

POLICY ON SAFE DEPOSIT LOCKERS

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PART I: CUSTOMER DUE DILIGENCE (CDD) FOR LOCKERS

1. CUSTOMER DUE DILIGENCE (CDD) FOR LOCKERS

- 1.1 The existing customers of a branch who have made an application for locker facility and who are fully compliant with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) may be given the facilities of safe deposit lockers subject to on-going compliance.
 - 1.2 Customers who are not having any other banking relationship with the branch may also be given the facilities of safe deposit locker after complying with the CDD criteria under the Master Direction – Know Your Customer (KYC) Directions, 2016 (as updated from time to time) and subject to on-going compliance. The due diligence shall be carried out for all the customers in whatever rights and capacities they may be hiring the locker.
 - 1.3 The locker-hirer/s shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. The said clause is also implemented in revised locker agreement. If the branch suspects the deposit of any illegal or hazardous substance by any customer in the safe deposit locker, the branch shall have the right to take appropriate action against such customer as it deems fit and proper in the circumstances.
 - 1.4 The branches shall obtain recent passport size photographs of locker-hirer(s) and individual(s) authorised by locker hirer(s) to operate the locker and preserve in the records pertaining to locker-hirer being maintained in the branch.
- I. Branches should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a high risk category, customer due diligence as per KYC norms applicable to such high risk category should be carried out.
 - II. Where the lockers have remained in-operated for more than three years for medium risk category or one year for a high risk category, branches should immediately contact the locker hirers and advise him to either operate the locker or surrender it.

This exercise should be carried out even if the locker hirer is paying the rent

regularly. Further, branches should ask the locker hirer(s), to give in writing, the reasons why he/she did not operate the locker. In case the locker hirer has some genuine reasons, branches may allow the locker hirer to continue with the locker. In case the locker hirer does not respond nor operate the locker, branches should consider opening the lockers after giving due notice

to him after taking prior sanction from Head Office / Regional Office and also strictly complying with all the procedures prescribed for breaking open the locker.

PART II: LOCKER ALLOTMENT

2. In order to facilitate customers making informed choices, Bank will maintain a branch wise list of vacant lockers as well as a wait-list in Core Branching System (CBS) or any other computerized system compliant with Cyber Security Framework issued by RBI, for the purpose of allotment of lockers and ensure transparency in allotment of lockers.

The bank/branch shall allot the vacant lockers to the wait-listed customers, only on 'First Come First Basis', irrespective of the amount of deposit offered to be kept with the Branch by the customer. The Branches shall acknowledge the receipt of all applications for allotment of locker and provide a wait list number to the customers, if the lockers are not available for allotment.

Before recommending a locker unit, branches should assess the customer demand/preferences with reference to type/size and number of cages keeping in mind the profitability of the investment decision. The capital investment made for a locker unit can be easily recovered at the earliest possible time, provided all cages are let out immediately on installation of a new locker unit.

Hence, branches should start registering the names of customers who require lockers, before recommending purchase of new locker units to the Head Office/Regional Office. Branches should ensure that at least 60% of the cages in the new locker units can be allotted to the registered customers, immediately on purchase of new locker units.

2.1 MODEL LOCKER AGREEMENT

- 2.1.1 Branches shall adopt the newly framed 'Safe Deposit Locker Agreement' duly approved by BODs of the bank. Bank shall ensure that any unfair terms or conditions are not incorporated in our locker agreement. Further, the terms of the contract shall not be more onerous than required in ordinary course of business to safeguard the interests of the bank. Branches shall renew the locker agreements with existing locker customers by January 1, 2023.

2.1.2 At the time of allotment of the locker to a customer, the branch shall enter into an agreement

with the customer to whom the locker facility is provided, on a paper duly stamped. The stamp duty is to be borne by locker hirer. A copy of the locker agreement in duplicate signed by both the parties shall be furnished to the locker- hirer to know his/her rights and responsibilities. Original Agreement shall be retained with the branch where the locker is situated.

2.2 LOCKER RENT

2.2.1 Branch may face potential situations where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, the Branch will obtain a Term Deposit, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker in case of such eventuality. Branches, however, shall not insist on such Term Deposits from the existing locker holders or those who have satisfactory operative accounts. The packaging of allotment of locker facility with placement of term deposits beyond what is specifically permitted above is prohibited by our Bank.

