

Banking Problems

Banking problems occur in many forms.

They range from innocent mistakes to more difficult problems such as:

- someone writing checks without your permission;
- someone asking for withdrawals or transfers without your permission;
- someone forging or stealing checks; and
- someone making an ATM or electronic transaction without your permission.

Preserve Your Rights

You may be able to correct the situation and have the funds restored, but it is important to act quickly.

The Bank Statement Rule:

The law expects you to notify the financial institution whenever you suspect a problem with your bank statement. Banks must use reasonable care in cashing checks and the like, but if you do not tell them of trouble, they could be excused from a duty to restore the funds on forged checks or improper withdrawals.

General Plan of Action:

- Notify your financial institution (bank, credit union, savings and loan, etc) and local police. The law provides that by notifying your financial institution – in writing – you will not be held responsible for the thefts or forgeries. Before you notify your bank in writing, you can also call them to protect your rights and funds because calling them notifies them faster – follow up with the letter.
- Stop the check(s).
- Close the account.
- Check homeowner's insurance policy to see if it covers card or other thefts.

Sample Letters:

The purpose of the following letters* is to put your financial institution on notice that there has been either fraud or unauthorized activity on your account. The law provides a remedy for you.

1. **Fraud or Unauthorized activity.** You need to act quickly. Tell your financial institution as soon as you learn of the possibility of fraud or unauthorized activity.
Example: Someone goes into the bank and hands a teller a withdrawal slip or a check with your forged signature to withdrawal from your account. When you first know of this situation, hurry and send the General Fraud letter to your bank.

2. **Forged or stolen check(s).** If a bank takes money out of your account to pay on a check that has been forged, then it is required by law to credit your account for the amount of the forged check.
3. **Lost or stolen or missing ATM / Debit card.** Quickly tell the bank so that you will not be liable for any transactions that may occur later. Send the ATM Card Fraud letter to your bank.
4. **Unauthorized Electronic Fund Transfers (EFT).** If you see that a company or an individual has electronically taken more withdrawals from your account than they should have, or any unauthorized withdrawal, act quickly. The sooner you can act the better. Generally, you should notify the bank within 60 days to protect your rights. First, call the company to let them know that they shouldn't have done this. Second, tell your bank about this, and send them the Unauthorized EFTs letter. Your bank will give you a number of someone within the bank to talk to about the matter. Follow up so it's clear this electronic transfer was not a transfer you approved.

* You should send a certified letter, return receipt requested, so you can prove that the bank received it. You can use ordinary mail too, but certified is better. Keep a copy of anything you send for your records and mark down the day you sent it as well as any times you called.

***SAMPLE LETTERS:** General Fraud, ATM Card Fraud, Unauthorized EFTs letters found on Toolkit page.