

Foreign currency draft/cheque terms and conditions

If you deposit a foreign currency draft or cheque into a Kiwibank account, it can take up to six weeks to get your money, depending on how the draft or cheque is processed. Occasionally, it can take longer than six weeks because of variations in processing by foreign banks.

We can decide to process a foreign currency draft or cheque either by negotiation or collection.

Negotiation

When your receipt sets out a New Zealand dollar amount, we have sent the draft or cheque for negotiation.

Where we send the draft or cheque for negotiation, we convert the draft or cheque into New Zealand dollars on the date we accept the draft or cheque, and deposit the money into your account. This means that the draft or cheque is converted to New Zealand dollars using the exchange rate that applies on the date we accept the draft or cheque. However, this does not mean that you can withdraw the money straightaway. Instead, you need to wait for the period noted on your receipt (i.e. 20 business days for an Australian dollar cheque or draft, and 30 business days for a cheque or draft from anywhere else).

We may cancel processing the draft or cheque by negotiation at any time and either process it by collection or return it to you. Where we do this, we'll advise you and debit the New Zealand dollar amount shown on your receipt from your account.

Collection

When your receipt says “cheque sent on collection”, we have sent the draft or cheque for collection.

Where we send the draft or cheque for collection, we send the draft or cheque to the foreign bank that issued the draft or cheque to process. This means that the draft or cheque is converted to New Zealand dollars using the exchange rate that applies on the date we receive the money from the foreign bank and are able to credit your account.

An additional fee is charged where we send the draft or cheque for collection. We'll also pass on any fees charged by the foreign bank, which may vary.

Dishonoured drafts or cheques

If a foreign currency draft or cheque is dishonoured, we'll debit your account with the amount of the draft or cheque, using the exchange rate that applies on the date we debit your account (which is likely to differ from the rate that applied when the draft or cheque was credited to your account). We'll also pass on any fees charged by the foreign bank that issued the draft or cheque, which may vary.

In certain circumstances the draft or cheque may be dishonoured after you have received payment.