Such Term Deposit receipt should be pledged with the Branch and the same shall be lien marked. To comply with this condition, following should be observed:

- a. Fixed Deposit Receipt shall be in the name of only All Locker Holders. It should be duly discharged on a revenue stamp should be taken from the customer.
- b. The said deposit receipt should be for a period of 3 years with auto renewal instruction.
- c. Letter of lien signed by all the Locker holder
- d. FDR's to be marked lien in the CBS system.
- e. Acknowledgement to be given to the locker hirer.

Annual locker rent is fixed depending on the size and type of the locker and it is revised from time to time by the bank. Information regarding the revised rent rates will be available on the bank's website and digital signage available at branch premises for customer's ready reference.

Locker rent is calculated on a pro-rata basis and will be collected in advance. When a new locker allotment takes place, one year rent is collected in advance from the date of allotment of the locker. One-year minimum rent should be collected in advance and as far as possible, future collection of the rent should be automatically

made from an operative account linked with the locker.

- 2.2.2 If locker rent is collected in advance, in the event of surrender of a locker by a customer, the proportionate amount of advance rent collected shall be refunded to the customer calculated on the basis of completed quarters. Branch Managers are authorized to reverse the said charges as per above mentioned guidelines. For example: If locker is surrendered in the month of July then locker rent for remaining quarters to be refunded, [i.e., October to December and January to March.]
- 2.2.3 If there is any event such as merger / closure / shifting of branch warranting physical relocation of the lockers, the branch shall give public notice in two newspapers (including one local daily in vernacular language) in this regard and the customers shall be intimated at least two months in advance along with options for them to change or close the facility. In case of unplanned shifting due to natural calamities or any other such emergency situation, branches shall make efforts to intimate their customers suitably at the earliest.

Branch will notify all hirers (including all joint hirers) of movement / shifting of lockers to another location through a letter under registered post at least 30 days prior to shifting date.

PART III: INFRASTRUCTURE AND SECURITY STANDARDS

3.1 SECURITY OF THE STRONG ROOM/VAULT

- 3.1.1 Lockers units should be kept in a strong room. Branches shall take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins. The risks of accessibility of an allotted locker from any side without involvement of the locker-hirer concerned may be assessed and kept on record. Branches shall have a single defined point of entry and exit to the locker room/vault. The place where the lockers are housed must be secured enough to protect against the hazard of rain / flood water entering and damaging the lockers in contingent situations. The fire hazard risks of the area should also be assessed and minimized. The Branches shall conduct necessary engineering / safety verification of strong room / SDV locker cabinets on a time to time basis, to identify the risks and carry out necessary rectification to mitigate the risk.
- 3.1.2 The area housing the lockers should remain adequately guarded at all times.

Branches shall cover the entry and exit of the strong room under CCTV camera and preserve its recording for a period of not less than 180 days. In case any customer has complained to the Branch that his/her locker is opened without his/her knowledge and authority, or any

theft or security breach is noticed/observed, the Branch shall preserve the CCTV recording till the police investigation is completed and the dispute is settled.

- 3.1.3 The security procedures shall be well-documented and the staff concerned shall be properly trained in the procedure. The internal Inspectors/ Auditors shall verify and report the compliance to ensure that the procedures are strictly adhered to.

3.2 LOCKER STANDARDS

- 3.2.1 All the new mechanical lockers to be installed by the branches shall conform to basic standards / benchmarks for safety and security as prescribed by Bureau of Indian Standards (BIS) or any other enhanced industry standards applicable in this regard.
- 3.2.2 The customers' personal data, shall not be shared with third parties without their consent. The system should be capable of maintaining unalterable log of locker activities. The branches shall comply with the relevant statutory/regulatory guidelines/requirements applicable for IT/data protection. Branches should exercise due care and necessary precaution for the protection of the lockers provided to the customers. Branches should keep the locker keys of vacant lockers in a strong room under dual custody.
- 3.2.3 Branches shall ensure that identification Code of the bank & branch is embossed on all the locker keys (Example: Adharwadi branch's locker key's code is KJSB 010) and key number with a view to facilitating identification of lockers / locker ownership by law enforcement agencies in case of need. Further, the custodian of the locker shall, regularly/periodically, check the keys maintained in the branch to ensure that they are in proper condition. Branches shall permit the locker-hirer to operate the locker only with the key provided by the branch, although there is no restriction in allowing the customer to use an additional padlock of her /his own if there are such provisions in lockers.

