

**§4-1204. Refund of payment and duty of customer to report with respect to unauthorized payment order**

(1). If a receiving bank accepts a payment order issued in the name of its customer as sender that is not authorized and not effective as the order of the customer under section 4-1202 or not enforceable in whole or in part, against the customer under section 4-1203, the bank shall refund any payment of the payment order received from the customer to the extent the bank is not entitled to enforce payment and shall pay interest on the refundable amount calculated from the date the bank received payment to the date of the refund. The customer is not entitled to interest from the bank on the amount to be refunded if the customer fails to exercise ordinary care to determine that the order was not authorized by the customer and to notify the bank of the relevant facts within a reasonable time not exceeding 90 days after the date the customer received notification from the bank that the order was accepted or that the customer's account was debited with respect to the order. The bank is not entitled to any recovery from the customer on account of a failure by the customer to give notification as stated in this section. [PL 1991, c. 812, §2 (NEW).]

(2). Reasonable time under subsection (1) may be fixed by agreement as stated in section 1-1302, subsection (2), but the obligation of a receiving bank to refund payment as stated in subsection (1) may not otherwise be varied by agreement. [PL 2009, c. 325, Pt. B, §21 (AMD); PL 2009, c. 325, Pt. B, §27 (AFF).]

**SECTION HISTORY**

PL 1991, c. 812, §2 (NEW). PL 2009, c. 325, Pt. B, §21 (AMD). PL 2009, c. 325, Pt. B, §27 (AFF).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 130th Maine Legislature and is current through October 31, 2021. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.