A BIRD'S EYE VIEW OF BANKERS' OBLIGATION TO HONOUR CUSTOMERS' CHEQUES*

1.1 INTRODUCTION

Banks are global phenomena. They have grown into and remained institutions for savings and provision of financial cushion. Savings are necessary pre-requisites for investment. In its unique role banks intermediate between surplus and deficit economic variables. It has overtime developed into an effective economic machinery for the allocation of funds for investment. It is the fulcrum of the money-market and the bedrock of any vibrant economy. Consequently when there are hiccups in the banking subsector, the entire economy is threatened.

A bank is a duly incorporated company in Nigeria holding a valid banking licence. This licence authorizes the company to receive deposit on current account, Savings account or on other similar accounts. It is also the authority for the company to pay or collect cheques drawn by or paid in by customers. The company may then provide finance or such other business as the Governor of the Central Bank of Nigeria may by order published in the gazette designate as banking business.[1]

A customer of the bank may be defined to include a person for whom a bank has opened an account.[2] To the customer, the account facilities provide store for wealth and facilitate bankers' advances.

It takes the cohabitation of the banker and the customer to have a banker-customer relationship. The relationship is essentially the contractual relationship of debtor and creditor and gives rise to several rights and obligations. A remarkable feature of this contract is that the terms are not wholly embodied in any single written agreement executed by the parties. No attempt is usually made to prepare a comprehensive list of the respective rights and duties of the bank and the customer.

The contractual relationship between the two is a complete one founded originally upon the customs and usages of bankers. Many of these have been recognized by the courts and to the extent that they are not expressly provided for, they may be enforced as implied terms of the contract. It follows that this is one branch of law where implied terms are of vital importance. Little does a new customer realize when, with a minimum of formality, he opens a bank account that he is entering into a contract, the implied terms of which would, if reduced to writing, run into several pages. A fair attempt at a concise statement of the basic attributes of this contract was made by ATKIN LJ,[3] in 1921 thus:

> The contract between the banker and the customer includes the following provisions. The bank undertakes to receive money and to collect bills for its customers' account. The

> proceeds so received are not to be held in trust for the customers, but the bank borrows the proceeds and undertake to repay them. The promise to pay is to repay at the branch of the bank where the account is kept, and during banking hours. It includes promise to repay any part of the amount due against the written order of the customer addressed to the bank at the branch, and as such written orders may be outstanding in the ordinary course of business for two or three days. It is a term of the contract that the bank will not cease to do business with the customer except on reasonable notice. The customer on his part, undertakes to exercise reasonable care in executing his written order so as not to mislead the bank or to facilitate forgery. It is necessarily a term of such contract that the bank is not liable to pay the customer the amount of his balance until he demands payments from the bank at the branch at which the current account is kept.[4]

Distilled from this exposition, the banker is in point of duty bound to honour the customer's cheques[5]; not to cease to do business with the customer except on reasonable notice[6]; shall accept cash deposits, cheques and bills of exchange for the credit of the customer's account[7]; shall only pay out assets from the customer's account on the customer's mandate[8]; shall keep the customer's account accurate[9]; where the customer is financially accommodated, the bank shall make a demand for payment before a cause of action accrues to the bank[10]; shall keep the customer's account and transactions therein confidential[11] and where the bank has acted as Bailee[12], Referee[13], Investment Adviser[14] to the customer, the banker must exercise some degree of care.

Reciprocally, the customer is bound to make a demand for his funds before the banker can be obliged to pay[15]. In making his demand, by drawing cheques, the customer must be careful not to mislead the bank or facilitate forgery[16]. Known forgeries or fraud on the customer's account must promptly be disclosed to the bank by the customer[17]. For services rendered, the customer must pay the bank's lawful charges. Where the customer had the benefit of banker's advances he must also take the burden of repayment with lawful interest. The customer is also required to handle his deposit with care[18].

