

[Your Company Name]
[Your Address]
[City, State, Zip Code]
[Phone Number]

[Date]

[Customer Name]
[Customer Address]
[City, State, Zip Code]

RE: Notice of Dishonored Payment and Layaway Cancellation

Dear [Customer Name],

This letter is to inform you that your recent payment of \$[Amount] for Layaway Agreement #[Account/Order Number], submitted on [Date], has been returned by your financial institution marked as [Reason: e.g., Insufficient Funds/Account Closed].

According to our layaway policy, a dishonored payment constitutes a breach of the agreement. As a result, your layaway account has been cancelled, and the items listed below have been returned to our active inventory:

- [Item Description 1]
- [Item Description 2]

As per the terms of your signed agreement:

- A returned check/payment fee of \$[Fee Amount] has been applied to your account.
- A cancellation fee of \$[Fee Amount] has been deducted from your previous payments.

The remaining balance of your deposits, totaling \$[Refund Amount], [Select one: is enclosed via check / is available for pickup at our store / has been credited back to your original payment method].

If you believe this notice has been sent in error, please contact our billing department immediately at [Phone Number] or [Email Address].

Sincerely,

[Your Name/Signature]
[Your Title]