

**HINDU COOPERATIVE BANK LTD PATHANKOT**

Framed on 29-12-2021

# LOCKER POLICY

## Introduction:

Safe deposit lockers facility is one of the ancillary services extended by bank at our branches. The locker units will be leased out to customers after obtaining adequate KYC documents. The relationship between the banker and the customer of a locker is that of lessor and lessee.

### 1. Customer Due Diligence:-

- The existing customers of a bank 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.
- Customers who are not having any other banking relationship with the bank may 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.
- The bank 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 bank's branch.

### 2. Locker Allotment

- A list of vacant lockers as well as wait list shall be maintained by the branches for the purpose of allotment of lockers.
- The banks 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.
- At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer to whom the locker facility is provided, on a paper duly stamped. 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 bank's branch where the locker is situated.
- Lockers will be allotted by the branches on first-come-first-serve basis.
- Due diligence of KYC norms, will be duly applied before allotment of locker.
- While hiring to joint hirers and other than individual, clear instructions on operations and closure shall be obtained and bank shall comply with such instructions without exception.
- No Lockers to be allotted to Minors.

## Locker Rent

- Locker rent and service charges will be decided by the Bank, depending on their size from time to time. The rent tariff and related service charges will be advised to the customer suitably and the same will be available at all branches/website
- Locker rent will be payable in advance at the time of allotment of locker and subsequently every year.
- To ensure prompt payment of locker rent, at the time of allotment of locker a time deposit, which would cover three years' rent and the charges for breaking open of locker (in case of any such eventuality), shall be obtained from the hirer.
- A transaction account CA/SB may be opened of the customer which will allow the bank to debit the account for collection of annual locker rent.
- Standing Instructions for auto debit from the CA/SB account of the hirer shall be obtained for Annual rent to be collected. And Account should be manually debited by the bank for rent.
- If the locker is hired in the name of the staff member, either singly or jointly with his/her spouse, a concession in normal rates can be allowed to bank's staff. However, a staff member would be eligible to hire only one locker at concessional rent at the bank.
- 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.
- In the event of locker rent remaining unpaid, the access to locker shall be allowed only on clearance of overdue rent.
- A notice may be given to the hirer for payment of overdue rent.
- Bank can launch any scheme for depositors of the bank with regards to concessional locker rent

## Locker Operations

- 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 their authorization by the officials concerned of the bank.
- The bank shall maintain a record of all individuals, including the locker hirers, who have accessed the lockers and the date and time (both check in and check out time) on which they have opened and closed the locker and obtain their signature.
- An in and out register for shall be maintained for recording the movement of locker hirer or any other individual including bank staff into the locker room with their signature at appropriate place.

- Only one customer is permitted at a time to operate locker. In case of joint holders both the holders are permitted at a time.
- The Locker can be surrendered at any time during the contract period.
- The Hirer/s can operate the Locker only on the Bank's working days and during working hours of the Bank
- The bank's officer authorizing the locker-hirer to access the locker, after unlocking the first key / password shall not remain present when the locker is opened by the locker-hirer.

### **Surrender of Locker:-**

- Locker can be surrendered by the hirer/s at any time during the contract period through a written application and handing over of keys to the Bank Officials
- Bank can also request for surrender of locker with due notice.
- In cases where the hirer wishes to surrender the locker before expiry of existing lease period, surplus of rent over the 12 months' tenure, if any, can be refunded, if requested by the hirer.
- Surrender of the locker after expiry of the lease period, will be allowed on payment of locker rent on pro rata basis.

### **Internal Controls for Lockers:-**

- The Branch Manager shall allot the duty of an official as custodian of lockers and keys who shall be responsible for the operations of lockers including opening of locker account, allotment of locker and surrender, maintenance of locker rents records and making correspondence with the hirer in consultation with the branch manager.
- A locker Register and Locker Key Register shall be maintained by the custodian of lockers.
- After the surrender of lockers its lock shall be inter changed with a vacant locker by calling the technician of supplier of locker vault.
- A 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 custodian shall check whether the lockers are properly closed post locker operation and in case its not properly closed the locker hirer be informed immediately and proper record be maintained in this regards with date and time.

### **Nomination Facility:-**

- The banks shall offer 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 banks. 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.

