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SCDCC BANK LTD



POLICY FOR SETTLEMENT OF CLAIMS IN DECEASED/ MISSING DEPOSITORS ACCOUNTS

(As per RBI Directions RBI/DOR/2025-26/317 DOR.MCS.REC.No.236/
01-01-038/2025-26 dated 28-11-2025)

(Board Approval No.109/2026-27 dated 27-07-2026)



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POLICY FOR SETTLEMENT OF CLAIMS IN DECEASED/ MISSING DEPOSITORS ACCOUNTS

PREAMBLE:

Providing excellent service to our esteemed customers is the key to success. In addition to providing high quality service to our customers, there is a need to settle the claims of rightful nomination/ legal heirs/ successors/ claimants/ quickly and as per norms. As service-oriented bankers, it becomes our duty to properly guide the registered nominees/ legal heirs

The Claims should be settled in such a way that the bank's interest is not jeopardized. Settlement of claims is an important aspect of the branch operations, hence it needs focused attention.

For accounts where nomination is not registered during the life time of the depositor, bank has been following divergent practices for settlement of death claims. Hence the Reserve Bank of India with an intention to streamline the procedures and standardize the documentation in death claim settlement, issued directions with an aim to consolidate the various regulatory instructions. This policy on settlement of claims is in tune with the RBI directions dated 28-11-2025.

Objective of the Policy:

The main objective of the guidelines for settlement of claims is to ensure that only the rightful claimants (nominees/ legal heirs/ successors) get the moneys or access to lockers belonging to the deceased individual customer in accordance with law. The RBI directions 2025 primarily deals with the settlement of claims relating to Deposit account, the Safe deposit locker and Articles in Safe custody of a deceased customer.

Definitions:

(1) 'Customer' is a person or organization that uses the products and services provided by a Bank and maintains a banking relationship with it.

(2) 'Depositor' refers to an individual(s) who has any type of deposit account with a bank such as Savings account, Current account, Term Deposit account, etc.

1. Settlement of Claims in Deposit Accounts of Deceased Depositor

As per RBI directions, a depositor can nominate upto 4 individuals to receive the deposit amount upon their death. This nomination can be either successive or simultaneous.

(1) Successive Nomination: A depositor can specify a priority order among nominees. If the first nominee is deceased, the claim passes to the next person on the list.

(2) Simultaneous Nomination: A depositor can specify the percentage share of the deposit for each nominee. The sum of these shares must total 100%.

1.1 Deposit Accounts with Nominee / Survivorship clause

A deposit account where a depositor had made nomination in terms of the provisions of The Banking Regulation Act, 1949 or where the account was opened with survivorship clause, the payment of the outstanding balance upon the death of the depositor(s) to the nominee(s) / survivor(s) shall be considered a valid discharge of the Bank's liability, provided:

(1) The Bank has exercised due care and caution in establishing the identity of the nominee(s)/ survivor(s) and the deceased status of the account holder(s) by obtaining appropriate documentary evidence (physical or equivalent e-document);

(2) There is no order from the competent court in the knowledge of the Bank, as on the date of settlement/ payment, restraining the nominee(s)/ survivor(s) from receiving or the Bank from making the payment from the account of the deceased depositor(s); and

(3) It has been made clear in writing to the nominee(s)/ survivor(s) that they would be receiving the payment from the Bank as a trustee of the legal heirs of the deceased depositor(s), i.e., such payment to them shall not affect the right or claim which any person may have against the nominee(s)/ survivor(s) to the extent of the payment made to them.

In the case of a joint deposit account with or without survivorship clause, the nominee's right arises only after the death of all the depositors.

Payment made to the nominee(s) / survivor(s), subject to the foregoing conditions, shall constitute a full and valid discharge of the Bank's liability. Therefore, in such cases, while making payment to the nominee(s) / survivor(s) of the deceased depositor(s), the Bank shall not insist on production of legal documents such as Succession Certificate, Letter of Administration, Probate of Will, etc., or seek any bond of indemnity / surety from the nominee(s) / survivor(s) / third-party, irrespective of the amount standing to the credit of the deceased account holder(s). The Bank shall require submission of the following documents in such cases:

(1) Obtain 'C' Class membership of the nominee / survivor;

(2) Claim form, as given in Annex V, duly signed by the nominee(s)/ survivor(s);

(3) Death certificate of the deceased depositor(s); and

- (4) Officially Valid Document of the nominee / survivor towards verifying her / his identity and address.

1.2 Deposit Accounts without Nominee / Survivorship clause

In Case where the deceased depositor had not made any nomination, Banks are advised to settle the claims in accordance with the provisions applicable as per RBI guidelines. All the required documents and prescribed forms for settlement shall be sent to Head office for prior approval.