PART IV: LOCKER OPERATIONS

4.1 REGULAR OPERATIONS BY CUSTOMERS

- 4.1.1 The locker hirer and/or the persons duly authorized by him/ her only shall be

permitted to operate the locker after proper verification of their identity and recording of the authorization by the officials concerned of the branch. The branch shall maintain a record of all individuals, including the locker-hirers, who have accessed the lockers and the date as well as time (both check-in and check-out time) on which they have opened and closed the

locker and obtain their signature. The ingress and egress register for access to Vault Room by locker-hirers or any other individual including the branches' staff shall be maintained to record the movement of individuals in the Vault Room area with their signatures at appropriate place in the records.

SAFE DEPOSIT LOCKER ACCESS REGISTER

Sr. No.	Date	Locker No.	Name of locker hirer	Time in	Time out	Signature of hirer operating the locker	Signature of custodian

VAULT ROOM ACCESS REGISTER

Sr. No.	Date of vault access	Purpose of vault access	Name & Locker No., if access for locker operation	Full Signature of locker hirer/person other than custodian	Time In	Time out	Signature of custodian - 1	Signature of custodian - 2

Note: The vault room access register is an additional register to safe deposit locker access register which is to be signed by locker hirer and locker key custodian

- 4.1.2 The officer authorizing the locker-hirer to access the locker, after unlocking the first key, shall not remain present when the locker is opened by the locker-hirer. The branches shall ensure that there is adequate privacy to the locker-hirers in the operations when customers access the lockers at the same time.
- 4.1.3 Bank shall send an email and SMS alert to the registered email ID and mobile number of the customer before the end of the day as a positive confirmation intimating the date and time of the locker operation and the redressal mechanism

available in case of unauthorized locker access. Locker hirer will not be allowed to operate the lockers if rent is due but not paid. Such locker hirer be advised to clear the dues and then allow operations.

4.2 INTERNAL CONTROLS BY BRANCHES

- 4.2.1 There shall be a system of inter change of locks whenever the locker is surrendered by the hirer. The keys of vacant lockers shall be kept in sealed envelopes and the same shall be maintained under dual custody. The duplicate master keys shall be deposited with another bank/branch. There shall be proper record of joint custody of master keys. Branches shall conduct surprise periodic verification of surrendered/vacant lockers and their keys by an officer of the branch who is not connected with their custody and proper record shall be maintained as a proof of such verification. The Inspection & Audit Department has to confirm this at the time of Branch inspection.
- 4.2.2 The Locker Register and the Locker Key Register shall be maintained in CBS or any other computerised system compliant with the Cybersecurity Framework issued by the Reserve Bank of India. The Locker Register shall be updated in case of any change in the allotment with complete audit trails.
- 4.2.3 The branch custodian shall check whether the lockers are properly closed post locker operation. If the same is not done, the lockers must be immediately closed, and the locker- hirer shall be promptly intimated through e-mail, if registered or through SMS, if mobile number is registered or through letter so that they may verify any resulting discrepancy in the contents of the locker. The locker custodian shall record the fact of not closing the locker properly in the register and its closure by the branch with the date and time. Further, at the end of the day the custodian of the locker room shall carry out a physical check of each and every locker that has been operated during the day to ensure that lockers are properly closed, and that no person is inadvertently trapped in the locker room after banking hours.

The hirer should not be permitted to stay in the strong room for an unreasonably long time. There should be proper watch during the locker-hirer's presence inside.

PART V: NOMINATION FACILITY AND SETTLEMENT OF CLAIMS

5.1 NOMINATION FACILITY

- 5.1.1 Branch is offering nomination facility in case of safe deposit lockers and safe

custody of articles, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985/Co-operative

Banks (Nomination) Rules, 1985. In case the nominee is a minor, the same procedure as prescribed for the bank accounts shall be followed by the branch. A passport size photo of the nominee attested by the customer may be obtained from the customers, at his/her option and preserved in the records.

