

Why do settlement cheques need to be bank cheques?

Answer:

It is the requirement of the outgoing bank and the vendor conveyancers. Banks cheques are safer than personal cheques. Personal cheques, it's free to issue but often have no money in there! Therefore it is a high-risk instrument.

Bank cheques cost a small fee but it is more secure for the vendor.

Note: All cheques come from the banks. The personal cheque doesn't require to have any money in the account when you write & give the cheque out. However, the bank cheque, the requirement is that you must give the banker first before he or she will issue the said bank cheque.