- At the time of opening of allotment of the locker the hirer should be made aware of the benefits of the nomination and recommend to avail this facility.
- Where the hirer/s prefers not to nominate, the same will be recorded in the application form
- The forms for registering /cancellation/variation of the nomination shall be available with the custodian and on the request of the hirer he will get it properly filled and signed by the hirer and acknowledge the receipt of the form to the hirer.
- The record of such forms shall be safely kept with the other locker records of the hirer
- Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses at the time of filling of forms DA-1, DA-2, DA-3

#### Settlements of Claims in case of death of customer:-

- Exercise due care and caution in establishing the identify of survivor(s)/nominee(s) and fact of death of the locker hirer by obtaining proper documentary evidence.
- 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 banks shall give access of the locker to such nominee with liberty to remove the contents of the locker, after an inventory was taken as per Annexure / form attached in this policy.
- 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 bank 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.( Annexure / form attached)
- 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 banks shall follow the mandate in the event of death of one or more of the joint locker-hirers.
- 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, exercise due care and caution in establishing the identify of survivor(s)/legal heirs and fact of death of the locker hirer by obtaining proper documentary evidence. claim form shall be got filled by claimant, relinquishment deed from all legal heirs in favour of the claimant , indemnity bond from claimant along with id

proofs i.e Aadhaar and PAN etc and relevant documents as the branch incumbent deem fit to his/her satisfaction to discharge his legal obligation.

- Further, in case the nominee/ survivor(s) / legal heir(s) wishes to continue with the locker, banks may enter into a fresh contract with nominee/survivor(s) / legal heir(s) and also adhere to KYC norms in respect of the nominee/ legal heir(s).
- locker key will be taken back from nominee/claimants, by terminating the original contract

Banks shall, however, ensure the following before giving access to the contents to nominee / survivor:

- 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.
- 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
- Obtain an undertaking from 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.
- In case of minor the article be handed over to a person competent I law to receive articles on behalf of minor.

**Inventory of articles:** - An inventory of the article shall be made in the presence of two independent witness and one officer of the bank not associated with locker facility. (Form for inventory)

### **Breaking Open of Locker:-**

Locker may be break open under the following circumstances:-

- The locker hirer loses the key and requests for braking open of the locker at his / her cost
- If the locker rent has not been paid by the customer for three years in a row.
- 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.
- if the Government enforcement agencies have approached the bank with orders from the Court or appropriate competent authority to seize lockers and requested for access to the lockers
- if the bank 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.

**Discharge of Locker contents by breaking open the locker under the circumstances enumerated below:-**

### **Loss of Key by the locker hirer**

- a) If the key of the locker, supplied by bank is lost by the locker-hirer, the customer shall notify the bank.
- b) An undertaking may also be obtained from the customer that the key lost, if found in future, will be handed over to the bank.
- c) All charges for opening the locker, changing the lock and replacing the lost shall be recovered from the hirer. The charges applicable for replacement of lost keys / issue of new password shall be communicated to the locker hirer.

- d) The opening of the locker shall be carried out by the bank through technician of supplier of locker vault.
- e) Proper identification of the hirer, proper recording of the fact of loss and written authorization by the customer for breaking open the locker be obtained.

### **Non Repayment of Locker Rent**

- a) Banks shall have the discretion to break open any locker following due procedure as below, if the rent has not been paid by the customer for three years in a row.

### **Locker Remains Inoperative for Long Period of time:-**

- a) 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 bank 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 bank shall follow the procedure as detailed below.

### **Procedure for Breaking open the locker:-**

- A fifteen days' notice to the locker-hirer through a letter and through email and SMS alert to the registered email id and mobile phone number of the hirer/s shall be given.
- If the letter is returned undelivered or the locker-hirer is not traceable, the bank 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 bank and two independent witnesses.
- In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved.
- A video of the break open process together with inventory assessment and its safe keep shall be recorded and preserved by the branch safely so as to provide evidence in case of any dispute or Court case in future.
- Banks 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.
- A record of access to the fireproof safe shall invariably be maintained.
- While returning the contents of the locker, the bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

### **Attachment and recovery of contents in a Locker of the bank by any Law Enforcement Authority:-**

- In case of attachment and recovery of the contents in a locker of a customer 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 banks shall co-operate in execution and implementation of the orders.

