

Operating Your ASB Cheque Account.

A cheque is a letter of instruction to a bank to pay the bearer a specified amount of money.

Unless you instruct otherwise, whoever presents the cheque to the bank receives the money specified.

For example, if you owe Greg Williams \$100, and post him a cash cheque, if the cheque is stolen from Greg's letter box the thief can take the cheque to the bank and be paid the specified amount.

Even though the thief is doing wrong, the bank has acted correctly in doing this, as a cash cheque can be 'cashed' by whoever has the cheque. However, you still owe Greg the \$100.00

To protect yourself from this happening you can mark the cheque in a number of ways, in doing this you are instructing the bank to who and how the cheque can be accepted for payment.

Crossing a cheque – this requires the cheque to be banked – whoever is holding the cheque can bank it.

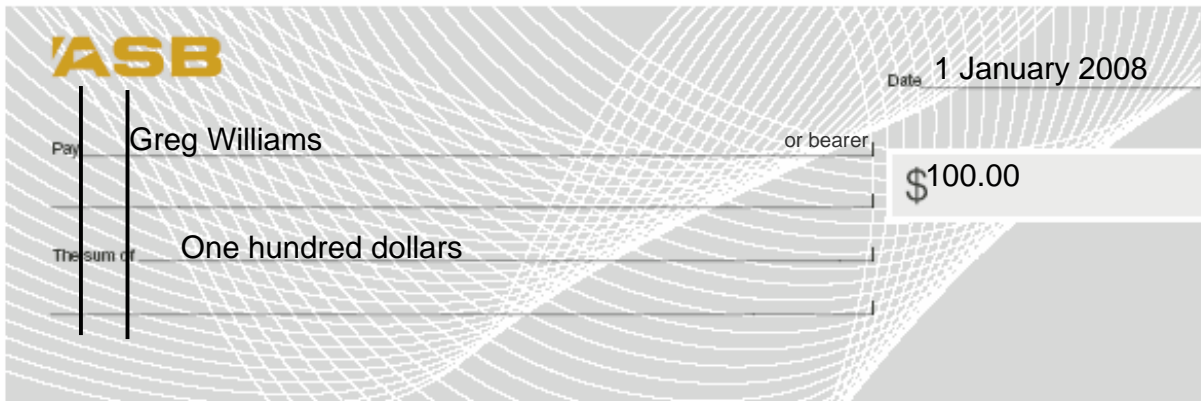
Not Negotiable

Crossing a cheque 'Not Negotiable' – this requires the cheque to be paid to the person the cheque is made out, however, that person can sign the cheque over to another person.

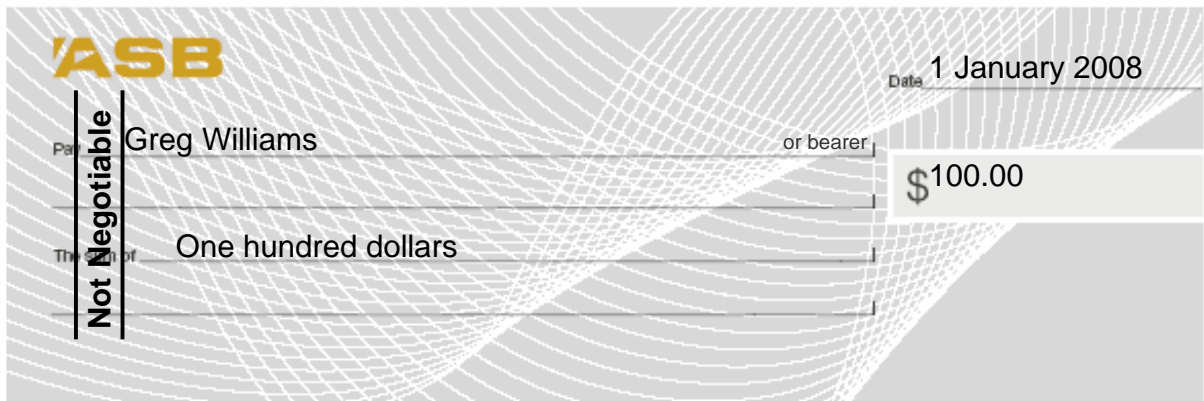
If the words 'or bearer' have been crossed out then the cheque can not be signed over to another person – the person who the cheque is written to must bank it.

Not Transferable

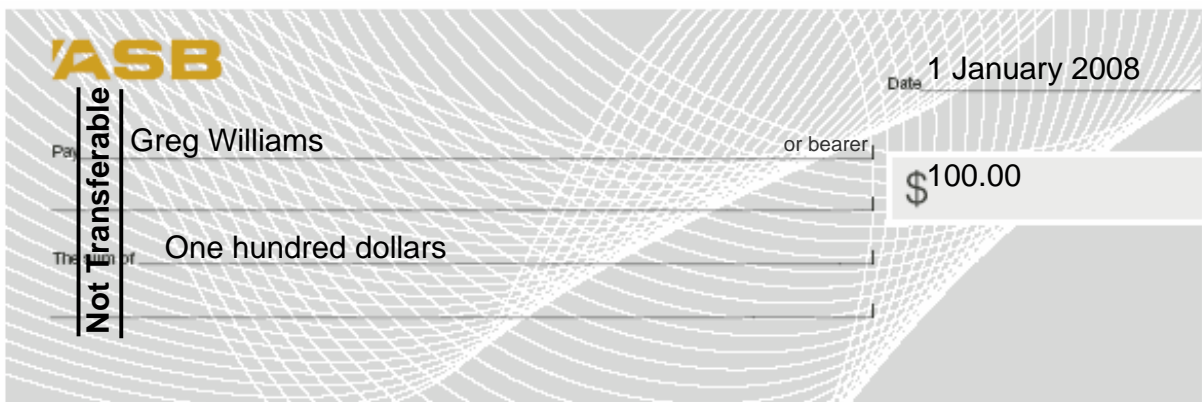
Crossing a cheque 'not transferable' – this requires the cheque to be paid only to the person the cheque is made out – it can not be cashed or signed to another person.



Whoever has this cheque can bank it into their account.



This cheque must be banked into Greg Williams's account unless he has signed the back instructing that it be paid to another person. If 'or bearer' has been crossed out the cheque must be credited into Greg's account.



This cheque can only be banked into Greg Williams account.