The most important factor that compels savings with bankers is the assurance that the saver can access his wealth when needed. This assurance is core to the very existence and sustenance of the banking Institution. Historically, banking business was founded on this confidence[19]. The Italian Campsores from their 'banca' handed across to their owners fortunes left on trust with them. As far back as 1318, an Italian Act gave vogue to this practice[19]. In England, the Goldsmith around the 16^{th} and 17^{th} Centuries placed customers' valuables in trade vaults and on demand returned the assets to their clients[20]. In pre-colonial Nigeria, the traditional savings institutions of 'Adashi', 'Mikiri', 'Washi'[21] and 'Esusu'[22] primarily and sancrosantly recognized the right of depositors to their properties as and when due. This practice of deposit taking and returning same on demand or due date became the very foundation on which modern banking thriveq and flourished.

As a result, the most important obligation of the banker to the customer is the duty to honour the customer's demands for his wealth. Arising out of the customs and usages of bankers, the customer makes his demand in writing by the instrumentality of his cheques in the case of current account and withdrawal slips or savings passbook in the case of savings or deposit accounts. This duty, simply put, is the banker's duty to honour the customer's cheques.

This discussion examines the nature and ambience of this duty and to be dovetailed by a consideration of available legal remedies in the event of breach. The excursion will also x-ray the legal basis of the nascent practice by banks of keeping customers' accounts in suspense or dormancy. The intendment of this exercise is twofold. Firstly, this paper discusses critically the various dimensions of the banker's obligation to honour the customer's cheques, to show why this multi-faceted duty is the most fundamental in the law of banking. Secondly, this examination will highlight some grey areas on this point that are fast becoming problems for the courts and bankers. The overall pursuit is to arm customers, caution bankers and avail the courts the benefit of a robust legal opinion on this point.

2.2 DUTY TO HONOUR CUSTOMERS' CHEQUES

The relationship of banker and customer is essentially the contractual relationship of debtor and creditor.[23] Usually, the customer is the creditor and the bank, the debtor. At common law, a debtor without more is obliged to pay his creditor, for

> It is quite clear that a request for the payment of debt is quite immaterial unless the parties to the contract have stipulated that it shall be made; if they have not, the law requires no notice or request, but the debtor is bound to seek out the creditor and pay him when the debt is due.[24]

In the banker-customer relationship, this debtor and creditor rule is modified for certain practical reasons. Firstly, the banker on its own may never know the most auspicious time the customer would desire the beneficial use of his money so as to seek him out for repayment. Secondly, the banker will find it difficult if not impossible to seek out all its numerous customers to pay them their credit. Furthermore, it may well provide an unjust situation such that even when the funds are due from the bank to the customers, the former may well sit back for the action to be statute barred. Consequently, the legal relation of banker and customer, though of the nature of debtor and creditor, compels the customer to first make a demand on the banker for the payment of his credit before the banker's duty to pay matures.

The customer's demand must be in writing in the form of a cheque. A cheque is a bill of exchange drawn on a banker and payable on demand. Comprehensively, it is an unconditional order in writing addressed by one person to a banker, signed by the person giving it, requiring the banker to pay on demand a sum certain in money to or to the order of a specified person or bearer.[25] By its nature and function, a cheque is the machinery by means of which a current account customer in a bank makes use of the money which he has with the bank.[26] This cheque constitute the customer's demand on the strength of which the bank must pay out assets from the account.

The banker's obligation to honour cheques is not opaque and impassable. It is to the extent of the credit in the drawer's account or to the limit of an agreed overdraft or loan granted to the customer. Where a customer makes cash lodgments into his account, he is entitled to draw on all or part of his credit. Where bills of exchange, cheques and other negotiable instruments are collected for the customer, the proceeds form part of the credit in the account for which the customer has unrestricted right to draw upon. Thus, to the extent of the totality of the available funds in the account, the customer is contractually at liberty to draw upon by the use of his cheques. Overdraft and loan facilities are privileges banks extend to their customers. However, once placed in their accounts, they cannot be unilaterally withdrawn and cheques drawn thereon must be honoured for the rule is *"the moment a bank places money to its customers credit, the customer is entitled to draw upon it."*[27] Credit in this context envisages actual or functional funds in the account.[28] Thus, an account credited with book value of an instrument does not inhabit true credit.[29] Where cheques requiring clearance are lodged with a banker, until the cheques are cleared, there is no resulting credit in favour of the customer for which the banker is obliged to honour the customer's cheques.[30]