- 5.1.2 For the various Forms (SL1, SL1A, SL2, SL3 and SL3A for Safe Deposit Lockers) prescribed under Banking Companies (Nomination) Rules, 1985/Co-operative Banks (Nomination) Rules, 1985, only Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.
- 5.1.3 Branches shall have appropriate systems and procedures in place to register the nomination, cancellation and / or variation of the nomination, in their books, made by the locker hirers.
- 5.1.4 Branches shall devise a proper system of acknowledging the receipt of duly completed form of nomination, cancellation and / or variation of the nomination. Such acknowledgement shall be given to all the customers irrespective of whether the same is demanded by the customers or not.
- 5.1.5
 - A) SL1- Nomination of Sole Hirer in respect of Safety Lockers – **Annexure I**
 - B) SL1 A – Nomination of Joint Hirers in respect of Safety Lockers – **Annexure II**
 - C) SL2 – Cancellation of Nomination of Safety Lockers – **Annexure III**
 - D) SL3 – Variation of Nomination of Sole Hirer in respect of Safety Lockers – **Annexure IV**
 - E) SL3 A- Variation of Nomination of Joint Hirers in respect of Safety Lockers- **Annexure V**

5.2 SETTLEMENT OF CLAIMS IN CASE OF DEATH OF A CUSTOMER

- 5.2.1 Branches shall have a Board approved policy for settlement of claims. The policy shall be in conformity with the regulatory instructions and the Model Operational Procedure (MOP) for settlement of claims of the deceased constituents formulated by the IBA.

5.2.2 Bank shall have a Board approved policy for nomination and release of contents of safety lockers to the nominee and protection against notice of claims of other persons in accordance with the provisions of Sections 45 ZC to 45 ZF of the Banking Regulation Act, 1949 and the Banking Companies (Nomination) Rules, 1985/Co-operative Banks

(Nomination) Rules, 1985 and the relevant provisions of Indian Contract Act and Indian Succession Act. 8

- 5.2.3 In order to ensure that the contents left in lockers are returned to the genuine nominee, as also to verify the proof of death, bank shall devise their own claim formats, in terms of applicable laws and regulatory guidelines.
- 5.2.4 **Time limit for settlement of claims:** Branches shall settle the claims in respect of deceased locker hirers and shall release contents of the locker to survivor(s) / nominee(s), as the case may be, within a period not exceeding 15 days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) with reference to nomination, to the branch's satisfaction.
- 5.2.5 Bank shall report to the BBODs, at appropriate intervals, on an ongoing basis, the details of the number of claims received pertaining to deceased locker-hirers accounts and those pending beyond the stipulated period, with reasons therefor. Bank's Board shall review the settlement of claims and make suggestions to ensure that the claims are settled as early as possible unless there is any litigation pending before the Courts or any difficulty is being faced in identifying the true claimant with reference to nomination.

5.3 ACCESS TO THE ARTICLES IN THE SAFE DEPOSIT LOCKERS

- 5.3.1 If the sole locker hirer nominates an individual to receive the contents in the locker, in case of his death, after verification of the death certificate and satisfying the identity and genuineness of such individual approached, the branch shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken in the prescribed manner.

In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirer(s) nominates any other individual(s), in the event of death of any of the locker hirers, the branch shall give access of the locker and the liberty to remove the contents jointly to the survivor(s) and the nominee(s) after an inventory was taken in the prescribed manner.

In case the locker was hired jointly with survivorship clause and the hirers instructed

that the access of the locker should be given to "either or survivor", "anyone or survivor" or "former or survivor" or according to any other survivorship clause permissible under the

provisions of the Banking Regulation Act, 1949, the branch shall follow the mandate in the event of death of one or more of the joint locker-hirers.

