

# CHEQUES AND BANK CHEQUE INFORMATION AUSTRALIA

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## HOW LONG DOES IT TAKE TO CLEAR A CHEQUE?

Cheques in Australia usually clear in three days allowing You to draw on these funds by the third working day. Certain processes and circumstances could result in clearance times being longer.

Cheque deposits and drafts denominated in a currency different to the currency in which the account is held will, dependent on the clearing agent, usually take three to seven working days to clear.

When You pay a cheque into an ANZ account, ANZ may allow You to draw on the cheque before it has cleared but You will be liable for the amount of the cheque if it is subsequently dishonoured.

## WHAT HAPPENS TO THE ORIGINAL CHEQUE ONCE PAID?

For cheques drawn on ANZ, ANZ will destroy the original cheque but keep a copy of the cheque for 7 years.

## WHAT IF THE CHEQUE IS DISHONOURERD AFTER I HAVE DRAWN ON THE FUNDS?

ANZ will debit Your account by the amount of the cheque and may also charge You a Dishonour Fee.

For details, refer to the Fee Schedule available from Your ANZ Manager.

## 'CROSSED' CHEQUES

A cheque with two parallel lines across it is a crossed cheque. When You cross a cheque, You are telling the bank that the cheque must be paid into an account with a financial institution and not cashed. This helps to ensure payment of the cheque can be traced.

## 'NOT NEGOTIABLE' CHEQUES

The words 'Not Negotiable' between two parallel lines protects the true owner of a lost or stolen cheque. They ensure that the recipient of a cheque obtains no better rights to the cheque than the person who passed the cheque. For example, if Your cheque has been stolen and passed by the thief to an innocent person, You will have a right to recover the amount paid on Your cheque from the innocent person (or the thief if they are found) – this is because the thief had no right to the cheque and therefore passed no rights to the innocent person.

You have the option of having 'not negotiable' printed on the cheque forms.

## 'ACCOUNT PAYEE ONLY'

If You write these words on a cheque, You are directing the bank collecting the cheque to only pay the cheque into the account of the person named on the cheque.

## 'OR BEARER'

These words mean that a bank may pay the cheque to whomever is in possession of the cheque, not only the person named on the cheque. If You delete these words, the cheque becomes an 'order' cheque.

A cheque payable 'to order' means that if the payee wants to transfer the cheque to another person, they must first sign the back of the cheque. You must delete the words 'or bearer' and replace them with 'or order' to make the cheque an 'or order' cheque.

## THIRD PARTY CHEQUES

If You present a cheque which is payable to someone other than your nominated payee account name (third party cheque) ANZ may, at its discretion, refuse to accept that cheque for deposit or refuse to cash it or may require You to comply with some conditions before it will accept that cheque for deposit or cash it.

## STOPPING A CHEQUE

Before a cheque You have written has been presented for payment, You may stop the cheque by telling ANZ the following:

- amount of the cheque
- number and date of cheque
- name of payee.

A Stop Payment Fee may apply. For details, refer to the Fee Schedule available from Your ANZ Manager. If You have lost a cheque You received from someone else, notify that person so they may stop the cheque.

## TIPS FOR CHEQUE SECURITY

- don't leave gaps between words
- begin the amount in words as close as possible to the left hand side and add 'only' to the end of the amount
- begin the amount in figures as close as possible to the dollar sign
- never write on a cheque with pencil or erasable ink
- only sign a cheque when it is filled out
- always write the amount in words as well as figures
- check Your bank statements regularly to reconcile cheques drawn on Your account.

## WHEN MAY A CHEQUE BE DISHONoured OR PAYMENT REFUSED?

A cheque may be dishonoured or payment refused by ANZ where:

- there are insufficient funds in the account of the drawer
- the cheque is unsigned
- the cheque is more than 15 months old
- the cheque is future dated
- the cheque has been materially altered and the alteration has not been signed
- there is a legal impediment to payment
- the cheque has been stopped
- the bank has been notified of the mental incapacity, bankruptcy or death of the drawer.

If this occurs, ANZ may charge a Dishonour Fee. For details, refer to the Fee Schedule available from Your ANZ Manager.

## LOST OR STOLEN CHEQUES

You should keep Your cheques safe at all times. If they are lost or stolen, You must take the following action:

- cheque payable to You – tell the person who wrote the cheque
- cheque written by You – request ANZ to stop the cheque and tell the person to whom the cheque is payable
- ANZ cheque book – tell ANZ to put a stop payment on the serial numbers. If You subsequently find the cheques, ANZ will require written authorisation from You before the cheques can be paid.

If You don't inform ANZ that Your cheque book has been lost or stolen as soon as possible, You may be liable for transactions incurred by You before You inform ANZ, even if they are made without Your authority.

## WHAT ARE BANK CHEQUES?

Bank cheques are cheques instructing payment from the bank itself rather than from a customer's account.

They are designed to provide an alternative to carrying large amounts of cash when a personal cheque is not acceptable. Bank cheques are usually requested because a payee has greater confidence they will not be dishonoured. However, bank cheques should not be regarded as equivalent to cash.

Bank cheques can be purchased by ANZ and non-ANZ customers for a fee (refer below).

A bank may dishonour a bank cheque if:

- the bank cheque is forged or counterfeit
- the bank cheque has been fraudulently and materially altered
- a fraud or other crime has been committed
- the bank is told the bank cheque has been lost or stolen
- there is a court order restraining the bank from paying a bank cheque
- the bank has not received payment or value for the issue of the bank cheque
- the bank cheque is presented by a person who is not entitled to the cheque proceeds.

If a bank cheque is lost or stolen, ANZ will, on certain conditions, provide a replacement bank cheque for a fee (refer below).

For details of fees relating to bank cheques, refer to the Fee Schedule available from Your ANZ Manager or ANZ representative for a bank cheque purchased through the ANZ branch network.