

Things you should know about your cheque facility



This information tells you about some of your rights and obligations and Police Credit's rights and obligations. It does not state the terms and conditions of your member chequing facility.

This information does not apply to corporate cheques we may provide to you to withdraw funds from your account.

How long does it take to clear a cheque?

When you deposit a cheque to Police Credit account it will usually take 3 working days to clear, but it may take longer in some cases. You will NOT be able to withdraw any of the proceeds of a cheque until the cheque is cleared.

However, there are some exceptions to allow you immediate access to the proceeds of the cheque. Please check with Police Credit as to these circumstances.

Also when depositing the cheque, you can ask Police Credit for a special clearance on the cheque. We will tell you how long it will take to specially clear and the amount of any special clearance fee.

Crossing a cheque, 'not negotiable' or 'account payee only'

If you cross a cheque, it is a direction to your financial institution to pay the cheque into an account at a bank or other financial institution. A crossing does not actually prevent the cheque being negotiated or transferred to a third party before presentation to a bank or financial institution for payment.

Example of 'not negotiable' crossing:

XYZ Credit Union		Date / /
Pay..... <i>John Citizen</i>	or bearer with	
the sum of <i>Three hundred dollars only</i>	\$300-00	
Signature.....		

Not negotiable

Crossing a cheque means drawing 2 lines clearly across the face of the cheque as shown in the above example.

When you cross a cheque or add the words 'not negotiable' between the crossing you may be able to protect yourself, but not always, against theft or fraud. This crossing sometimes serves as a warning to the collecting financial institution, if there are other special circumstances, that it should inquire if its customer has good title to the cheque.

Example of 'account payee only' crossing:

XYZ Credit Union		Date / /
Pay..... <i>John Citizen</i>	or bearer with	
the sum of..... <i>Three hundred dollars only</i>	\$300-00	
Signature.....		

Account payee only

When you add the words 'account payee only' between these lines you are saying that only the named person can collect the proceeds of the cheque. These words may give you better protection against theft or fraud. It would be prudent for the collecting financial institution to make inquiries of the customer paying the cheque in, if the customer is not the payee of the cheque.

Deleting 'or bearer' on the cheque

Your pre-printed cheque forms have the words 'or bearer' after the space where you write the name of the person to whom you are paying the cheque. The cheque is a 'bearer' cheque. If you cross out the words 'or bearer' and do not add the words 'or order', the cheque is still a bearer cheque. You can give yourself more protection against theft or fraud by crossing out the words 'or bearer' and adding the words 'or order'.

How do I stop payment on a cheque?

You can stop payment on a cheque by:

- ringing Police Credit with sufficient particulars to identify the cheque; We may insist on written confirmation; or
- writing to Police Credit, again, with sufficient particulars to identify the cheque.

You must of course do this before we have paid the cheque.

What do I do to reduce the risk of forgery?

When filling in a cheque:

- start the name of the person to whom you are paying the cheque as close as possible to the word 'Pay';
- draw a line from the end of the person's name to the beginning of the printed words 'or bearer';
- start the amount in words with a capital letter as close as possible to the words 'The sum of' and do not leave blank spaces large enough for any other words to be inserted; also add the word only after the amount in words
- draw a line from the end of the amount in words to the printed '\$';
- start the amount in numbers close after the printed '\$'

- and avoid any spaces between the numbers;
- always add a stop '.' or dash '-' to show where the dollars end and the cents begin and if there are no cents, always write '00' or '-00' to prevent insertion of more numbers to the dollar figure.

Example:

XYZ Credit Union		Date / /
Pay..... <i>John Citizen</i>		or bearer with
the sum of..... <i>Three hundred dollars only</i>		\$300-00
Signature.....		

When can Police Credit dishonour or not pay on my cheque?

Police Credit can dishonour your cheque or not pay on it if:

- you have insufficient funds or available credit in your account to cover the cheque;
- you have not drawn up the cheque clearly so Police Credit is unsure of what you want it to do;
- you have post-dated your cheque and it is presented for payment before the date on the cheque;
- the cheque is 'stale', that is, the date of the cheque is more than 15 months ago;
- Police Credit has notice of your death or mental incapacity or
- fraud is suspected.

Police Association Credit Co-operative Limited

ABN 33 087 651 661 AFSL 240293
 Australian Credit Licence 240293
 121 Cardigan Street Carlton Vic 3053
 PO Box 669, Carlton South VIC 3053
 T 13 63 73 F 03 9349 3113
 E carlton@policecredit.com.au
 www.policecredit.com.au
 1.4.12 3066pc