1.2.1 Simplified Procedure

Keeping in view the imperative need to avoid inconvenience and undue hardship to the legal heir(s) / claimant(s), the Bank shall follow a simplified procedure for settlement of claims in respect of deposit accounts, provided

- (1) a deceased depositor(s) had not made any nomination or in case of a joint account, the account was without nominee / survivorship clause,
- (2) there is no Will left behind by the deceased depositor(s),
- (3) there is no contesting claim, and
- (4) there is no order from a competent court in the knowledge of the Bank, restraining the claimant(s) from receiving nor the Bank from making the payment.

1.2.1.1

The Bank shall settle the claim based on

- (1) Obtain 'C' Class membership of the nominee / survivor;
- (2) Claim form, as given in Annex VI duly filled in and signed by the claimant(s) other than those who have signed the letter of disclaimer/ no objection;
- (3) Death certificate of the deceased depositor(s);
- (4) Officially Valid Document of the claimant(s) towards verifying his/ her identity and address;
- (5) Bond of indemnity, as given in Annex VII, signed by the claimant(s);
- (6) Letter of disclaimer/ no objection, as given in Annex VIII, from non-claimant legal heir(s), if applicable; and
- (7) Legal Heir Certificate issued by a competent authority/ Succession Certificate;

OR

Declaration/ Affidavit, as given in Annex IX sworn before a Notary Public/ Judge/ Judicial Magistrate, regarding the legal heir(s) of the deceased depositor(s), by an independent person who is well known to the family of the deceased, is not a party to the claim and is acceptable to the Bank.

1.2.2 Settlement of Claims not falling under the Simplified Procedure

1.2.2.1 Claims involving 'Will' without any dispute

The Bank shall settle claims involving 'Will' left behind by a deceased depositor on the basis of Probate of Will/ Letter of Administration, as applicable, in addition to documents mentioned at paragraphs **1.2.1.1** (1) to (3) above. In cases where a person other than a legal heir is named as a beneficiary in the Will, applicable documents shall also be obtained from her/ him.

However, the Bank is free to exercise discretion and act as per 'Will' of the deceased without requiring production of the probate of such Will, provided the same is not inconsistent with applicable laws, there is no dispute regarding the Will amongst the legal heir(s) and/ or beneficiaries named in the Will and the Bank is otherwise satisfied as to the genuineness of the Will. In such cases, the Bank shall additionally call for the documents mentioned at paragraphs **1.2.1.1** (4) and (5) above. H.O. prior permission should be obtained.

1.2.2.2 Cases involving contesting claims / dispute

In case of contesting claims or dispute amongst the legal heir(s) and / or the beneficiaries named in the Will of the deceased depositor, the Bank shall settle claims on the basis of Probate of Will or Letter of Administration or Succession Certificate or Court order/ decree, as applicable, and the documents mentioned at paragraphs **1.2.1.1** (1) to (3) above. Further, where there is an order from a Court restraining the Bank from making the payment, the claim shall not be entertained during the period the order is in force. The settlement of claim shall be considered based on subsequent Court order to that effect.

No bond of surety shall be insisted from a third party in cases falling under either 1.2.2.1 or 1.2.2.2 above. H.O. prior permission should be obtained.

1.3 Treatment of credits in the name of a deceased depositor post settlement

Post settlement of the deposit account(s), in case any credit is received in the name of a deceased depositor, the Bank shall return the same to the remitter with the remark 'Account holder deceased' and intimate the nominee(s)/ survivor(s)/ legal heir(s).

1.4 Premature Termination of term deposit accounts

A bank shall incorporate a clause in the account opening form itself to the effect that in the event of death of the depositor, premature termination of term deposits would be allowed without any penal charge, even if the deposit is within the lock-in-period.

Premature termination of term deposits opened jointly, with or without survivorship clause, shall require the consent of the surviving depositors and the legal heir(s) of the deceased joint holder, in case of death of one of the depositors. However, in case of joint accounts with

survivorship clause, if a specific mandate is furnished by all the depositors jointly to the Bank, either at the time of placing the term deposit or anytime subsequently during the tenure of the deposit, then premature withdrawal option shall be allowed to the survivors on the death of any of the depositors, without seeking the concurrence of the legal heir(s) of the deceased joint deposit holder.

