

Frequently Asked Questions (FAQ)
Settlement of Claims – Deceased Customers

1. What is the objective of these guidelines?

To ensure a simple, transparent, and timely settlement of claims of deceased customers with minimal documentation and customer-friendly handling.

2. Which accounts are covered under these guidelines?

These guidelines apply to:

1. Savings Accounts
2. Current Accounts
3. Term Deposits / Fixed Deposits
4. Safe Deposit Lockers
5. Articles kept in safe custody

3. Who can claim the balance in case of death of a customer?

1. Surviving account holder(s) in joint accounts with survivorship clause
2. Nominee(s), if registered
3. Legal heir(s), if no nomination exists

4. What happens if a nominee is registered and all the account holders in a deposit account have deceased?

The bank will release the balance to the nominee after:

- Verifying identity
- Confirming death of the customer
- Ensuring no legal restriction exists

5. Who can claim the balance amount in a joint deposit account on the death of one of the depositor(s)?

1. A/c with mandate as joint operation

Claim will be settled to the surviving account holder and the legal heir(s) of the deceased account holder by following the deceased claim settlement process.

2. A/c with survivorship clause (Mode of operation: Either or survivor/ Former or survivor/ Latter or survivor/ Anyone or survivor)

The surviving account holders are entitled for the funds in the account

Nominee's right arises only on the death of all the account holders in joint deposit accounts with or without survivorship clause

6. Does the nominee become the legal owner of funds?

No. The nominee acts as a **trustee** for legal heirs. Final ownership is governed by succession laws. However, Bank's liability will be discharged upon settlement of claims to the survivor(s) /nominee(s)

7. What if there is nomination or survivorship in the account?

The branch shall release the outstanding balance in the account to the nominee(s) or surviving account holder(s), after obtaining the following documents.

- 1) Claim form, as given in **Annex V**, duly signed by the nominee(s)/ survivor(s)
- 2) Death Certificate of the deceased depositor(s)
- 3) Officially Valid Document(s) of the nominee / survivor towards verifying her/his identity and address.

8. Are all the nominees required to be present for deceased claim settlement in case of Simultaneous nomination?

In cases of Simultaneous nomination, the death claim shall be settled jointly in favour of all surviving nominees in accordance with the percentage shares specified by the customer(s). All such nominees shall be required to be present at the time of claim settlement

9. In case one nominee has expired, how should the deceased claim be settled?

In the event of the death of any one of the nominees under a **Simultaneous nomination**, the claim shall be settled in favour of the surviving nominee(s) to the extent of their respective share as specified by the depositor. The share of the deceased nominee shall not be paid to other nominee(s) and will instead be paid to the legal heir(s) of the deceased nominee, subject to submission of required documents as prescribed by the bank.

In the case of **Successive nomination**, the claim shall be settled in favour of the nominee who is next in the order and alive at the time of settlement. In the event of the death of the primary nominee, the claim will be payable to the next successive nominee, subject to the submission of the death certificate of the deceased nominee(s) and such other documents as may be prescribed by the bank. This process shall continue in the order of succession until the claim is settled with the surviving nominee.

10. What if there is no nominee /survivorship clause in the account?

The bank shall follow a simplified process for deceased claim settlement, 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.

Settlement shall be processed based on the value of the claim and supporting legal documentation. Branches shall follow a simplified procedure for settlement of claims with in the threshold limit of Rs.15 Lakhs

1. Claim Form (**Annex VI**) duly filled in and signed by the claimant(s) other than those who have signed the letter of disclaimer / no objection
2. Death Certificate of the deceased depositor(s)
3. Officially Valid Document(s) of claimant(s)
4. Bond of Indemnity signed by the claimant(s), **Annex VII**
5. Letter of disclaimer / no objection from non-claimant legal heir(s), **Annex VIII**

6. Legal Heirship Certificate OR Declaration, as given in **Annex IX**

11. What if there is no nominee / survivorship for accounts with outstanding balance exceeding 15 lakhs

Settlement shall be processed based on the submission of following documents:

1. Succession Certificate
2. Claim Form (**Annex VI**) duly filled in and signed by the claimant(s)
3. Death Certificate of the deceased depositor(s)
4. Officially Valid Document(s) of claimant(s)

OR

1. Legal Heir Certificate issued by a competent authority or Affidavit, as given in **Annex IX**,
2. Claim Form (**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(s) of claimant(s)
5. Bond of Indemnity signed by the claimant(s), **Annex VII**
6. Letter of disclaimer / no objection from non-claimant legal heir(s), **Annex VIII**
7. Bond of surety, as given in **Annex VII**, from third-party individuals (which may include non-claimant legal heir(s) who are acceptable to the bank and good for the claim amount.

