

ANSWER.—The bank is quite at liberty to refuse to take money from anyone not a customer with which to retire a note domiciled by him at the bank. No person can be forced to act as agent for another against his will.

*Rules respecting endorsements—Endorsement by limited companies*

QUESTION 192.—Items are frequently deposited bearing the stamped endorsement of limited companies consisting of the company's name alone, without the name of any officer.

Our interpretation of paragraph 2 of the "Conventions and Rules" is that the name of the person, or persons, signing for a limited company must appear, whether the endorsement be stamped or written. Please say if we are right.

ANSWER.—Under the "Conventions and Rules" the name of the proper officer must appear in any endorsement, whether stamped or written.

*Missing endorsement necessary to complete title*

QUESTION 193.—The "A" Bank presents to the "C" Bank through the Clearing House a cheque payable to Smith & Jones, or order, and bearing the endorsement of John Smith and the presenting bank, which is paid; the want of Smith & Jones' endorsement is not discovered until some few days afterwards, when it applies to the "A" Bank to procure the correct endorsement. That bank contends that the paying bank has lost its recourse against them by not returning the item on the day it was deposited, and also because it has been cancelled, but offer to procure the endorsement as an act of courtesy. The "C" Bank contends that it has the right to demand the proper endorsement, or, failing that, repayment of the amount of cheque. Kindly favour me with your opinion.

ANSWER.—This case does not come within the rules of the Clearing House, or the rules respecting endorsements. It is a simple case of money paid to a party who has no title to receive it, under a mistake of fact, which he is bound to return on discovery of the mistake. The cancellation is not material; it can be revoked by the paying bank. This case differs from one where money is paid on an item bearing a forged or unauthorized endorsement, because the bank was not in any sense a holder of the cheque, there being a gap in the title. The Bank of Liverpool and River Plate Bank case dealt with a bill of exchange paid to a holder who had an apparently clear title, and the amendment to our Bills of Exchange Act, passed in 1897, deals with similar cases.