1.5 Settlement of Claims in respect of missing persons

The nominee(s) / legal heir(s) of a missing person shall be required to get an order from the competent court under the provisions of Sections 110 or 111 of the Bharatiya Sakshya Adhiniyam, 2023. In a situation where an individual has been missing for 7 years or more the claim in respect of such missing person shall be settled as per the procedure applicable for settlement of claims in respect of a deceased customer. In such cases, a copy of the court order declaring the civil death of the account holder shall be obtained in lieu of the death certificate. However, to avoid inconvenience and undue hardship to the common person where the aggregate amount payable, including accrued interest, as on the date of the application is less than ₹1 lakh or such higher amount as may be fixed by the Bank, a copy of the First Information Report (FIR) and non-traceable report issued by police authorities shall be obtained in lieu of death certificate or an order from a competent court declaring the civil death of the account holder for settling the claim.

The Credit balance in the deposit account up to any extent may be settled on the basis of submission of claim by the nominee/legal heirs/ enclosing Whether order or Certificate/declaration, Of the competent court and on the basis of identification of the nominee / legal heirs/ claimants the credit balance together with interest, if any, may be credited to their account maintained with the bank.

The branch official should visit the residential premises of the account holder and make discreet enquiries about him/her and report to be kept on branch record. The matter should be reported to next higher authority.

1.6 Types of Joint Accounts

There are different types of joint accounts based on the mode of operation and accessibility as explained below:

- a) **Either (Or) Survivor** - This is the most common form of joint account. Only two individuals can operate the account. Both can access the account and transfer the funds.

The final balance and interest (if any) will be paid to the survivor on death of anyone of the account holders. The survivor can opt to continue the account.

If the nominee is a different person then the balance money is paid to him/her **after the death of the survivor.**



Example: Mother and daughter can open a joint-account. On death of anyone of them, the surviving person can continue the account or get the account balance transferred to her name.

The signatures of both the depositors need not be obtained for payment of maturity proceeds of term deposit accounts that are opened with operating instructions 'Either or Survivor'. However, the signatures of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the operating instruction is 'Either or Survivor' and one of the depositor expires before the maturity, no pre-payment of the term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This, however, would not stand in the way of making payment to the survivor on maturity.

When a term deposit account is opened in the joint names of two depositors on 'Either or Survivor' basis and the said joint depositors already have a savings bank account in their names jointly on 'Either or Survivor' instructions, on maturity of the term deposit, proceeds of the matured term deposit can be credited to the joint savings bank account already opened in the Bank. A separate savings bank account need not be opened in the name of the first depositor for crediting the proceeds of the term deposit.

- b) Former (Or) Survivor** – In this type of joint account, only the first account holder (former) can access and operate the account till the time he/she is alive. The second account holder (second applicant) can operate the account only on death of the primary holder (first applicant). The survivor can also get the balance transferred to his/her name (if required).

In case the mandate is 'Former or Survivor', the 'Former' alone can operate / withdraw the matured amount of the term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

If the joint depositors prefer to allow premature withdrawals of term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor', as the case may be, it would be open to the Bank to do so, provided it has taken a specific joint mandate from the depositors for the said purpose. In other words, in case of term deposits with "Either or Survivor" or "Former or Survivor" mandate, the Bank is permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.

- c) Anyone (Or) Survivor** – This is similar to "either or survivor" option. The only difference is, more than two individuals can operate the account.

If the Depositor wants his / her father, mother and spouse to be able to access and operate his/her bank account then this is the best option. In case of death of anyone of the account holders, the remaining survivors can continue to operate the account.

- d) Latter (Or) Survivor** – This is similar to “former/survivor” option. The main difference is, only the second account holder can access and operate the account till the time he/she is alive. The primary/first account holder can operate the account only on death of the secondary account holder.

***Example:** Husband and wife are the joint-account holders. Wife is a second account holder. Then in this case, only wife can operate the account. Only after she is no more, can the husband have access to operate the account.*

- e) Jointly** - In this type of account, all the transactions need to be signed and mandated by all the account holders. If any of the account holder dies then the account cannot be further operated. The balance proceeds shall be payable to survivor jointly with the nominee / legal heirs of the deceased joint account holder.
- f) Jointly or Survivor** –This is similar to “jointly” option. The only difference being, in case of the death of joint depositor the survivor can continue to operate the account. Alternatively, the proceeds of the account can be transferred to his/her name.

Interest Payment:

- a) In case of death of a depositor, if the claim is submitted after the due date, interest for the period from the due date till the date of settlement shall be interest payable on Savings Bank account or the contracted rate of interest on the matured Term Deposit whichever is less.
- b) In the event of legal heir/s representative/s nominee/s claiming payment of deposit before maturity date, the interest shall be payable at the rate as applicable on the date of deposit with regard to the period for which the deposit actually remained with the Bank. However without levying penalty (1% at present). This is also applicable to deposits standing in the joint names where one of them dies.
- c) If, on request from the claimant/s the Bank agrees to split the amount of term deposit and issues two or more receipts individually in the names of the claimant/s, it shall not be construed as premature withdrawal of the term deposit provided the period and aggregate amount of the deposit do not undergo any change.