12. What in case of claims not falling under the Simplified Procedure (WILL without any dispute)

Bank can settle the claims on the basis of

- 1) Probate of Will /Letter of Administration
- 2) Claim Form (**Annex VI**) duly filled in and signed by the claimant(s)
- 3) Death Certificate of the deceased depositor(s)
- 4) Officially Valid Document(s) of claimant(s)

Bank can exercise discretion to settle the claim as per the Will of the deceased, without requiring Probate of the Will, subject to the following conditions:

- WILL appears genuine
- No objections from legal heirs
- Applicable laws are complied with

In such cases, bank shall call for the below-mentioned documents, in addition to the above documents.

- 1 Bond of Indemnity signed by the claimant(s), **Annex VII**
- 2 Letter of disclaimer / no objection from non-claimant legal heir(s), **Annex VIII**
- 3 Legal Heirship Certificate OR Declaration, as given in **Annex IX**

13. What about a claim with WILL having disputes?

Bank can settle the claims on the basis of

- 1 **Probate of Will or Letter of Administration or Succession Certificate or Court order / decree** and
- 2 Claim Form (**Annex VI**) duly filled in and signed by the claimant(s)
- 3 Death Certificate of the deceased depositor(s)
- 4 Officially Valid Document(s) of claimant(s)

14. A locker with single operation has a registered nominee. What is the exact action to be taken by the branch, on the death of the locker hirer?

Grant access to the nominee after:

- 1 Verifying identity & death certificate
- 2 Obtaining claim form
- 3 Prepare inventory in presence of witnesses as per **Annexure X** and obtain Bond of Indemnity from claimants as per **Annexure XII**
- 4 Hand over contents to nominee as trustee (not owner)

Documents to be obtained:

- 1) Claim form, as given in **Annex V**, duly signed by the nominee(s) / survivor(s)
- 2) Death Certificate of the safe deposit locker hirer(s)
- 3) Officially Valid Document of the nominee / survivor towards verifying her/his identity and address

Before giving access of the locker contents to the nominee(s) / survivor(s), bank shall ensure that

Due care and caution is taken 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).

Confirm that no order or direction from a Court / Forum, in the knowledge of the bank, restraining access to the locker.

Clearly communicate to the nominee(s) / survivor(s) that access to the locker is granted to them only as a trustee of the legal heir(s) of the deceased locker hirer(s).

Inventory acknowledgment as per Annexure X and Bond of Indemnity as per Annexure XII are obtained from claimant(s).

15. Locker is jointly held with instructions to operate it under joint signatures. One hirer dies. What should the branch do?

If the locker hirer(s) had jointly nominated any other individual, in the event of death of any of the locker hirers, bank shall give access of the locker and the liberty to remove the contents jointly to the nominee(s) and the surviving locker hirer(s).

Documents to be obtained:

- 1) Claim form, as given in **Annex V**, duly signed by the nominee(s) / survivor(s)
- 2) Death Certificate of the safe deposit locker hirer(s)
- 3) Officially Valid Document of the nominee / survivor towards verifying her/his identity and address

Prepare inventory in presence of witnesses as per **Annexure X** and obtain Bond of Indemnity from claimants as per **Annexure XII**

16. Locker is jointly held with “Either or Survivor” clause. One hirer dies. What should the branch do?

Allow surviving hirer(s) to access and operate the locker
No need to involve nominee / legal heirs
Follow mandate of survivorship clause

Inventory required only if locker is being closed and contents handed over.

Prepare inventory in presence of witnesses as per **Annexure X** and obtain Bond of Indemnity from claimants as per **Annexure XII**

17. No nominee / survivorship available. When can claim be settled under simplified procedure?

Simplified procedure can be followed when:
No nomination exists
No survivorship clause is available
No dispute among legal heirs
No WILL exists

Obtain:

- 1) Claim form, as given in **Annex VI**, duly filled and signed by the claimant legal heir(s)
- 2) Death Certificate of the safe deposit locker hirer(s)
- 3) 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
- 5) Legal Heir Certificate issued by a competent authority or Affidavit, as given in **Annex IX**,

No need for succession certificate if all conditions satisfied

Prepare inventory in presence of witnesses as per **Annexure X** and obtain Bond of Indemnity from claimants as per **Annexure XII**

18. A WILL is available and there is no dispute. Can branch settle without probate? Yes, subject to bank’s satisfaction:

Obtain:

- 1) Probate of Will / Letter of Administration
- 2) Claim form, as given in **Annex VI**, duly filled and signed by the claimants
- 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

Prepare inventory in presence of witnesses as per **Annexure X**

Bank can exercise discretion to settle the claim as per the Will of the deceased, without requiring Probate of the Will, subject to the following conditions:

WILL appears genuine
No objections from legal heirs
Applicable laws are complied with

In such cases, the bank shall ask for additional documents as below:

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

Legal Heir Certificate issued by a competent authority or Affidavit, as given in **Annex IX**.

