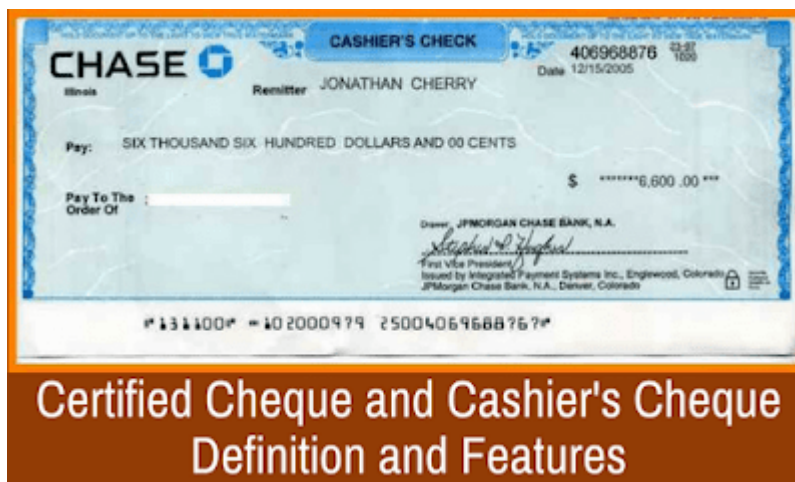


Features of Certified Cheque and Cashier Cheque



Certified Cheque

Definition:

According to the Office of the Comptroller of the Currency, certified cheque is “a personal cheque drawn by an individual that is certified — guaranteed — to be good. The face of the cheque bears the word ‘certified’ or ‘accepted,’ and is signed by an official of the bank or thrift institution issuing the cheque.”

Features of Certified Cheque

- As the name itself draws a meaning certify which means a guarantee carry by the payer's bank.
- A certified cheque is the written approval for a particular cheque by the bank that the signature of the bank customer on that cheque must be genuine and there is an ample amount of fund in the customer's account to clear the cheque when the cheque is presented for the payment.
- A certified cheque must be signed by both the party i.e. a customer and a bank. The bank and a customer are liable to pay under the UCC sec. 3409(d).
- If there is any problem regarding the certified cheque, both the bank and a client are responsible for giving assistance in a lawsuit to the beneficiary.
- A bank can impose terms and conditions upon its certification like a certified cheque becomes void after 60 days. if the cheque has been certified by error or acquired by fraud, in that case, it is corrected by cancelling the certification and send notice to the payee if the payee has not written " in reliance" on the certified cheque.
- This type of reliance would occur if the goods have been exported by relying on a cheque.
- In certified cheque, there is a possibility of forgery in that case a bank is not liable to pay for the forgery cheque.
- A Certified cheque is the one which has an offer of the bank, certified on the cheque that funds were available in the amount of the cheque at the time the cheque was originated and the signature on the cheque is legitimate.
- A bank will keep aside the funds and it will be only used to pay the certified cheque. If a cheque is not a fake, you no need to issue depositing funds into your bank account.

Cashier's Cheque

Definition

- A cashier's cheque is "a cheque drawn on the funds of the bank, not against the funds in a depositor's account."
- Unlike a certified cheque, which is paid out of your own account, a cashier's cheque is issued by a bank.

Features Cashier's Cheque

- Cashier's cheque is also known as teller's cheque or an official cheque. A cashier's cheque which is confirmed by the bank, drawn from its own fund and signed by the cashier.
- Cashier's cheque is guaranteed by the bank, unlike a usual cheque which is guaranteed by the purchaser.
- Cashier's cheque is used instead of cash. Personal cheques, credit cards, money orders and much more.
- A cashier's cheque is the one which is drawn by the bank on itself; a bank agrees to accept when properly presented for paying.
- A cashier's cheque is not signed by the customer but it is signed by the bank.
- A bank is responsible for the payment of cashier's cheque under section 3104(3) g.
- A bank will keep aside some amount of money in advance from the customers' account to pay itself when a payee presents the cheque for the payment.
- In cashiers' cheque, if there is any problem regarding the payment of the cashier's cheque in that case you can directly ask to the bank and demand remedies for it.