

that "the authorities were rather against the contention that there is a duty on the part of the customer to examine his pass-book." The observations of Lord Esher in *Chatterton v. London and County Bank*, referred to in Paget on the Law of Banking, 2nd ed., pp. 156-160, assist in that conclusion. And later on his Lordship said that if the customer got his pass-book, and examined it so carelessly that he did not discover a fraud, still he would not be bound by payments made by the bank. In his opinion, the case before him was identical to all intents and purposes with *Kepitiigalla Rubber Estates, Limited v. National Bank of India, Limited*, 100 L.T. Rep. 516, (1909), 2 K.B. 1010. Turning to our report of that case, it is seen that the head-note contains this proposition of law, deduced from the judgment of Mr. Justice Bray: "Where a bank pays money upon forged cheques, it is liable to the customer, unless it can be shewn that the customer's negligence is immediately connected with the transaction itself, and the proximate cause of the loss." That, it will be observed, coincides precisely with what was laid down by Lord Halsbury, L.C., in *Bank of England v. Vagliano* (ubi sup.). Mr. Justice Bray referred also to *Swan v. North British Australian Company*, 2 H. & C. 175; *Bank of Ireland v. Trustees of Evans' Charities*, 5 H. of L. Cas. 389; *Mayor, etc. v. Bank of England*, 56 L.T. Rep. 665, 21 Q.B. Div. 160, and *Lewes, etc., Company v. Barclay and Co., Limited*, 95 L.T. Rep. 444, 11 Com. Cas. 255, as supporting his statement of the law. The mere fact that a customer of a bank takes his pass-book out of the bank and returns it without objecting to any of the entries contained therein, there being a pencil entry of the balance, did not, in the opinion of his Lordship, amount to a settlement of account as between the customer and the bank in respect of those entries. In America there appears to be a somewhat different view entertained of the rights of customer and bank in this respect, judging from the decision in *Leather Manufacturers' Bank v. Morgan*, 117 U.S. Rep. 96, at p. 116. It seems that a customer is bound in the United States to examine the entries in his pass-book when he receives it, and to report any errors