

Cheques may only be written in the form supplied by ANZ. The forms may only be issued by the account holder named on the front or by an authorised operator.

### **How Long Does it Take to Clear a Cheque?**

Usually three to seven working days.

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?**

ANZ will destroy the original cheque but keep a copy of the cheque for:

- 13 months, if the cheque amounts to less than \$200; or
- seven years, if the cheque amounts to \$200 or more.

### **What if the cheque is dishonoured after I have drawn on the funds?**

ANZ will debit your account by the amount of the cheque and may also charge you a fee.

### **'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.

### **'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 be able 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' and 'Or Order'**

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 'or 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 else or it appears to belong to someone else (third party cheque) ANZ may, in 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**

You may stop a cheque that you have written by telling ANZ the following:

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

A Stop Payment Fee may apply. 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?**

At the bank's discretion, a cheque may be dishonoured or payment refused 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; or
- the paying bank has been notified of the mental incapacity, bankruptcy or death of the drawer.

Where ANZ refuses payment or dishonours a cheque drawn on your account because there are insufficient funds in your account, ANZ may charge an Informal Overdraft Assessment Fee (referred to in your bank statements and ANZ Business Banking Finance Fees and Charges booklet as an Outward Dishonour Fee).

### **What if I Lose my Cheque Book or my Cheque or it is Stolen?**

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 notify ANZ, even if they are made without your authority.