2. Settlement of Claims in Safe Deposit Locker and Articles in Safe Custody by Deceased Customer

2.1 Claims with Nominee(s) / Survivorship Clause

- a) If a sole locker hirer nominates an individual(s)/ can avail multiple nomination upto 4 successive nominees to receive the contents in the locker in case of her/ his death, a bank

- shall give access of the locker to such nominee(s) with liberty to remove the contents of the locker.
- b) In case the locker was hired jointly with the instructions to operate it under joint signatures, and the locker hirers nominate 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 nominee(s) and the survivor(s).
 - c) 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 Bank shall follow the mandate in the event of death of one or more of the joint locker hirers.
 - d) In case of a minor nominee, the Bank shall ensure that, the contents of locker, when sought to be removed on behalf of the minor nominee, are handed over to the guardian whose details have been provided in the nomination form. If the details of the guardian have not been provided in the nomination form, the Bank shall hand over the contents of the locker to a person who is, in law, competent to receive the contents of safe deposit locker on behalf of such minor.
 - e) The following documents shall be obtained by a bank for processing the claim in cases falling under paragraphs **2.1 (a) and (b)** above:
 - (1) Obtain 'C' Class membership of the nominee / survivor;
 - (2) Claim form, as given in Annex V, duly signed by the nominee(s)/ survivor(s);
 - (3) Death certificate of the safe deposit locker hirer(s); and
 - (4) Officially Valid Document of the nominee/ survivor towards verifying her/ his identity and address.
 - f) The Bank shall, however, ensure the following before giving access to the contents to the nominee(s)/ survivor(s):
 - (1) Exercise due care and caution in establishing the identity of the nominee(s)/ survivor(s) and deceased status of the locker hirer(s) by obtaining appropriate documentary evidence (physical or equivalent e-document);
 - (2) There is no order or direction as on date from a Court/ Forum in the knowledge of the Bank, restraining the nominee(s)/ survivor(s) from having access or the Bank from giving access to the locker of the deceased hirer(s) and liberty to remove the contents of such locker; and
 - (3) Make it clear to the nominee(s)/ survivor(s) that access and liberty to remove the contents of the locker is given to them only as a trustee of the legal heir(s) of the deceased locker hirer(s), i.e., such access and liberty to remove the contents given to them shall not affect the right or claim which any person may have against the nominee(s)/ survivor(s) to whom the access is given.
 - g) After receipt of the documents mentioned at paragraph **2.1 (e)** above and being satisfied to the genuineness of the claim, the Bank shall correspond with the nominee(s) / survivor(s) in writing and fix a date and time for making an inventory of the contents of

the safe deposit locker. The same shall be undertaken in the presence of the nominee(s) and/or survivor(s) and/ or their authorised representatives, two independent witnesses (should not be employee or ex-employee of the Bank), the safe deposit vault custodian and another employee of the Bank not associated with locker operations, and recorded as per the inventory form given in Annex X. The Bank shall then hand over the possession of the contents of the locker to the nominee(s)/ survivor(s)/ the person competent to receive the contents on behalf of the minor, as the case may be, and obtain an acknowledgment, as given in Annex X, that all the contents in the locker of the deceased hirer(s) have been removed and the locker is empty, and they have no objection to allotment of the locker to any other locker hirer as per norms of the Bank.

- h) Production of legal documents, viz., Succession Certificate, Letter of Administration, Probate of Will, etc., or Bond of indemnity from the nominee(s)/ survivor(s) shall not be required unless there is any discrepancy in nomination.
- i) Procedure, as prescribed in paragraphs **2.1 (a) to (h)** above, shall be followed mutatis mutandis for return of articles kept by the deceased customer in the safe custody of the Bank. However, inventory form given in Annex XI shall be used in such cases.

2.2 Cases without Nominee / Survivorship clause

All the required documents and prescribed forms for settlement shall be sent to Head office for prior approval.

2.2.1 Settlement of claims falling under the simplified procedure

- a) Keeping in view the imperative need to avoid inconvenience and undue hardship to the legal heir(s)/ claimant(s), a bank shall adopt a simplified procedure for settlement of claims in safe deposit lockers provided there is no dispute amongst the legal heir(s)/ claimant(s) and

(1) the deceased locker hirer(s) had not made any nomination, or

(2) 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, or

(3) there is no 'Will' left behind by the deceased locker hirer.

