

## **POLICY ON INOPERATIVE ACCOUNTS AND UNCLAIMED DEPOSITS**

### **1. Introduction**

- a. Section 26 of the Banking Regulation Act, 1949 provides, inter alia, that every banking company shall, within 30 days after close of each calendar year submit a return in the prescribed form and manner to the Reserve Bank of India as at the end of each calendar year (i.e., 31st December) of all accounts in India which have not been operated upon for 10 years.
- b. In view of the increase in the amount of the unclaimed deposits with banks year after year and the inherent risk associated with such deposits, the Bank shall play a more pro-active role in finding the whereabouts of the account holders whose accounts have remained inoperative. With a view to further strengthen the regulatory framework for inoperative accounts and unclaimed deposits, this policy document is formed which details classification of inoperative accounts/unclaimed deposits, procedure for activation of eligible inoperative accounts, settling claims against unclaimed deposits, grievance mechanism for quick resolution of complaints, record keeping, displaying inoperative accounts / unclaimed deposits on bank's website, delegation of powers for settlement of claims for such accounts and periodic review of such accounts.

### **2. Classification of Inoperative Accounts / Unclaimed Deposits**

#### **a. Inoperative Accounts**

- i. A current account/saving account shall be treated as 'Inoperative Account' if there has been no 'Customer Induced Transaction' for a continuous period of 24 months. In case the customer has given a mandate for crediting the interest on Fixed Deposit account to the Savings Bank account/ Current account, since the interest on Fixed Deposit account is credited to the accounts as per the mandate of the customer, the same shall be treated as a customer induced transaction. As such, the account shall be treated as operative account as long as the interest on Fixed Deposit account is credited to the account. The account shall be treated as inoperative account only after two years from the date of the last credit entry of the interest on Fixed Deposit account, if there are no other operations in the account.

#### **b. Unclaimed Deposits**

- i. Following RBI circular no. RBI / 2008-09 / 138 dated 22<sup>nd</sup> August 2008, the Bank shall (i) pay interest on savings accounts on regular basis whether the account is operative or not, (ii) pay interest at savings rate

on the unclaimed amount if a Fixed Deposit Receipt matures and proceeds are unpaid.

ii. Operative Accounts: An account shall be classified as unclaimed deposits if the same is not operated (other than interest credits and service charge debits which are bank induced transactions) for 10 years and more from the date of last operation.

iii. Term Deposits: A term deposit account shall be classified as unclaimed deposit if the same is not renewed/withdrawn after 10 years or more from the date of maturity.

3. Display of data on unclaimed deposits on web site of the bank:

a. The Bank shall display the list of inoperative accounts / unclaimed deposits which are inactive / inoperative for ten years or more on its website. The list so displayed shall contain only the names of the account holder(s) and his/her address. In case such accounts are not in the name of individuals, the names of individuals authorized to operate the accounts shall also to be indicated. However, the account number, its type and the name of the branch shall not be disclosed on the bank's website.

4. Redressal of complaints and grievances

a. For any complaint / grievance with regard to services rendered by the Bank, customers shall have a right to approach authority(-ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances shall be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint.