

# Neighbourhood Support New Zealand



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## Neighbourhood Support Fact Sheet

### Cheque Fraud

The theft of cheques is a common crime in New Zealand. So, too, is the associated fraud.

While Police work closely with banks and retailers to prevent this type of fraud, there are a number of simple things you can do to assist.

If someone unknown to you wants to pay for a good or service by cheque, then:

- Ask for identification. A photo driver's licence or passport should be the only form of identification accepted. Even then be cautious. Fraudsters have been known to obtain a photo driver's licence or passport using the birth certificate of someone they are pretending to be.
- A problem with accepting some bankcards as I.D is that it's possible for a fraudster to remove the hand-written signature on the back, replacing it with a signature in their own handwriting.
- Have the person sign the cheque in front of you and don't accept a cheque signed by someone other than the person presenting it.
- Compare the signature on the cheque against the identification.
- Ask the person presenting the cheque to write their full name, address and phone number on the back and identification details e.g. driver's licence number. Verify these details in the phone directory. Honest people won't object to you doing this.
- Don't accept single cheques you haven't seen being torn from a chequebook. It is common for cheque thieves to steal one or two cheques from the middle or back of chequebooks so the theft and subsequent usage aren't immediately obvious.
- Refuse cheques written in pencil, signed illegibly or with obvious signs of alteration e.g. the cheque amount may have been altered.
- Be wary of cheques pre-stamped with the name of a business. Instead, ask for a personal cheque.
- Look out for incorrectly or incompletely filled out cheques. This can include post-dated or stale (older than six months) cheques.
- Don't give change on a cheque.

A major fraud problem in recent years has involved the use of completely 'bogus' cheques produced on computers to resemble bank cheques. As most people are not overly familiar with bank cheques, offenders have passed these for large amounts, usually to purchase cars.

Such fraudsters operate by showing interest in a vehicle advertised for private sale. They then purchase the car with the fraudulent cheque, often on a Friday afternoon or at the start of a long weekend after the banks have closed. The offenders then sell the car at a bargain price on the roadside in a different part of town or another town.

**WARNING:** The rise of good quality home printers, scanners and easy to use software mean people should always be wary that the cheque being presented might not be legitimate.

If you can't be certain the cheque is legitimate, or if you're unlikely to be able to trace the person, then refuse to accept the cheque. Don't give your merchandise or property away for a valueless piece of paper.

If you use cheques to make payments then:

- Keep your own chequebook secure and separate from your signed credit card.
- Cross any cheques you write with the words 'not (or 'non') transferable'. Never pre-sign cheques.
- Regularly inspect your chequebook to see if any cheques are missing. Thieves sometimes remove cheques from the middle or back of a book.
- Don't leave your chequebook in the glove box of your vehicle. A large percentage of stolen chequebooks are taken from cars.
- If you close an account, destroy any remaining cheques relevant to that account.
- Consider moving to telephone or Internet banking as an alternative to writing cheques.

It's your responsibility to protect yourself or your business from cheque fraud.