Credit imperatively becomes the cornerstone of this duty. The courts have grappled with the determination of credit for quite some time. The approach of Nigerian courts to this question is quite worrying. The often-cited case is UNION BANK OF NIG LTD v. NWOYE.[31] In this case, the Respondent maintained a current account with the Appellant at its Asaba Branch. On the 22nd July, 1984, the Respondent lodge into that account (which then had a credit of "7,621.24k) inter-alia bank draft for "8,000 drawn on African Continental Bank (ACB), Asaba branch. On the same day, the Respondent drew a cheque for "15,000 on the account which was presented and represented on the 2nd July 1984, 6th July 1984 and 11th July 1984 but dishonoured on all the occasions. It was found as a fact that when the bank draft for "8,000 was sent to ACB. Asaba branch on a date before the 11th July, 1984. ACB Asaba branch sent a cheque for "86,000 in favour of the Appellant drawn against ACB Benin branch in settlement of all cheques (the "8,000 bank draft inclusive) presented to it for collection by the Appellant. The trial court and the Court of Appeal held that by the 11th July, 1984, but not earlier. the Appellant had cleared the draft for "8,000 and was therefore in breach of its duty when it dishonoured the customer's cheque for "15,000.

On appeal, the Supreme Court reversed the decision on the main plank that unless the cheque for "86,000 drawn in favour of the Appellant against ACB, Benin branch was cleared. there was no fund to be credited to the Respondent's account. Hence the refusal to honour the cheque for "15,000 on the 11th July, 1984 was not a breach of the duty to honour customers' cheques.

This case unless watched carefully may become an albatross on our banking law and practice. Firstly, the Supreme Court respectfully misconceived the clearance of a bill of exchange. When the bank draft for "8,000 was discounted by ACB, Asaba branch against whom it was drawn by another cheque for "86,000 against ACB. Benin branch for all cheques (the cheque for "8,000 inclusive) to be collected by the Appellant. ACB, Asaba branch had in fact and in law paid the cheques and the Appellant collected them. In proceeding to receive payment from ACB, Benin Branch, the Appellant was no longer doing so on behalf of the Respondent or its other customers, but for itself and if the cheque was dishonoured, the Appellant and nobody else would have had a right of action against ACB, Asaba branch on the cheque for "86,000. Regrettably this little unappreciated point had the explosive effect of a reversal of the lower court's decisions which appear to properly conceived the point.

Secondly, the Court of Appeal decision[32] though upturned by the Supreme Court, is still being referred to and relied upon by the courts.[33] While the decision appears to meet the justice of the case, some of the rules posited are too far-fetched. outmoded and confusing. The need to be extremely carefully cannot be overemphasized. The Court of Appeal in the NWOYE's case was of the firm view that

> Cash paid into an account cannot be made immediately available for withdrawal after it is paid in. but there can be withdrawal or drawing against it as soon as it is properly credited that is when the bookkeeping operations are carried out.[34]

The origin of the above dictum is traced to the text. PAGETS LAW OF BANKING[35] where the learned authors maintained.

> Money is not available immediately it is paid in. Even in the case of notes or gold, a sufficient period must be allowed to elapse before drawing against it, to enable the bank to carry out the necessary bookkeeping operations. But as soon as it is definitely credited, it is available.[36]

For this proposition, the cases of MARZETTI v WILLIAMS[37] and CAPITAL & COUNTIES BANK v GORDAN[38] were relied upon.

From the onset, GORDON'S case does not lend these dicta much weight. The point in focus for which that decision was delivered was on collection of cheques and not the payment of cash into an account.

