

## Tutorial Notes

Class: B.Com (Prog.) Semester VI (DSE3)

Subject: Banking & Insurance.

Topic: Collecting Banks Negligence.

Prepared by: Dr. Aftab Alam

Faculty of Commerce, Karim City College, Jsr.

### **Collecting Banks Negligence**

- Opening of A/c without satisfactory references/ introduction.
- Crediting the proceeds of cheque to an endorsee with irregular endorsement.
- Crediting the proceed of a cheque to the personal A/c of director, partners or any employee when it is payable to the company.
- Crediting the proceeds of charge to personal name of the official when it is payable to a govt. agency, autonomous body, or corporation.
- Crediting the amount of a cheque in the personal A/c which is drawn by an agent on behalf of its principal.
- When the customer depositing the cheque is of little means and the cheque deposited suddenly is of sizable amount and the banker credited the proceeds there to without making proper enquiry.
- Cheque drawn by customer is dishonored very often and crediting such account with the proceeds of collecting cheque without making proper enquiry.
- If the crossed cheque is collected and credited the proceed to the other account