- b) In cases falling under the simplified procedure, the Bank shall obtain the following documents to settle the claim without obtaining any legal documents such as Succession Certificate, Letter of Administration, Court order, etc.

(1) Obtain 'C' Class membership of the nominee / Survivor;

(2) Claim form, as given in Annex VI, duly filled and signed by the claimant legal heir(s);

(3) Death certificate of the safe deposit locker hirer(s);

(4) Officially Valid Document of the claimant(s) towards verifying her/ his identity and address;

(4) Letter of disclaimer/ no objection, as given in Annex VIII, from non-claimant legal heir(s), if applicable; and

(5) Legal Heir Certificate issued by a competent authority or Affidavit, as given in Annex IX, sworn before a Notary Public/ Judge/ Judicial Magistrate regarding the legal heir(s) of the deceased locker hirer(s) by an independent person who is well known to the family of the deceased, is not a party to the claim and is acceptable to the Bank.

2.2.2 Settlement of Claims not falling under the Simplified Procedure

2.2.2.1 Claims involving ‘Will’ without any dispute

The Bank shall settle claims involving ‘Will’ left behind by a deceased safe deposit locker hirer on the basis of Probate of Will/ Letter of Administration, as applicable, in addition to documents mentioned at paragraphs **2.2.1 (b)(1) to (3)** above. In cases where a person other than a legal heir is named as a beneficiary in the Will, applicable documents shall also be obtained from her/ him.

However, the Bank may exercise discretion and act as per ‘Will’ of the deceased without requiring production of the probate of such Will, provided the same is not inconsistent with applicable laws, there is no dispute regarding the Will amongst the legal heir(s) and/ or beneficiaries named in the Will and the Bank is otherwise satisfied as to the genuineness of the Will. In such cases, the Bank shall additionally call for the documents mentioned at paragraphs **2.2.1 (b) (4) and (5)** above. H.O. prior permission should be obtained.

2.2.2.2 Cases involving contesting claims/ dispute

292. Cases involving dispute amongst the legal heir(s) and/ or beneficiaries named in the Will, as applicable, shall be settled based on Probate of Will or Succession Certificate or Letter of Administration or Court order/ decree, as the case may be, and the documents mentioned at paragraphs **2.2.1 (b)(1) to (3)** above. H.O. prior permission should be obtained.

2.3 Procedure for taking inventory of contents of safe deposit locker

After receipt of the required documents in claims falling under categories at 2.2.1 and 2.2.2 above and being satisfied to the genuineness of the claim, the Bank shall correspond with the claimant(s) in writing and fix a date and time for making an inventory of the contents of the safe deposit locker, as given in form prescribed in Annex X in the presence of all claimant(s) or their duly authorised representatives, two independent witnesses (should not be employee or ex-employee of the Bank), the safe deposit vault custodian and another employee of the Bank not associated with locker operations. Valuation of the contents of the safe deposit locker shall be carried out by an independent valuer and recorded in the Bond of Indemnity as given in Annex XII. The claimant(s) or their duly authorised representative(s) may remove the contents of the locker subsequent to submission of the Bond of Indemnity. Bond of Indemnity shall not be required to be given in cases of claims settled on the basis of legal documents such as Probate of Will or Succession Certificate or Letter of Administration or Court order/ decree, etc.

Procedure, as prescribed in paragraphs 2.2.1 to 2.3 above, shall be followed mutatis mutandis for return of articles kept by the deceased customer in the safe custody of the Bank. However, inventory form given in Annex XI shall be used in such cases.

3. Standardisation of procedure for submission of claims

- a) The Bank shall use the standardised forms for receiving the claims and other documents as per the formats provided in Annex V to Annex XII below.
- b) The standardised forms and other documents required for settlement of claims with respect to the deposit accounts/ safe deposit locker/ articles in safe custody kept by a deceased customer shall be made available in all the branches as well as on the Bank's website for the convenience of the claimant(s). Further, the Bank shall also display on its website, the list of documents to be submitted by a claimant and the procedure to be followed for settlement of claims in various scenarios.
- c) A claimant shall be allowed to lodge the claim at any of the branches against acknowledgment. In case all required documents for processing of the claim have been submitted by the claimant, the Bank shall also issue a confirmation in this regard. However, in case of any pending or incomplete/ incorrect documents, the Bank shall intimate the claimant about the list of such documents while acknowledging the receipt of claim. On subsequent submission of all the required documents, the Bank shall issue a confirmation to the claimant that all required documents have been received for processing of the claim.
- d) The Bank may provide the facility for online lodgement of such claims. Upon a claimant uploading the claim form along with the required documents, the Bank shall send acknowledgement / confirmation through appropriate channels and also make available the provision for online tracking of the status of the claim. In such cases, if the Bank requires the claimant to produce original documents for submission / verification, the same shall be allowed to be done at any of its branches.

