

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:260

ANSWERED ON:08.12.2006

UNCLAIMED MONEY IN BANKS

Agarwal Shri Dharendra;Meghwal Shri Kailash

Will the Minister of FINANCE be pleased to state:

- (a) the quantum of amount lying unclaimed in the various banks due to the non- operation of the accounts by the customers for a long period, bank-wise;
- (b) whether the Reserve Bank of India has issued guidelines to the banks to find out the whereabouts of the customers, whose accounts are inoperative for more than a year or so;
- (c) whether the Government is aware that instead of making efforts to find out the whereabouts of such customers, many banks start deducting annual service fees;
- (d) if so, the reasons therefor;
- (e) whether the Government proposes to do away with this practice and issue directions to the banks in order to safeguard the interests of the customers; and
- (f) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) to (f) :- A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 260 FOR 08.12.2006 REGARDING UNCLAIMED MONEY IN BANKS TABLED BY SHRI KAILASH MEGHWAL AND DR. DHIRENDRA AGARWAL.

(a): Reserve Bank of India (RBI) has reported that, as per their records, the total amount of money in unclaimed accounts as on December 31, 2005 is Rs. 929.54 crore. A statement indicating bank-wise details of unclaimed deposits is at Annex.

(b): RBI has instructed banks to ensure that their branches segregate and maintain, in separate ledger(s), deposit accounts which have not been operated upon for two years. In case of accounts that have remained inoperative for one year, banks are required to advise their customers. In case the advice letter is returned undelivered, the branch is expected to enquire into the whereabouts of such customers, or about their legal heirs.

(c) to (f) : In terms of extant instructions, banks have been given freedom to fix service charges for various types of services with the approval of their respective Boards. However, banks have been advised that while fixing service charges for various type of services provided by them, they should ensure that customers with low volume of activities are not penalized, and charges are reasonable and not out of line with the average cost of providing these services. The scope of the Banking Ombudsman Scheme has also been enlarged to cover customer complaints in areas such as levying service charges without, prior notice to the customer and non adherence to the fair practices code as adopted by individual banks. An independent Banking Codes and Standards Board of India (BCSBI) has also been set up by the RBI in February, 2006 as an independent watchdog to ensure that banks deliver services in accordance with the Codes and Standards to which they have agreed.