This Court of Appeal dictum may have held so much substance at the time the MARZETTI's case was decided in the first half of the 19th century. During this period banking business was still in its rudimentary form characterized by manual bookkeeping as shown by the facts in the MARZETTI'S case. This is no longer so in the 21st century when banking business has attained sophistication in terms of customers' service and product content enhanced by nascent information technology. With the vogue of computerization, banks have since switched from manual bookkeeping to electronic storage devices. It is now common place that cash lodgments are immediately credited to customers' accounts by the use of computers and information on customers are available for the asking on the touch of a button. This is the practical reality of modern banking. To continue to pull by the hair of the head the antediluvian practice of bankers in the 19th century to the 21st century will not only be retrogressive but amount to strapping out law of banking to a fossilized rule long overtaken by dynamic events. It is respectfully submitted that cash lodgments into an account in the absence of any reason to the contrary is available credit a customer can freely draw upon.

Also warranting some quick comments is the rule posited by the Court of Appeal thus

> *The proceeds of a cheque paid into an account* in a bank are not available until reasonable time is allowed for the necessary bookkeeping operations to be carried out and necessary time is also allowed to clear the cheque[39]" (underlining for emphasis).

The underlined can only mean a cheque whose value has been collected by a banker and credited to the customer's account. If that is so, there can be no rationale for the customer to be asked to wait until the effluxion of an undetermined reasonable time for the necessary bookkeeping operations to be carried out and another necessary time to allow to clear the cheque. As the dictum stands, where a banker has collected a cheque for its customer and has credited the customer's account with the funds, the customer has two waiting periods for the necessary bookkeeping operations to be carried out and to allow the cheque (which has in fact been cleared and credited) to clear.

With due respect, in point of banking law and practices, this cannot be correct. Once the customer's account is credited with funds, the customer has the right to draw on it. The origin of this confusion appears attributable to lack of proper appreciation and thus application of the rule stated in PAGETS LAW OF BANKING[40] thus,

> with regard to cheques, the rule has always been that they were not available until, in addition to the interval reasonably required for bookkeeping entries, the necessary period has elapsed for the cheque to be cleared, according to whether they were town or country.[41]

These two dicta are no doubt different and none can provide for the other, the force of a precedent. While the latter envisages where a cheque is lodged for clearance, the former is concerned with when the cheque has been collected and credited to the customer's account. The need to be extremely cautious with the NWOYE's case can never be overemphasized. Even then the requirement that a customer must comply with two waiting periods where a cheque is deposited for clearance leaves much to be desired in this era of electronic banking. There is no reason why a customer who has waited reasonably for his cheque to be cleared cannot access his funds until he has complied fully with the requirement for two waiting periods. This consideration may have influenced the Supreme Court's decision in the NWOYE's case.

In effect, these rules will only over-indulge bankers since customers cannot immediately access their cash lodgments or cleared effects, nothing prevents banks from tripping such funds on short term basis before crediting same to customers' account. In the face of these decisions, this, they can do without any responsibility to customers for profits realized albeit the customer may have been charged some fees for collecting such bills. Even then, this unsolicited indulgence to bankers cannot be reconciled with the usual bankers' caveat on bank deposit slips.[42] Qualifying the famous dictum "it must never be forgotten that the moment a bank places money to its customers' credit, the customer is entitled to draw upon it",[43] Oguntade, J., in OKAFOR v UNION BANK OF NIG LTD[44] visionarily summarized this concern thus

> While not disagreeing with the expression, I am of the view that the social milieu in which we live compels that there must be imported into that expression "and where a bank has funds to its customer's credit". Were it not so an intolerable and oppressive situation would arise to the disadvantage of

customers and banks would come to court saying it takes varying days in their own practice to place money to its customers credit.[45]

The clarion need for courts to be more pragmatic and afford protection to customers from this unfairly prejudicial indulgence to banks cannot be overemphasized. That remains to be seen from the decisions of our courts on this point.

