Approach

Pix rules provide a Special Mechanism for Return (MED) to enable the return of funds in cases of suspected fraud or operational failure in the system technology.

The Pix-provided tool enables parties to more easily initiate fraud complaints.

If unable to reach resolution, the parties can initiate a formal dispute to the Central Bank of Brazil. The Central Bank standardizes the procedure and deadlines for complaint resolution, giving the user more clarity about the process. As soon as the user makes a complaint to his or her DFSP, the other DFSP in the transaction receives the information and blocks the credited funds.

Result

Brazil's Pix publishes data on the frequency of MED submissions as well as the recovery rate of funds requested. While MED is used extensively, recovery of funds tends to be limited. This is partly because credited funds are frozen only in the first receiver's account, while in the cases of fraud, fraudsters quickly move them out of the initial receiver's account. Enhancements to his process that will allow freezing of funds in subsequent accounts are planned to improve the recovery rate.

Case Source: [MED description](#), Banco Central do Brasil website

Complaint and Funds Refund Mechanism in Brazil

Works Cited

- “O que é e como funciona o Mecanismo Especial de Devolução (MED),” Banco Central do Brasil, July 7, 2025, <https://www.bcb.gov.br/meubc/faqs/p/o-que-e-e-como-funciona-o-mecanismo-especial-de-devolucao-med>.