4. Time limit for settlement of claims

- a) As directed by RBI, the Bank shall settle the claim in respect of deposit accounts of a deceased customer to the nominee within a period not exceeding 15 calendar days from the date of receipt of all the required documents associated with the claim.
- b) In case of safe deposit locker / articles in safe custody, the Bank shall, within 15 calendar days of receipt of all the required documents, process the claim and communicate with the claimant(s) for fixing the date for making inventory of the locker / articles in safe custody.

5. Compensation for delay in settlement of claims

- a) If any deposit related claim is not settled within the timeframe stipulated at paragraph **4(a)** above, then the Bank shall communicate the reasons for such delay to the claimant(s). Further, in cases of delay attributable to the Bank, compensation shall be paid by the Bank in the form of interest, at a rate not less than the prevailing Bank Rate + 4% per annum, on the settlement amount due for the period of delay. The reference date for reckoning the amount due and the prevailing Bank Rate shall be the date of receipt of all required documents from the claimant.
- b) For claims related to safe deposit locker/ articles in safe custody, the Bank shall be required to pay compensation to the claimant(s) at the rate of ₹5,000 for each day of

delay, in cases where it doesn't adhere to the timeline prescribed in paragraph 4(b) above.

6. Settlement of claims in respect of deposit accounts of a sole proprietary concern

Nomination facility is also available in respect of deposits held in the name of a sole proprietary concern. Accordingly, the Bank shall follow the procedure for settlement of claims in respect of such accounts as has been prescribed above for the accounts with/ without nominee/ survivorship clause, as applicable.

7. Modes for Certification of 'proof of death' document issued outside India

In cases involving death of a customer outside India, 'proof of death' document is issued by an authority outside the country. In such cases, the Bank shall accept the original certified copy of the document issued for 'proof of death', certified in the country of its issuance in any one of the following modes:

- (1) authorised officials of overseas branches of Scheduled Commercial Banks registered in India; or
- (2) branches of overseas banks with whom Indian banks have correspondent banking relationships; or
- (3) a Court Magistrate or Judge or Notary Public; or
- (4) consularised by Indian Embassy/ Consulate General in the country of issuance; or
- (5) apostilled.

8. Customer Guidance and Publicity

The Bank shall continue to spread awareness among its customers about the benefits of the nomination facility/ survivorship clause and give wide publicity to these facilities along with the procedure for settlement of claims.

Nomination Facilities

Pursuant to the notification of the Banking Laws (Amendment) Act, 2025 and the subsequent issuance of the Directions by RBI dated 28 October 2025 (Reference:RBI/2025-26/95 DOR.MCS.REC.59/01.01.003/2025-26), banks are required to align their nomination procedures in deposit accounts, safe deposit lockers and articles kept in safe custody.

These directions apply to:

- All types of deposit accounts maintained with the bank
- Safe deposit locker facility and articles kept in safe custody.

Key Operational Requirements

At the time of account opening

- At the time of account opening, a Bank shall explicitly inform the prospective customer of the availability and purpose of the nomination facility and offer him/her the option to avail the same. The Bank shall also clearly explain to the prospective customer the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder's demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications.
- For the purpose of these Directions, it is clarified that if an individual is keeping an account for his/ her proprietorship business, it will be deemed as that individual's account and the nomination facility shall be offered in such accounts.
- If the prospective customer chooses not to avail the nomination facility despite being fully informed, the Bank shall proceed to open the deposit account without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that he/ she does not require the nomination facility at the time of account opening. If he/she refuses to provide the written declaration, the Bank shall record the fact of refusal to submit written confirmation in the account opening records.
- Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.
- **It is compulsory to obtain nominee contact details and email id for every nominee.** The following details must be collected and updated in the system without exception.
 - **Nominee full name (as per valid id), Mobile Number, Email ID, Relationship with the Account holder.**

For deposit accounts:

- Nominating multiple people: A Depositor can nominate up to four individuals to receive the deposit amount upon their death. This nomination can be either successive or simultaneous.