On the presentment of a cheque, the bank has only two options. The banker can obey the unconditional order of the drawer by honouring the cheque and paying its value or may refuse to execute the order and thus dishonour the cheque. Once a cheque has been presented and payment refused the holder is entitled to treat the cheque as dishonoured even if he is required to represent the cheque later. Anything short of trading cash for cheque amounts to a dishonour. Thus, endorsement like "R/D (Refer to Drawer) "DAR (Drawer's Attention Required)" "DCR (Drawer's Confirmation Required)", "Irregular endorsement", "represent", "post-dated", "Stale", "No date", "Incomplete date" amount to dishonour. In FLACH v LONDON & SOUTH WESTERN BANK46 SCRUTTON, J., remarked

> The word "Refer to Drawer' in their ordinary meaning meant no more than that "we are not paying, go back to the drawer and ask why" or else go back to the drawer and ask him to pay."[47]

A dishonour may be justifiable or wrongful. An aggrieved customer has a right of action against the bank in the case of the latter.

Wrongful dishonour of cheques is remediable at law for two primary reasons. The relationship of the parties is fundamentally contractual. As a result the liability of banker to customer arises in contract when a banker refuses to pay a customer's cheque when the customer holds in his account an amount equivalent to that endorsed on the cheque.[48] The dishonour being wrongful constitute a breach of contract for which the customer is entitled to a remedy for *ubi jus ibi remedium*. Furthermore, the law[49] frowns at the issuance of dud cheques and has criminalize the practice. A dud cheque is an empty cheque. Empty in the sense that it has no monetary value as no fund can pass by it. Thus, a dud cheque is not only an embarrassment to the payee but also to the bank. A dishonoured cheque in effect is an empty cheque with no value. The drawer is perceived as one who has no money to meet the cheque and does not intend to pass value for consideration received but pretentiously exchange a worthless instrument for benefits conferred on him. Generally, people whether or not in business do not deal with or deal with reservation, a person whose cheques are not paid.[50] It therefore goes to the credit worthiness of the drawer. As a result, unless a dishonour is justifiable, it is defamatory of the drawer as it does not only impair his financial credit but opens him to ridicule and makes his business colleagues or peers to shun him. In DAVISON v BARCLAYS BANK,[51] the endorsements "not sufficient" were held to be utterly libelous. In the New Zealand case of BAKER v AUSTRALIA & NEW ZEALAND BANK[52] "present again" was held to be libelous. In ANGUS BUILDERS CO. v BANK OF AMERICA,[53] Bada, J., held that the world "R/D" meaning "refer to drawer" may be libelous of the customer. The negative impact of such dishonour is often evidently gleaned from the payee's vituperations pursuant to the dishonour.[54] Unless the bank can justify the dishonour, it can give rise to two causes of action, to wit, breach of contract and the libelous action of defamation.

For a suit in defamation to succeed in this context, it must be proved that the words were defamatory. The innuendoes which the dishonouring words suggest must be pleaded and proved. It must also be shown that the words refer to the drawer. Fundamentally, the defamatory words must have been published to at least one other person other than the drawer. Consequently, there is no libel where a customer presents a cheque drawn payable to 'self' and such an instrument is dishonoured by the bank. "Pay cash" inscribed on a cheque means "pay self", that is an order to pay directly to the owner of the account, this does not satisfy the requirement of publication[55] to a third party for an action in defamation.

3.3 REMEDIES FOR WRONGFUL DISHONOUR OF CHEQUES

Where the court holds that the dishonour is wrongful, the drawer may be entitled to damages for breach of contract and libel. The fact that the dishonoured cheque was subsequently paid is non-sequitur.[56] The court may award nominal or substantial damages. Nominal damages are such small amount as to show that they are not intended as any equivalent or satisfaction to the party recovering them. They are given when the plaintiff in an action for an invasion of his right establishes his right but does not show that he has sustained any injury or loss.[57] To be entitled to substantial damages, the loss or injury suffered must be pleaded and proved for damages in such cases do not follow the event.[58] However, where the aggrieved customer is a businessman, trader or in a vocation or profession in which his credit or reputation is material to the conduct of his vocation or profession, injury or loss is presumed to allow for the award of substantial damages.[59]

