
what happens if you are on chexsystems Bank deducts old bad check from account

Posted by fred - 2008/06/28 04:24

I recently found a -130.00 entry while checking my bank account balance online. I called them and they said they had done an audit and a check from 1 year and 8 months ago!!! had bounced. So, they took the money back. Isn't there a time limit to this sort of thing??

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Posted by Rich Greenberg - 2008/06/28 04:24

I recently found a -130.00 entry while checking my bank account balance online. I called them and they said they had done an audit and a check from 1 year and 8 months ago!!! had bounced. So, they took the money back. Isn't there a time limit to this sort of thing?? Had you made a \$130 deposit about that time? Ask for documentation, such as the bounced check. And don't do this with customer lack_of_service on the phone. Go in and talk to the branch manager, and if your usual dress is beat up jeans and a T-shirt, dress up a ways so the manager won't make an assumption from your looks. If they can't show you the check and you had no such deposit around that time, ask for an apology and the money credited back. If there is at least some doubt, they MAY give it to you as a good will gesture.

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Posted by RobATL1711 - 2008/06/28 04:24

If it's from 1 year and 8 months ago and you did in fact make the transaction, then you are liable for it. It's not often that retail banks catch and correct an error from more than six months ago. Nonetheless by law they are allowed up to seven years. The IRS is very well known for taking full advantage of the seven year statute. At the bank I work for, we have clients come in every May and June screaming that their tax refund check from five or six years ago had been backdrafted from their account and returned to them due to an improper endorsement.

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Posted by Falky foo - 2008/06/28 04:24

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Posted by RobATL1711 - 2008/06/28 04:24

Would the bank try to charge for overdraft? What happens if the account is closed? YES, the bank will charge you an overdraft if the backdraft puts your acct negative, which by the acct agreement you signed (when you signed the

signature card) they are entitled to do. If the account is closed, the bank will reopen the account with a negative balance. You'd then get a letter from the bank informing you that you now owe them the amount of the check, plus their return item charge, and most banks have a separate charge for closed acct activity handling since there's several extra steps involved. And if you don't pay it, it becomes a charge off bad debt on your consumer reports, both credit and chexsystems. Sometimes if the acct is closed the bank may send it back to the IRS, but that is extremely rare. In that case, the IRS would pursue collection from you directly, either with a levy of some kind or with a garnishment. But again it's very rare that route is taken.

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Posted by 2000man@wongfaye.com - 2008/06/28 04:24

sounds like we all need to start writing void after 60 days under the date line maybe check companys can even print it there if requested

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Posted by Arthur L. Rubin - 2008/06/28 04:24

If the account is closed, the bank will reopen the account with a negative balance. That, they probably cannot legally do. They can demand payment, but they can't reopen the account. Furthermore, I doubt they can put the debt on your credit report without an adjudication.

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Posted by Thomas Anantharaman - 2008/06/28 04:24

It's not often that retail banks catch and correct an error from more than six months ago. Nonetheless by law they are allowed up to seven years. Do you know what kind of errors can be corrected that late under the law? There is a 11 day time limit for returning checks due to NSF or stop orders. I can see the law allowing fraudulent checks to be back charged for 7 years. But it is very surprising that merely a faulty endorsement, even if the check was deposited to the account of the correct party, allows the payee (IRS) to backdraft the check. If that is true how come we don't find private companies diligently checking all endorsements and backdrafting all checks with any error in the endorsement (eg illegible signature)? This is bound to be true of a significant fraction of all otherwise valid checks. Did the receipt in the cases you knew about deposit the check in a incorrectly titled account (eg refund check is joint and check was deposited into husbands account only)?

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Posted by Falky foo - 2008/06/28 04:24

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Posted by Christopher Green - 2008/06/28 04:24

That's an interesting comment. Are there any problems with writing void after XX days on a check? Will some places refuse the check if that's on it? I'm talking about average Joe using checks in the supermarket or mailing to the DMV or whatever. The bank's free to ignore it and clear the check anyway. If the bank does return the check, you still owe the money, and you'll have to deal with a creditor who's put out by having to handle your returned check. It won't deal with the OP's problem, which is that the bank turned up a bounced check on audit. Language that purports to make a stale check void won't help in that situation.

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Posted by Stan Brown - 2008/06/28 04:24

That's an interesting comment. Are there any problems with writing void after XX days on a check? Will some places refuse the check if that's on it? I'm talking about average Joe using checks in the supermarket or mailing to the DMV or whatever. Banks typically read only the amount and account number when processing a check. This is why they reserve the right to return or process stale checks at their discretion, i.e. ignoring the date. Writing void after 60 days may make the check legally not a check at all. I'm very hazy on this point, but the Uniform Commercial Code (law in nearly all states) is incredibly detailed on what constitutes a check. As I recall from discussions on misc.legal.moderated

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Posted by Mike Z. Helm - 2008/06/28 04:24

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Posted by Joe Bramblett, KD5NRH - 2008/06/28 04:24

In fact, my most recent paycheck says Void After 180 Days . That's pretty common, since I've had occasions where an old check turned up that I had misplaced. (small commission checks or \$5-\$10 reimbursements, etc.) Once the check is that old, it's easier for them to reissue it if they can simply verify that it hasn't been cashed and it's past the Void After date, rather than having to issue a stop payment on the original first. A few guys I've worked with even sat on these checks intentionally until they had a fair amount tied up in stale checks, (60 days until void at that company) then had the whole mess reissued as a single check. The company discouraged it due the accounting hassles, and eventually just started adding these amounts onto the regular paychecks.

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Posted by Mike Z. Helm - 2008/06/28 04:24

news:k2fpl0h8qfln1o15q4tgb8t8gkcdhigqud@4ax.com: I'm not saying it means anything at all, but I have been given checks that read Void After 90 Days . From the few times I remember reading the T&Cs in that much detail, at least some banks require you to make arrangements for this in advance; i.e. they won't look at each check to see if you've written it on there, but if you worked it out with them ahead of time and have the checks preprinted that way, they'll add the 60/90/180/whatever days flag to your account. In fact, my most recent paycheck says Void After 180 Days . That's pretty common, since I've had occasions where an old check turned up that I had misplaced. (small commission checks or \$5-\$10 reimbursements, etc.) Once the check is that old, it's easier for them to reissue it if they can simply verify that it hasn't been cashed and it's past the Void After date, rather than having to issue a stop payment on the original first. A few guys I've worked with even sat on these checks intentionally until they had a fair amount tied up in stale checks, (60 days until void at that company) then had the whole mess reissued as a single check. The company discouraged it due the accounting hassles, and eventually just started adding these amounts onto the regular paychecks. I was issued a withdrawal check from a 401k plan and took 6 months to cash it. It was too small to bother with, I thought. I don't think this is how it's supposed to work, but since I took so long to cash the check, I had built up a few dollars in interest in the 401k and they issued me a check for that. That time though, they didn't allow interest to be built up.

