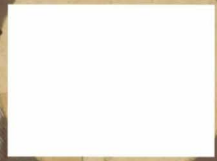


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ENGLISH
PRACTICAL BANKING



THOMAS BOUCHIER MOXON.



ENGLISH
PRACTICAL BANKING.

BY.

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Fellow of the Institute of Bankers.

SIXTEENTH EDITION

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PREFACE TO THE SIXTEENTH EDITION.

IN presenting the Sixteenth Edition of my little book to the public, I would gratefully acknowledge the courtesy of numerous correspondents, and of members of my own staff, who have greatly assisted me in its revision.

The legal portion has been revised by my son, Paul B. Moxon, LL.B.

THOS. B. MOXON.

LANCASHIRE AND YORKSHIRE BANK,
MANCHESTER.

July, 1911.

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ADDITIONAL REGULATIONS OF THE BANK OF ENGLAND RESPECTING STOCKS.

Probates, &c., should be left by hand. The bank will return them by registered post for a fee of one shilling.

Proof of Death.—Where none of the specified certificates are attainable—if the deceased died within the United Kingdom—the bank requires three statutory declarations. 1. By some responsible person who saw deceased after death. 2. By some other person present at the funeral.—These must set forth the late residence of deceased, date of death, and date and place of burial. 3. By the minister at the place of burial, declaring either that no register of burials is kept, or that deceased's burial is not entered therein. If deceased died in India, the Colonies, or Dependencies, in place of No. 3, a declaration by some official to the effect that there is no registration of deaths or burials, or that there is no record of deceased's death or burial, is required.

Declarations may be made in the United Kingdom before a Justice of the Peace (who must state his county), a Notary-Public, or a Commissioner to administer oaths in the Supreme Court; in the Colonies, &c., before the Governor, Lieutenant-Governor, or a Notary-Public, or before any official duly qualified to administer oaths in the Colony, whose signature is authenticated by the Governor, the Lieutenant-Governor, or a Notary. Notaries must attach seal. In foreign countries they should be made before a British Consul, Vice-Consul, or other competent British Authority, or before a duly-qualified Foreign Official, authenticated by a competent British Authority. Consuls and Vice-Consuls must attach their seals.

Cumulative Investments.—The Dividends on Consols, and most other Imperial Stocks, Transvaal, Indian Government, Metropolitan, London County, and London Corporation 2½ Stocks, will be invested in like stock by the bank, until the amount of stock reaches £1,000, at a charge of one penny for each pound invested, and threepence for each advice of investment, if required. This can be done even where the stock stands in the name of a minor, at the request of the parent, guardian, or next friend. Proof of date of birth of any minor must be lodged at the bank. Orders

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for investment of dividends become void when the minor comes of age or the bank has notice of death of stockholder (minor or adult). A stockholder may have four accounts up to £1,000 each in each stock.

Forms can be obtained at most Money Order Offices or on application at the bank.

Dividends unclaimed for ten years are handed over to the National Debt Commissioners, but are repaid without interest upon proof of title.

CHARGES ON LAND.

Where the owner of deeds placed them under control of an agent who pledged them for a larger sum than his principal had authorised to a person acting *bonâ fide* and without notice of limitation, it was held that the owner could not redeem them without paying the full amount advanced. (*Brocklesby v. Temperance, &c., Building Society*—Court of Appeal No. 2, 27th June, 3rd July, 1893.)

PAYMENT FOR HONOUR, p. 31.

If a bill, drawn on Liverpool payable in London, is protested for non-acceptance, it is not customary to protest in Liverpool on non-payment. The protest is made in London before presentation to acceptor for honour.

This is the custom, though we doubt its legality.

DEBENTURES, p. 93.

The decisions affecting debentures are so intricate, that it is always desirable to obtain good legal advice in dealing with them.

Care should be taken to see that power to issue any prior charge is renounced, and it must not be forgotten that a company, whilst a going concern, has full power to deal with all its floating assets, even though its debentures may be a floating charge.

In *Nelson and Co. v. Faber and Co.*, Law Times Reports, 5th September, 1903, holders of third debentures retained the right of set-off for a debt for goods, against claims of first debentures.

Debentures issued by societies under the Industrial and Provident Societies Acts must, if they charge personal chattels, be registered as bills of sale. Those issued by companies under the Joint Stock Companies Acts must be registered with the Registrar of Joint Stock Companies.

In the Court of Appeal (January 11th, 12th, & 30th, 1897, *Lee v. The Roundwood Colliery Company*), it was decided that a distress made on the goods of a company before the commencement of a winding-up thereof, and before a receiver is effectively appointed, is valid as against the debenture holders of the company, whose debentures create a floating charge on its goods and chattels.

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A floating charge cannot cover any uncalled capital which by the company's articles is only callable in the event of winding up.

FIRE INSURANCES, P. 103.

Although an insurer may value his property at, say, £10,000, and pay the premium to cover this amount for many years, he will find that, if his property is totally destroyed by fire, the insurance company will insist upon a valuation of the property as it stood immediately before the fire, with deductions for depreciation, &c., so that very probably he will get much less than he expected and insured for. This does not appear to be generally known, but enquiry will prove it to be the fact, unjust though it be.

CHEQUES, P. 4.

Sec. 17 of 46 and 47 Vic., c. 55, appears to legalise the objectionable form ordering payment of "the amount specified in annexed receipt when duly stamped, signed, and dated," but it does not render such a document a negotiable instrument; an important reservation, and the House of Lords has held that it is not a bill of exchange within the meaning of the Act.

DOMICILED BILLS.

Sir Samuel Montagu, in a letter to the *Times* (Nov. 20th, 1901), pointed out that whilst in England and the United States of America the liability of an acceptor on a bill continues for six years, and in France and Belgium for five years, in Germany, Italy, Bulgaria, probably Roumania, and to a certain extent in Holland, if a merchant in one town accepts his bill payable in another town (or in another country), if the bill be not presented on the due date (and, if necessary, protested in due time) the claim against the acceptor on the bill as well as against the drawer and endorsers is lost. There is, therefore, a serious risk in taking any domiciled bills which come under the law of those countries.

ASSIGNMENTS FOR BENEFIT OF CREDITORS.

No money or securities belonging to a customer should be given to a trustee under a deed of assignment until the expiration of three months from the date of the deed, for if during that period bankruptcy ensues the banker may be compelled to pay the amount again to the trustee in bankruptcy.

In assenting to assignments all rights against sureties and securities should be distinctly reserved.

JOINT ACCOUNTS.

When borrowers are not in partnership the death of one of them releases his estate from liability to repay, unless the loan was clearly made on their joint and *several* liability.