The substantial nature of damages awarded[60] against the value of cheques dishonoured shows the very stern approach of the court to this bankers' duty. This is because

> A man's good name is his priceless assets, who shall estimate the cost of priceless reputation? – that impress which gives the human dross its currency, without which we stand despise, debased, deprecated? Who can redeem it lost?[61]

To avert this unpleasantries, bankers have for long been advised to be very cautious in dishonouring a customer's cheque. As far back as 1824, the court[62] warned, '*the paying banker must remember that his customer's credit is or may be seriously injured by the return of his customer's cheque dishonoured and the smaller the cheque the greater the possible damage to the credit.*[63]

Recently, Okagbue J.,[64] re-echoed this ministration thus;

> It should be emphasized that the banker returning a cheque is only at risk if the answer is not correct. Hence, before returning a cheque for lack of funds the bank should check and double-check that there has not been some mistake in his accounting or record... substantial damages would usually be awarded against a banker who had improperly dishonoured a cheque thereby impaired the credit of a trader.[65]

Where the dishonour is not wrongful, the banker has a good defence. Where the account is not in credit; the cheque is not drawn according to the agreed mandate or during the subsistence of an order of court or a legislation freezing the account, the bank would be justified in refusing to pay assets from the account.[66] In such situations, the bank may safely plead justification.

Lately, bankers have evolved this practice of keeping an account in suspense or dormancy. An account in credit which has not been operated for some time may be placed on suspense or dormancy without any recourse to the customer. During this period no withdrawals can be made from that account but payments can be made into it and the bank can continue to have beneficial use of such monies. This is so until the customer applies for re-activation of the account. While the account is so placed, any cheque drawn on the account will certainly be dismissed with a dishonour.

It may be argued that the account not having been operated for some time, there may be the need to protect the customer by ensuring that no unauthorized transaction is allowed from the account. In truth, this thinking can hardly be pushed very far. Firstly, the banker has ample protection as Paying banker under section 60, Bills of Exchange Act,[67] hence if the transaction turns unauthorized the banker is adequately shielded. Secondly, bankers do not feel obliged to take steps to keep customers informed of the intention to place their accounts on suspense or even a post facto notification of the event to enable the customer reactivate the account before drawing his cheques on the account. As it stands, the only time the customer becomes aware is after the dishonour of his cheque and the damage done to him. Thirdly, there is no clearly stated or agreed time for which an account not serviced for a while will fall into dormancy. This leaves the bank with all the discretion and the customer at its mercy.

It is submitted that this practice has no place in the law of banking and the banker may unwittingly be exposing itself to an action for wrongful dishonour of cheques. The only way to legitimize this practice is for a bank to incorporate a term reserving this right to itself in the application to open an account. Unless this is so, the practice is a remediable wrong at the instance of an aggrieved customer. In all of this, the counsel of Oguntade J. in OKAFOR v UNION BANK (NIG) LTD[68] becomes imperative. According to his Lordship,

> Having regard to the injury that a customer whose cheque is wrongfully dishonoured may suffer, a paying banker should meticulously search all sources by which funds came in and satisfy itself that there is no funds not yet credited in the customer's ledger before refusing payment. It cannot be a valid defence to a banker by saying that in his bank the procedure before funds get to individual's account takes this or that time. If it can be established that funds have been paid to a customer's credit before a cheque is presented, in my view, a banker would be in breach of its duty by refusing to pay. It cannot and it must not be otherwise. A customer cannot be held responsible for what is essentially a domestic or internal arrangement of each bank… in my view therefore, it cannot be a defence to a negligent bank who wrongfully dishonours his customer's cheque to say it was only relying on its own standard practice.[69]

Every authority from FOLEY v HILL[70] to JOACHMSON v SWISS BANK CORPORATION[71] and the Bill of Exchange Act[72] alike recognize that the banker's primary function and duty is to honour his customer's cheque provided the state of account warrants his doing so and there is no legal reason to the contrary. As a consequence thereof, the paying banker must remember that his customer's credit is or may be seriously injured by the return of one of his cheques dishonoured and the smaller the cheque the greater the possible damage to credit.