5.3.2 Branch shall, however, ensure the following before giving access to the contents to nominee

/ survivor:

- i. Exercise due care and caution in establishing the identity of the survivor(s) / nominee(s) and the fact of death of the locker hirer by obtaining appropriate documentary evidence;
- ii. Make diligent effort to find out whether there is any order or direction from Courts/Forums restraining it from giving access to the locker of the deceased; and
- iii. Make it clear to the survivor(s) / nominee(s) that access to articles in the locker is given to them only as a trustee of the legal heirs of the deceased locker hirer i.e., such access given to them shall not affect the right or claim which any person may have against the survivor(s)
/ nominee(s) to whom the access is given.

5.3.3 Branches shall ensure that, the contents of locker, when sought to be removed on behalf of a minor nominee, are handed over to a person who is, in law, competent to receive the articles on behalf of such minor. Further, the branch shall prepare an inventory of the articles in the presence of two independent witnesses, one officer of the branch who is not associated with the locker facility or safe deposit of articles and the claimant (s), who may be a nominee or an individual receiving the articles, on behalf of a minor.

5.3.4 Branches shall obtain a separate statement from the nominee (claimant) or the person competent to receive articles on behalf of the minor, as the case may be, that all the contents in the locker or in the safe custody of the branch, as the case may be, are received and the locker is empty and they have no objection to allotment of the locker to any other customer as per norms.

5.3.5 While giving access to the survivor(s) / nominee(s) of the deceased locker hirer, branches may avoid insisting on the production of succession certificate, letter of administration or probate, etc., or obtain any bond of indemnity or surety from the survivor(s)/nominee(s), unless there is any discrepancy in nomination. In this

regard, branches shall take note of our instructions under para 5.3.2.

- 5.3.6 In case where the deceased locker hirer had not made any nomination or where the joint hirers had not given any mandate that the access may be given to one or more of the

survivors by a clear survivorship clause, branches shall adopt a Board approved policy to facilitate access to legal heir(s) / legal representative of the deceased locker hirer. In this regard, branches shall take note of our instructions under para 5.3.2.

PART VI: CLOSURE AND DISCHARGE OF LOCKER ITEMS

6. This part refers to the breaking open of the locker in a manner other than through the normal access by the customer using her/his original key under any one of the following circumstances:
- (i) if the hirer loses the key and requests for breaking open the locker at her/his cost; or
 - (ii) if the Government enforcement agencies have approached the branch with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers; or
 - (iii) if the branch is of the view that there is a need to take back the locker as the locker hirer is not co-operating or not complying with the terms and conditions of the agreement.

Branches shall have a clear Board approved policy together with a Standard Operating Procedure (SOP) for breaking open the lockers for all possible situations keeping in view the relevant legal and contractual provisions.

6.1 DISCHARGE OF LOCKER CONTENTS AT THE REQUEST OF CUSTOMER

- 6.1.1. If the key of the locker, supplied by branch is lost by the locker-hirer, the customer (locker hirer) shall notify the branch immediately. An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the branch. On receipt of such a letter, branch officials should make a note of the same and in consultation with the hirer/s, and the manufacturers arrange for a date to break open the locker. All charges for opening the locker, changing the lock and replacing the lost key may be

recovered from the hirer. The charges applicable for replacement of lost keys shall be communicated to the locker hirer. **(Annexure VI)**

- 6.1.2. The opening of the locker has to be carried out by the branch only after proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker.
- 6.1.3. The operation shall be done in the presence of the customer/s and an authorized official of the branch. It has to be ensured that the adjoining lockers are not impacted by any such operations and the contents of the lockers are not exposed to any individual other than the locker-hirer during the break-up or restoration process.
- 6.1.4. If, customer loses the key of Safe deposit locker, the cost for break open and replacement of locks, actual charges by the vendor to be borne by the hirer.
- 6.1.5. On the appointed day, the locker should be broken open in the presence of the hirer/s and the branch officials. The hirer should take possession of the contents and sign acknowledgement for having received the same **(Annexure VII)**. Notation to this effect should be made in the record.
- 6.1.6. In case, where a locker is hired by more than one person jointly and the same is operated singly then if only one person is to be present at the time of break open of the locker, the joint hirer/s should give a letter of authority to supervise the operation in favor of that person. However, in case where the locker operation is jointly, all the hirers should be present.

