In 1804, when, on the resignation of the Addington Ministry, Pitt returned to power, Viscount Melville became First Lord of the Admiralty; and now it was that the tide of his good fortune began to ebb. He was, all of a sudden, called to account by the House of Commons for certain malpractices indulged in some twenty years previously by one Alexander Trotter, the Paymaster of the Navy when Melville was Treasurer of the Navy in 1786. The charge came up indirectly in connection with another inquiry, and the occasion was greedily seized by the Whig Opposition as one that might perhaps bring on the downfall of Pitt's administration. On the motion of Mr. Whitbread, a resolution was carried, only, however, by the casting vote of the Speaker, in a house of 433, asserting that "large sums of money had been, under pretence of naval services, drawn from the bank by Alexander Trotter, Paymaster of the Navy, and by him invested in exchequer and navy bills, lent upon the security of stock. employed in discounting private bills, and used in various ways for the purposes of private emolument; and that in so doing he acted with the knowledge and consent of Lord Melville, to whom he was at the same time private agent; and therefore that Lord Melville has been guilty of gross violation of the law, and a high breach of duty." Before the resolution was put, Pitt and Canning had both spoken eloquently and powerfully in defence of their colleague. the day after the condemnatory vote, Pitt announced to the House that Lord Melville had resigned his office of First Lord of the Admiralty; and three weeks later Pitt intimated that, in deference to the prevailing sense of the House, the King had been advised by his ministers to erase Lord Melville's name from the list of Privy Councillors, and that accordingly it would be done. Four weeks later, Melville asked to be heard before the House of Commons, where he appeared in person, and offered reasonable explanation of his conduct as Treasurer of the Navy twenty years before. Opposition was implacable, however, and, at the instigation of Whitbread, a vote was carried to institute formal impeachment; and in due time, Westminster Hall witnessed a scene somewhat similar to that which had been enacted within about twenty years before, at the trial of the other great Proconsul, Warren Hastings.

The process lasted from April 29 to June 12 (1806), when the accused peer was acquitted of malversation personally, but judged guilty of negligence of duty in respect of his agent. There can be no question but that Melville's alleged offence was greatly magnified