The court with jurisdiction to hear cases of wrongful dishonour of cheque is the High Courts[73] of the states and usually in the judicial division where the bank is situate and carries on business.[74]

4.4 CONCLUSION

The banker and customer are two of an indispensable kind, in truth twin bed fellows. The strategic role of banks in any economy can never be overemphasized. As the bedrock of the money market, it carries from surplus to deficit to create a robust financial system and enhance economic prosperity.

With the nascent global economic reforms placing high premium on free trade. market economy and liberalization, the unique role and strategic importance of banks to this global drive stands out clearly. This in turn portends new challenges for banks. Only those that appreciate, respect and diligently perform obligations due to their customers can remain in business. Those who do not, pay a costly price. Such banks may have a run on their companies owing to customers' disenchantment from the ignominious treatment of their rights or afortiori are damnified in substantial damages for not keeping faith with their duties. So many banks have collapse as a result of this.

Every instance of a bank failure leaves adverse effects on banks, creditors and investors and the ricocheting consequences felt by all. This discussion is a modest contribution on the banker's most important duty, to wit, the obligation to honour the customer's cheques.

END NOTES AND REFERENCES

A.R. Agom. Lecturer, Dept. of Commercial Law, A.B.U, Zaria.
Banks and other Financial Institutions Decree, No. 25, 1991. Section 61.
Commissioner of Taxation v English, Scottish and Australian Bank (1920) AC 683; Ademiluyi & Lamuye v African Continental Bank (1969) ALR COMM. 10.
Joachimson v Swiss Bank Corporation (1921) ALL E.R. Rep. 92
Ibid, P. 100.
Allied Bank v. Akubueze (1997) 6 SCNJ 116
Prosperity Ltd v. Lloyds Banks (1923) 39 TLR 372
Ide Chemist v. National Bank of Nigeria (1976) NCLR 145
Union Bank of Nig. v. Adediran (1987) 1 NWLR Pt. 147, 32
Holland v. Manchester & Liverpool Banking Co. (1909) 25, TLR 386
Johnson v. Sobaki (1968) 3 ALR Comm. 24
Tournier v. National Provincial Bank of England (1924) 1 KB 461
Re: United Service Co. (1870) 6 Ch. App. 212.
Hedley Byrne & Co. Ltd. v. Heller & partners Ltd (1964) Ac 465; Immersel Chemical Ltd v. National Bank of Nig. (1974) ALR COMM. 337
Banbury v. Bank of Montreal (1918) AC 626
Joachimson v. Swiss Banking Corporation (Supra)
London Joint Stock Bank Ltd v. McMillan & Arthur (1918) AC 777
Greenwood v. Martins Bank Ltd (1932) 1 KB 371.
Tsokwa v. Union Bank of Nig. (1996) 12 SCNJ 445, 457
Holdsworth, W. S. The Early History of Banking LQR, Vol. xxx III p. 11
Ibid
Atoki, A., The Rights and Responsibilities of Shareholders in Nigeria. A paper presented at a National Workshop on Corporate Governance and the Rights and Responsibilities of shareholders in Nigeria, Lagos, 28th – 29th November, 1994.
Basiom, W. B. The Esusu – a Credit Institution of the Yoruba: Reference journal of the Royal Anthropological Institute Vol. 82, No. 1 1952, p. 63.
Foley v. Hill (1843-1863) All E.R. Rep. 26.
Walton v. Mascall (1844) 13 M & W, 452, 455
Bill of Exchange Act Chapter 35, Laws of the Federation, 1990. Sections 3 and 73.
Owoeye v. Wema Bank (2001) 9, NWLR, p.t 717, 1, 11. Per. Amaizu, J.C.A
Capital and Counties Bank v. Gordon (1903) AC, 240, 249. Per Lord Lindley.

