

BANKER AND CUSTOMER

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Banking and Banker

- ▶ Banking
- ▶ “accepting of the deposit of money from the public of lending or investing investment of that money which are repayable on demand or otherwise and withdraw by cheque, draft or order”.

Features:-

1. Accepting of deposit
2. Lending or investing

Banker

Section 3 of Negotiable instrument Act-----

- ▶ Banker is any person acting as banker

Halsbury's Laws of England ---

“An individual , partnership firm ,corporation whose sole predominating business is banking, that is the receipt of money on current account or deposit account and the payment of cheques drawn by the collection of cheques paid in by the customer

A banker is who honors cheques drawn upon him by person from and for whom he receives money on their account.

CUSTOMER

“ A person who has a bank account in his name and for whom the banker undertakes to provide the facilities as a banker is considered to be a customer”

“a customer can be any person for whom the bank agree to conduct and account”

Bank account may be savings, current or fixed deposit

Banker and customer must be of the nature of banking business

LEGAL REQUIREMENTS OF CUTOMER

- ▶ Customer must be a MAJOR
- ▶ Customer be of sound mind
- ▶ He should not be debarred under any law
- ▶ There must be an offer and acceptance of the proposal

Important points

- A single transaction can constitute a customer
- Every customer should have an account
- There should be some frequency in transactions
- All the dealing must be of banking nature
- The customer can be a person, a company, a society or a legal entity

Banker – Customer relationship

1. Debtor and creditor Relationship
2. Creditor and debtor Relationship
3. Agent and Principal Relationship
4. Bailee and Bailor Relationship
5. Trustee and Beneficiary Relationship
6. Pledgee and pledgee Relationship
7. Licensor and licensee Relationship
8. Mortgage and Mortgagee Relationship
9. Hypothecator and Hypothecatee Relationship
10. Advisor and client Relationship