- **Successive Nomination**: A depositor can specify a priority order among nominees. If the first nominee is deceased, the claim passes to the next person on the list.
- **Simultaneous Nomination**: A depositor can specify the percentage share of the deposit for each nominee. The sum of these shares must total 100%.
- In case of simultaneous nomination, if any nominee dies prior to receiving the deposit from the Bank, the nomination in respect of such nominee alone shall become ineffective. Accordingly, a Bank shall settle the claims of the amount of deposit made in favour of such nominee in accordance with provisions applicable for accounts without nominee clause as contained in Reserve Bank of India (Settlement of Claims in respect of Deceased Customers of Banks) Directions, 2025 as amended from time to time.
- If the nominee is a minor, the depositor must appoint another person to receive the amount on the minor's behalf in the event of the depositor's death.
- **Nominee's role**: The nominee receives the funds as a trustee for the legal heirs and does not gain absolute ownership. The Bank is discharged of its liability by paying the nominee, but the legal heirs can still claim the amount from the nominee based on succession laws.

For safe deposit lockers / articles kept in safe custody:

- Multiple nominees: Up to four nominees permitted, but **only successive nomination mode is allowed** (i.e., not simultaneous).
- **Nomination for Sole Hirer**: As per existing rule, a Sole Hirer of a locker can nominate one person to whom the Bank may give access and permission to remove the contents upon the hirer's death.

The 2025 amendment expanded this to allow up to 4 successive nominees.

- **Nomination for joint hirers**: As per existing rule, if a locker is hired jointly, the hirers can nominate one or more people. In the event of the death of one or more hirers, the Bank can grant access to the nominee(s) jointly with the surviving hirer(s). **The 2025 amendment allows for up to 4 successive nominees for joint hirers as well.**
- Before returning the articles, the Bank must prepare an inventory, which the nominee must sign. The Bank delivers a copy of the inventory to the nominee.
- Similar to deposit nominations, the nominee is entitled to receive the article upon the death of the person who placed it in safe custody. However, this does not affect the rights of other legal claimants against the nominee.

The passbook / account statement / term deposit receipt must bear:

- A legend "Nomination Registered" (where nomination is registered).
- Name(s) of the nominee(s) where applicable.
- Publicity, customer-education: Banks must put in place messages on cheque-books, passbooks, statements etc, and conduct awareness drives about nomination facility.

- All existing accounts should be reviewed for nomination status. Branches to send communication to customers advising them of option for multiple nominations (up to four) and encourage update where needed.

Branch Actions Required

- Train staff in: explaining nomination facility; obtaining written declaration of non-naming; issuing acknowledgement within 3 working days.
- Publicity: update signage, pass-book legends, account statement messages.
- Customer communication: over phone/ issue letter/email advising customers of new option to nominate up to four persons, share percentages etc; invite review of their nomination.
- A Bank shall have in place appropriate systems and procedures to register in its books the registration, cancellation and variation of the nomination, as per the request of the customers.
- A Bank shall devise proper systems for acknowledging the receipt of the duly completed forms of registration, cancellation and/ or variation of the nomination.
- A Bank shall verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them.
- Such acknowledgement shall be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers.
- Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, the Bank shall inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.
- The nomination does not override legal heirs' rights under inheritance/ succession law; Banks must continue to adhere to extant settlement of claims guidelines.
- Where a nominee dies before receiving the deposit/asset, that nominee's nomination becomes ineffective and settlement must follow directions for accounts without valid nominee. Banks should clearly capture mode of nomination (simultaneous vs successive) and, for simultaneous mode, capture share proportions (must total 100%).
- For customers refusing nomination and not signing a declaration: record refusal in account opening record – account opening cannot be withheld.

Monitoring & Reporting

- Branches to submit monthly report to Head Office on number of accounts opened/variation/cancelled where multiple nomination (up to 4) is exercised.



The Act Provisions

Sections 45 ZA to 45 ZF of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) enables a co-operative Bank to make payment to the nominee of a deceased depositor, of the amount standing to the credit of the depositor.

The Rules

The Co-operative Banks (Nomination) Rules, 1985 provide for:

The Nomination Rules in respect of Deposit Accounts provide as under:

- (a) The nomination to be made by the depositor or, as the case may be, all the depositors together in respect of a deposit held by a co-operative Bank to the credit of one or more individuals shall be in Form DA-1.
- (b) The said nomination may be made only in respect of a deposit, which is held in the individual capacity of the depositor and not in any representative capacity as the holder of an office or otherwise.
- (c) Where the nominee is a minor, the depositor or, as the case may be, all the depositors together, may, while making the nomination, appoint another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee.
- (d) In the case of a deposit made in the name of a minor, the nomination shall be made by a person-lawfully entitled to act on behalf of the minor.
- (e) The cancellation of the said nomination to be made by the depositor or, as the case may be, all the depositors together shall be in Form DA-2.
- (f) A variation of the said nomination to be made by the depositor or, as the case may be, all the depositors together shall be in Form DA-3.
- (g) The said nomination shall be made **upto 4 individuals**.
- (h) A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the deposit is held by a co-operative Bank to the credit of the depositor or depositors, as the case may be.
- (i) In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors surviving at the time of the cancellation or variation of the nomination.