Union Bank of Nig v. Okubama (2000) 14, NWLR, pt. 688, 570
First Bank of Nig v. African Petroleum (1996) 4 NWLR, pt. 443, 438
Progress Bank of Nigeria v. Ugonna (1996) 3, NWLR pt. 435, 202
(1996) 3 NWLR pt. 435, 136
Union Bank of Nig. v. Nwoye (1990) 2, NWLR, pt. 130, 69
Progress Bank v. Ugonna (Supra) Agwaramgbo v Union Bank of Nigeria.
(2001) 4 NWLR, pt. 702, 1, 25.
(Supra) p. 76
Megrah, M. & Ryder, F. R. Pagets Law of Banking (1972 London, Butterworth, 8th ed.)
Ibid, p. 304
(1824 – 1834) All E. R. 150
(Supra)
(Supra), p. 76. cited and relied upon in Progress Bank v. Ugonna (Supra)
Opcit
Ibid, p. 304
"The bank reserves the right at its discretion not to pay cheques drawn against uncleared effect previously credited to the account which are not eventually paid". See United Bank of Nigeria (UBA) Plc Deposit Slip.
Capital and Counties Bank v. Gordon (Supra) Per Lord Lindley
(1981) 1-3 CCHCH, 196
Ibid, p. 204
(1915) 31, T.L.R., 334
Ibid, p. 336
Marzetti v. Williams & Ors (Supra) Union Bank of Nig. v. Okubama (Supra)
The Dishonoured Cheques (Offences) Act, chapter 102, Laws of the Federation of Nigeria, 1990. Section1
National Bank of Nig. v. Balogun (1978) All NLR 67, 70. Per Idigbe J.S.C (rtd)
(1940) 1 All ER 316
(1978) N.Z.L.R 907
(1978) 10-12 CCHCJ, 10, 36
In BALOGUN v. NATIONAL BANK OF NIG. LTD (supra) after the dishonour, the payee remarked to the drawer, a legal practitioner, that she was surprised that "a cheque of only £20 from a lady of her type could bounce". In AUGUSTINE UBA v. UNION BANK OF NIGERIA LTD (1995) 7 NWLR, pt. 405, 72, consequent upon the dishonour, the payee told off the drawer in the presence of so many people and sold the subject of their

contract to somebody else. In ANGUS BUILDERS CO. LTD. v. BANK OF AMERICA (Supra) a witness testified that following the dishonour, it was thought that the drawer was out to dupe the payee and it was decided not to grant further credit to the drawer even though the drawer had a previous good reputation and relationship with the payee. In BEN IFEANYI-CHUKWU OKAFOR v. UNION BANK OF NIGERIA LTD (Supra), following the dishonour of the tenant's cheque in settlement of his rent the landlord wrote a stinker to the tenant.

I.B.W.A. v. Williams (Supra)

Marzetti v. Williams (Supra)

Beaumont v. Great Head (1846) C. B. 494

Evans v. London & Provincial Bank (1917) The Times, March

Balogun v. National Bank of Nig. (Supra): Allied Bank v. Akubueze (Supra)

Ibid: Ide Chemist v. National Bank of Nigeria (Supra)

Olaniyan & Ors v. University of Lagos & Anor (1985) 2, NWLR, pt. 9, 599, 625.

Marzetti v. Williams (Supra) p. 150

Ibid p. 153

Ide Chemist v National Bank of Nigeria (Supra)

Ibid, p. 147

I.B.W.A. v. Kennedy Trans (Supra): Aladegbemi v. Fasanmade (1988) 3 NWLR, pt. 81, 29, 146

Opcit

(Supra)

Ibid p. 205

(Supra)

(Supra)

Opcit

Constitution (Suspension and Modification) Decree No. 107, 1993. Section 230 (1) (d): Nigerian Industrial Development Bank v. Fembo (1997) 2, N.W.L.R. Pt. 489, 543, 546: Zeebee Hotels v. Allied Bank (1996) 8, N.W.L.R. pt. 465, 76, 185 Candido – Johnson, Y. The FHC, Jurisdiction and Banker/Customer Relationship, Thisday Newspaper, Tuesday, August, 14, 2001. p. 34

State High Courts Civil Procedure Rules.