

RBI issues revised norms for hiring of bank lockers: Check details here

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The Reserve Bank on Wednesday came out with revised guidelines for the hiring of lockers under which the liability of banks will be limited to 100 times its annual rent in case of fire, theft, building collapse or frauds by bank employees.

As per the revised guidelines, which shall come into effect from January 1, 2022, banks will be required to incorporate a clause in the locker agreement prohibiting the hirer from keeping anything illegal or hazardous in lockers.

The RBI said it has reviewed the 'Deposit Locker/Safe Custody Article Facility provided by the banks' after taking into consideration various developments in the area of banking and technology, nature of consumer grievances and also the feedback received from banks and Indian Banks' Association (IBA). The review also takes into account, the principles enumerated by the Supreme Court in 'Amitabha Dasgupta vs United Bank of India'.

The revised instructions will be applicable to both new and existing safe deposit lockers and the safe custody of articles facility with the banks.

The RBI said banks need to maintain a branch-wise list of vacant lockers as well as a wait-list in Core Banking System (CBS) or any other computerised system compliant with Cyber Security Framework, for the purpose of allotment of lockers and ensure transparency in 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," as per the instructions.

Banks would also need to adopt the model locker agreement to be framed by IBA.

The RBI has also detailed the compensation policy and liability of banks in the revised instructions.

The banks will have to put in place a Board-approved policy outlining the responsibility owed by them for any loss or damage to the contents of the lockers due to their negligence.

"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," it said.

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

Also, it is the responsibility of banks to take all steps for the safety and security of the premises in which the safe deposit vaults are housed.

"As banks 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 incidents (like fire, theft/ burglary/ robbery, dacoity,) or attributable to fraud committed by its employee(s), the banks' liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker," it said.

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On locker rent, the RBI said that to ensure prompt payment of locker rent, banks are allowed to 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.

Banks, however, should not insist on such Term Deposits from the existing locker holders or those who have a satisfactory operative account, it said.

"The packaging of allotment of locker facility with the placement of term deposits beyond what is specifically permitted ... will be considered as a restrictive practice," it added.

Banks will 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.

One of the country's large state-owned banks charges Rs 2,000 as annual rent for a small safe deposit locker and Rs 4,000 for a medium sized one in urban and metro areas. The annual rent for a large locker is Rs 8,000. In addition, a customer has to also pay the applicable GST.

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