- (j) The co-operative Bank shall acknowledge in writing, to the depositor or depositors concerned the filing of the relevant duly completed Form of nomination or cancellation of nomination or variation of nomination, as the case may be, in respect of a deposit.
- (k) The relevant duly completed Form of Nomination or cancellation of nomination or variation of nomination filed with the co-operative Bank shall be registered in the books of the co-operative Bank.
- (l) A nomination or cancellation of nomination or variation of nomination shall not cease to be in force merely by reason of the renewal of the deposit.
- (m) It is not necessary for the nominee to be a relative of the Account Holder.

Rights of Nominee

1. As directed by Reserve Bank of India, the Bank should settle the claim in respect of deceased customer to the Nominee within a period of not exceeding 15 days from the date of receipt of the claim subject to the production of the proof of the death of the depositor and suitable identification of the claim, to the Bank's satisfaction.
2. The Bank is not bound to take any notice of claim of any person, other than the nominee.
3. Any other person having the right or claim on the amount will have to exercise it against the nominee. Accordingly, if on the death of the depositor, a nominee and the legal heir holding succession certificate make their claims simultaneously, the Bank should take note of the claim of the legal heir and advise him/her to bring a competent court injunction restraining the Bank from effecting payment to the nominee. In the event of their failure to do so, the settlement should be made in favour of the nominee within the period stipulated by Reserve Bank of India.
4. In a Deposit Account held in joint names of two or more persons, the nominee can exercise his claim only on the death of all the joint holders in the account.
5. In a term deposit, in the event of death of the account holder/s, the nominee is normally entitled to receive the proceeds thereof only on maturity. In case the nominee wishes to close the Term Deposit prematurely, he/she is required to obtain and furnish the written consent of the legal heirs of the deceased depositor/s.
6. The nominee gets exclusive right to receive the money lying in the account of the deceased depositor. But nominee is a trustee and not the owner of the deposit of the deceased depositor. **Nominee will only receive the deposit amount of the deceased depositor as a trustee of the deceased depositor and will be legally bound to transfer it to the legal heirs of the deceased depositor.**

Acknowledgement of Nomination

In terms of Rules 2 (9), 3 (8) and 4 (9) of the Co-operative Banks (Nomination) Rules 1985, Banks are required to acknowledge in writing to the depositor(s) / locker hirers (s) the filing of the relevant duly completed Form of nomination, cancellation and / or variation of the nomination. Banks are advised to strictly comply with the provisions of Banking Regulation Act, 1949 (As Applicable to Co-operative Societies) and Co-operative Banks (Nomination) Rules, 1985 and devise a proper system of acknowledging the receipt of the duly completed form of nomination, cancellation and/or variation of the nomination. Such acknowledgement should be given to all the customers irrespective of whether the same is demanded by the customers. Further, in addition to the legend "Nomination Registered", they should also indicate the name of the Nominee in the Pass Books / Statement of Accounts / Fixed Deposit Receipts, in case the customer is agreeable to the same or Nominee Registration Number may be noted in the Pass Books / Statement of Accounts / Fixed Deposit Receipts.

Registration of Nomination

The Rules 2(10), 3(9) and 4(10) require a Bank to register in its books the nomination, cancellation and/or variation of the nomination. The Banks should accordingly take action to register nominations or changes therein, if any, made by their depositor(s) hirer(s) of lockers.

The following aspects may be adhered to while recording nominations:

- (i) In addition to obtaining nomination form, Banks may provide for mentioning name and address of the nominee in the account opening form. Publicity about nomination facility is needed, including printing compatible message on chequebook, passbook and any other literature reaching the customer as well as launching periodical drives to popularise the facility.
- (ii) In case of joint deposits, after the death of one of the depositors, the Banks may allow variation/cancellation of a subsisting nomination by other surviving depositor (s) acting together. This is also applicable to deposits having operating instructions "either or survivor". **It may be noted that in the case of a joint deposit account, the nominee's right arises only after the death of all the depositors.**
- (iii) The Banks may introduce a practice of recording on the face of the pass book the position regarding availment of nomination facility with the legend 'Nomination Registered'. This may be done in the case of term deposit receipts also.

Nomination Forms:

Form DA-1, DA-2, DA-3 provided as under

DA-1 For Nomination

DA-2 For Cancellation of Nomination

DA-3 For variation of Nomination



Chief Executive Officer (I/C)