Prepare inventory in presence of witnesses as per **Annexure X** and obtain Bond of Indemnity from claimants as per **Annexure XII**

19. What if there is a dispute among legal heirs or claimants?

Branch must NOT settle the claim

Inform claimants to produce:
Probate of WILL OR
Succession Certificate / Court Order / Letter of Administration

Additionally, obtain the following documents:

- 1) Claim form, as given in **Annex VI**, duly filled and signed by the claimant legal heir(s)
- 2) Death Certificate of the safe deposit locker hirer(s)
- 3) Officially Valid Document of the claimant(s) towards verifying her/his identity and address

Settlement only based on legal authority

Prepare inventory in presence of witnesses as per **Annexure X**

20. What is the mandatory process for inventory of locker contents?

Inventory must be:
Conducted in presence of claimant(s)
With 2 independent witnesses (not bank staff)
In presence of vault custodian + bank official not associated with locker operation
Proper documentation and signatures required
Inventory record must be securely maintained

The content of the locker shall be handed over to the nominee(s) / Survivor(s) upon obtaining a duly signed acknowledgment in the format prescribed under **Annex X**, confirming that all contents have been removed and locker has been left empty.

Bond of indemnity (as per **Annex XII**) to be obtained from claimant(s) in case of claims settled without production of legal documents (ie, claim settled to nominees/survivor/under simplified procedure)

Access to the contents of the locker to be given only after submission of inventory from as per **Annex X** and Bond of Indemnity as per **Annex XII** (wherever applicable)

21. Is indemnity required in all cases?

Indemnity Bond (**Annex VII**) from the claimant(s) is required in simplified procedure cases for settlement of deposit accounts, below the threshold limit of Rs.15 Lakhs.

Indemnity bond from claimant(s) and third-party individuals (**Annex VII**) is required in simplified procedure exceeding the threshold limit of Rs.15 Lakhs, where claims are settled without the production of Succession certificate.

Indemnity Bond from claimant(s) (**Annex VII**) is required for settlement of deposit claims involving Will, without any dispute, where bank does not demand Probate of Will / Letter of Administration.

Indemnity bond from claimants (**Annex XII**) is required for settlement of claims under safe deposit lockers/safe custody articles in cases where legal documents are not obtained by the banks.

22. What is the procedure for settlement of claims regarding article kept in safe custody?

The same procedure applicable for settlement of claims regarding safe deposit lockers shall be followed for return of articles kept by the deceased customer in the safe custody of the bank

However, inventory form as per **Annex XI** shall be used in such cases instead of **Annex X**

23. What key risk controls must branch ensure before giving access to safe deposit lockers / safe custody articles of deceased customers?

Before access:

Verify identity of claimant

Confirm death of hirer

Confirm that there are no disputes among the legal heir(s)

Check for court restrictions/orders

Confirm the receipt of all applicable documents for settlement of claims

Confirm the signed acknowledgment of inventory and bond of indemnity (where applicable)

Clearly inform claimant they are acting as trustee(s) of the deceased

24. What is the timeline for claim settlement?

Deposit accounts: Bank shall settle the claim within a period not exceeding 15 calendar days from the date of receipt of complete set of documents associated with the claim.

Locker / safe custody: The bank shall, with in 15 calendar days of receipt of all the required documents, process the claim and communicate the claimant (s)for fixing the date for making inventory of the locker /articles in safe custody.

25. Is compensation paid for delays?

Yes:

For deposit accounts, interest at applicable bank rate + 4 % per annum on the settlement amount for the period of delay.

For claims related to safe deposit locker/articles in safe custody, the bank shall be required to pay a compensation to the claimant(s) at the rate of ₹5,000 per day of delay in case where it does not adhere to the timelines of 15 calendar days for fixing the date for making the inventory of the locker/ articles in safe custody

26. What happens to term deposits (FDs) on death?

FD can be prematurely closed without penalty

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

In case of joint account with survivorship clause, with specific mandate given by all depositors jointly to bank, then premature withdrawal allowed to the survivor without seeking concurrence of legal heir(s) of the deceased joint deposit holder.

27. What if the customer is missing?

Settlement based on court order declaring death

For small claims (up to ₹1 lakh), FIR and non-traceable report may suffice

28. Are customers advised to register a nominee?

Yes, nomination is strongly encouraged in deposit accounts and safe deposit lockers to ensure faster and hassle-free settlement.