- The bank shall verify and satisfy itself about the orders and the connected documents received for attachment and recovery of the contents in a locker of the bank.
- 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 bank and shall be signed by all.
- A copy of the inventory may be forwarded to the customer to the address available in the bank's records or handed over to the customer against acknowledgement.
- A video of the break-open process and the inventory assessment, wherever legally permissible, shall be recorded and preserve the video to produce as evidence in case of any dispute or Court or fraud case in future.

#### **Compensation Policy / Liability for Bank:-**

- The bank 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. Banks shall, however, exercise appropriate care to their locker systems to protect their premises from such catastrophes.
- The Bank will exercise due care and necessary precautions for the protection of lockers, though under the happening of events like fire theft burglary, dacoit, robbery building collapse beyond the control of the bank or case of fraud committed by employees of the bank, the Bank's liability shall be or equivalent to one hundred times of the annual rent of the locker.



**Form of Inventory of articles left in safe custody with banking company  
(Section 45ZC (3) of the Banking Regulation Act, 1949)**

The following inventory of articles left in safe custody with branch, by Shri/Smt. \_\_\_\_\_ (deceased) under an agreement/receipt dated \_\_\_\_\_ 20\_\_\_\_ taken on this, \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Sr.No.	Description of Articles in Safe Custody	Other Identifying Particulars, if any

The above inventory was taken in the presence of:

1. Shri/Smt. \_\_\_\_\_ (Nominee)/Shri/Smt. \_\_\_\_\_  
(Appointed on behalf of minor Nominee)

Address \_\_\_\_\_ OR Address \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

I, Shri/Smt. (Nominee / appointed on behalf of minor Nominee) hereby acknowledge receipt of articles comprised and set out in the above inventory together with a copy of the said inventory.

Shri/Smt. \_\_\_\_\_ (Nominee) Shri/Smt. \_\_\_\_\_

(Appointed on behalf of minor Nominee)

Signature \_\_\_\_\_

Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

Date & Place \_\_\_\_\_

Witness Name \_\_\_\_\_

Witness Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_

**Form of Inventory of Contents of  
Safety Locker Hired from Banking Company  
(Section 45ZE (4) of the Banking Regulation Act, 1949)**

The following inventory of contents of Safety Locker No. \_\_\_\_\_ located in the Safe Deposit

vault of \_\_\_\_\_ Branch at \_\_\_\_\_.

\* hired by Shri/Smt \_\_\_\_\_ deceased in his/her sole name.

\* hired by Shri/Smt (i) \_\_\_\_\_ [deceased]

(ii) \_\_\_\_\_ jointly

(iii) \_\_\_\_\_

was taken on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

Sr. No.	Description of Articles in Safety Locker	Other Identifying Particulars, if any

- For the purpose of inventory, access to the locker was given to the Nominee and the surviving hirer.
- who produced the key to the locker.
- by breaking open the locker under his/her/their instructions.

The above inventory was taken in the presence of:

1. \_\_\_\_\_ (Nominee) \_\_\_\_\_

2. \_\_\_\_\_ (Witness)

3. \_\_\_\_\_ (Witness)

4. \_\_\_\_\_ (Witness)

5. \_\_\_\_\_ (Witness)

6. \_\_\_\_\_ (Witness)

Shri/Smt. \_\_\_\_\_ Signature \_\_\_\_\_ Survivors of joint hirers

Address \_\_\_\_\_

2. Witness (es) with name, address and signature:

\* I, Shri/Smt. \_\_\_\_\_ (Nominee)

\* We, Shri/Smt. \_\_\_\_\_ (Nominee), Shri/Smt.

\_\_\_\_\_ and Shri/Smt. \_\_\_\_\_ the survivors of the joint

hirers, hereby acknowledge the receipt of the contents of the safety locker comprised in and set out

in the above inventory together with a copy of the said inventory.

Shri/Smt. \_\_\_\_\_ (Nominee) Shri/Smt. \_\_\_\_\_ (Survivor)

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

Shri/Smt. \_\_\_\_\_ (Survivor)

Signature \_\_\_\_\_

Date & Place \_\_\_\_\_

Witness Name \_\_\_\_\_

Witness Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_