Separate Resolution shall be required in case of Private Limited Companies. In case of Blind/ Illiterate persons further precautions shall be taken as per bank's policy from time to time.

6.2 Attachment and recovery of contents in a Locker of the branch by any Law Enforcement Authority

- 6.2.1 In case of attachment and recovery of the contents in a locker of a customer or the articles left by a customer for safe custody of the branch by any Authority acting either under the orders of a Court or any other competent authority vested with the power to pass such orders, the branches shall co-operate in execution and implementation of the orders.
- 6.2.2 The branch shall verify and satisfy itself about the orders and the connected

documents received for attachment and recovery of the contents in a locker or articles in the safe

custody of the branch. The customer (locker-hirer) shall be informed by letter as well as by email/SMS to the registered email id/mobile phone number that the Government Authorities have approached for attachment and recovery or seizure of the locker or articles deposited for safe custody. An inventory of the contents of locker and articles seized and recovered by the Authority shall be prepared in the presence of such Government Authorities, two independent witnesses and an officer of the branch and shall be signed by all. A copy of the inventory may be forwarded to the customer to the address available in the branch's records or handed over to the customer against acknowledgement.

- 6.2.3 Branches shall also record a video of the break-open process and the inventory assessment, wherever legally permissible, and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

6.3 DISCHARGE OF LOCKER CONTENTS BY BRANCHES DUE TO NON-PAYMENT OF LOCKER RENT

- 6.3.1 Branches shall have the discretion to break open any locker following due procedure if the rent has not been paid by the customer for three years in a row. The branch shall ensure to notify the existing locker-hirer prior to any changes in the allotment and give him/her reasonable opportunity to withdraw the articles deposited by him/her. A clause may be incorporated in the locker agreement to this effect.

- 6.3.2 Before breaking open the locker, the branch shall give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number demanding to pay the rent immediately.

If the rent is still unpaid, at least Three Reminders (**Annexure VIII**) should be sent at an interval of 30 days, via registered ad. Even after the reminders the hirer does not pay up the rent, then issues a final letter giving notice that the Bank would break open the Locker. This letter (Annexure IX) should be sent by Register Post with Acknowledgement due.

If there is no response for the registered letter, the branch should depute a responsible staff member to ascertain the following information of the hirer.

Latest address of the hirer, whether the hirer is available at this address, and if not, do the enquiries at the address reveal.

If the letter is returned undelivered or the locker-hirer is not traceable, the branch shall issue public notice in two newspaper dailies (one in English and another in local language) giving reasonable time to the locker-hirer or to any other person/s who has interest in the contents of locker to respond. The locker shall be broken open in the presence of an officer of the branch and two independent witnesses.

Further, branches shall also record a video of the break open process together with inventory assessment and its safe keep and preserve the same so as to provide evidence in case of any dispute or Court case in future. Branches shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register.

After breaking open of locker, the contents shall be kept in sealed envelope with detailed inventory inside fireproof safe in a tamper-proof way until customer claims it under the joint custody of the Manager & another Officer / Cashier of the Branch. The fact shall be recorded in a separate Register called "Register of Lockers Broken Open" which will be authenticated by both the custodians.

A report / inventory should be prepared and signed by all the persons in whose presence the Locker was broken open. A record of access to the fireproof safe shall invariably be maintained. While returning the contents of the locker, the branch shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

6.3.3 Branches shall ensure that the inventory prepared after breaking open of the locker and during settlement of claims, is in the appropriate forms as provided at the end of this circular or as near thereto as circumstances require. Further, branches shall not open sealed/closed packets left with them for safe custody or found in locker while releasing them to the nominee(s) and surviving locker hirers, unless required by law.

6.3.4 In such cases, the Bank shall recover its dues on account of rent till the quarter in which the locker is broken open, Charges for breaking open the locker and repair / replacement and other handling charges, service charges, to cover losses of rental income owing to immobility of the locker shall be recovered by

exercising Bank's lien over the contents / deposit with the Bank.

