

Foreign currency draft/ cheque.

**Terms and
conditions**

Effective April 2016

**Kiwi
bank.**

**It's
Ours.**

If you deposit a foreign currency draft or cheque into a Kiwibank account, we accept that deposit subject to these terms and conditions and Kiwibank's General Terms and Conditions. Details relating to your deposit will also be included in a receipt given to you when you make your deposit.

It can take up to six weeks before your money is available, 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. If it is NZD15,000 or more, we will generally send it for collection.

As noted below, there can be various charges related to these two collection methods.

By negotiation

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

When we send the draft or cheque for negotiation, we convert it into New Zealand dollars on the date we accept it, using the exchange rate that applies on that date, and deposit the money into your account. However, the funds will not be part of your available balance until after the period noted on your receipt. This means you may earn interest on them, or reduce interest if the account is in debit, but you cannot withdraw the funds straight away. The funds will be unavailable for 20 business days for an Australian dollar draft or cheque, and 30 business days for a draft or cheque from anywhere else. The delay is to allow us to try and clear the funds by sending the draft or cheque back to the foreign bank that issued it. Making funds available does not mean that the draft or cheque has cleared.

We may cancel processing the draft or cheque by negotiation at any time if we reasonably suspect there is a risk that we cannot process it by negotiation and either process it by collection or return the draft or cheque to you.

In either case, we'll advise you and debit the New Zealand dollar amount shown on your receipt from your account.

By collection

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

When we send the draft or cheque for collection, we still send it for clearing to the foreign bank that issued it. However, we do not credit your account until we confirm the draft or cheque has cleared. This means that we have received the money proceeds of the draft or cheque from the foreign bank. We will then convert the money received to New Zealand dollars, using the exchange rate that applies on the first available business day that we are able to credit your account after we receive the money, deduct our fee for collection and then credit your account.

We will charge a \$60 fee for sending the draft or cheque for collection. The money received from the foreign bank will be less any fees that they charge, which may vary.

Dishonoured drafts or cheques

If a foreign currency draft or cheque sent for negotiation is dishonoured, we'll debit your account (which could take your account into unauthorised overdraft) with the New Zealand dollar 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). Sometimes the draft or cheque may be dishonoured after we have allowed the funds to become part of your available balance. This is because overseas cheque clearing rules can allow for dishonours for time periods longer than our 20 and 30 day availability periods.

If a foreign currency draft or cheque sent for collection is dishonoured, you will not receive any funds.

We'll debit your account with any dishonour-related fees charged by the foreign bank that issued the draft or cheque, which may vary.

Lost drafts or cheques

A foreign currency draft or cheque can sometimes get lost during the collection or negotiation process. If this happens the drawer of the draft or cheque will not be debited for the draft or cheque that you have deposited. In these instances we will need to contact you to provide assistance in obtaining a replacement draft or cheque from the drawer. Failure to obtain a replacement will result in the credit received in your account from a negotiation being reversed. We will pay any direct costs such as stop payment fees associated with draft or cheque replacement.

Kiwibank Limited

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