6.4 DISCHARGE OF LOCKER CONTENTS IF THE LOCKER REMAINS INOPERATIVE FOR A LONG PERIOD OF TIME

- 6.4.1 If the locker remains inoperative for a period of seven years and the locker-hirer cannot be located, even if rent is being paid regularly, the branch shall be at liberty to transfer the contents of the locker to their nominees/legal heir or dispose of the articles in a transparent manner, as the case may be. Before breaking open the locker, the branch shall follow the procedure as prescribed in paragraph 6.3.2 and 6.3.3 above. Branches shall ensure that the procedure to be followed by them for disposal of the articles left unclaimed for a reasonably long period of time as mentioned above is incorporated in their locker agreement.
- 6.4.2 The bank shall ensure that appropriate terms are inserted in the locker agreement executed with the customer specifying the position in case the locker is not in operation for long period. A clause may also be incorporated in the locker agreement to discharge the bank from liability in case the locker is not in operation and the locker is opened by the branch and contents are released as per law and as per the instructions issued by the Reserve Bank of India and the terms and conditions prescribed in the agreement.

PART VII: COMPENSATION POLICY / LIABILITY FOR BANKS

7. LIABILITY OF BANKS

The Bank owes the responsibility for any loss or damage to the contents of the lockers due to the negligence as banks owe a separate duty of care to exercise due diligence in maintaining and operating their locker. The duty of care includes ensuring proper functioning of the locker system, guarding against unauthorised access to the lockers and providing appropriate safeguards against theft and robbery. Further, bank shall adhere to the Master Directions of RBI on Frauds for reporting requirements about the instances of robberies, dacoities, thefts and burglaries.

7.1 LIABILITY OF BANKS ARISING FROM NATURAL CALAMITIES LIKE EARTHQUAKE, FLOOD, THUNDERSTORM, LIGHTNING ETC. OR DUE TO SOLE NEGLIGENCE OF THE CUSTOMER.

The bank/branch shall not be liable for any damage and/or loss of contents of locker arising from natural calamities or Acts of God like earthquake, floods, lightning and thunderstorm or any act that is attributable to the sole fault or negligence of the customer. Branches shall,

however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.

7.2 LIABILITY OF BANKS ARISING FROM EVENTS LIKE FIRE, THEFT, BURGLARY, DACOITY, ROBBERY, BUILDING COLLAPSE OR IN CASE OF FRAUD COMMITTED BY THE EMPLOYEES OF THE BANK.

It is the responsibility of branch to take all steps for the safety and security of the premises in which the safe deposit vaults are housed. It has the responsibility to ensure that incidents like fire, theft/ burglary/ robbery, dacoity, building collapse do not occur in the branch premises due to its own shortcomings, negligence and by any act of omission/commission. As branches cannot claim that they bear no liability towards their customers for loss of contents of the locker, in instances where loss of contents of locker are due to incidents mentioned above or attributable to fraud committed by bank employee(s), the bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

PART VIII: RISK MANAGEMENT, TRANSPARENCY & CUSTOMER GUIDANCE

8.1 BRANCH INSURANCE POLICY

The Bank, with the approval of their Board, shall have a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, and loss during shifting/merger of branch, etc., affecting contents of lockers.

8.2 INSURANCE OF LOCKER CONTENTS BY THE CUSTOMER

Bank shall clarify in their locker agreement that as they do not keep a record of the contents of the locker or of any articles removed therefrom or placed therein by the customer, they would not be under any liability to insure the contents of the locker against any risk whatsoever. Bank shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

8.3 CUSTOMER GUIDANCE AND PUBLICITY

8.3.1 The bank shall display the model locker agreement with all the Terms & Conditions and the

Standard Operating Procedures (SOPs) on various aspects on an official website of

bank for public viewing. The bank shall ensure that the customers are made aware of the bank's terms and conditions to avail this facility.

8.3.2 Bank shall display updated information on all kinds of charges for safe deposit lockers on its website.

8.3.3 Bank shall place on their websites, the instructions together with the policies / procedures put in place for giving access of the locker to the nominee(s) / survivor(s) / legal heir(s) of the deceased locker hirer. Further, a printed copy of the same shall also be given to the nominee(s) / survivor(s) / legal heir(s).

8.4 Board approved policies and SOPs

Bank shall put in place a comprehensive revised Board approved policy and SOPs on safe deposit locker facility as per the revised instructions mentioned herein.