The Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

Unclaimed Deposits/Inoperative Accounts in UCBs - Treatment of certain savings bank accounts opened for credit of Scholarship amounts and credit of Direct Benefit Transfer under Government Schemes

Please refer to Circular No. UBD.BPD.(PCB)CIR. No. 9/13.01.000/2013-14 dated September 1, 2008 on unclaimed deposits/inoperative accounts, in terms of which UCBs were advised that a savings as well as current account should be treated as inoperative/dormant if there are no transactions in the account for over a period of two years and the safeguards to be adopted in dealing with such accounts.

2. State and Central Governments have expressed difficulties in crediting cheques/Direct Benefit Transfer/Electronic Benefit Transfer/Scholarships for students, etc. into accounts opened for the beneficiaries under various Central/State Government schemes, but had been classified as dormant/inoperative due to non-operation of the account for over two years.

3. In view of the above, UCBs are advised that they may allot a different “product code” in their CBS to all such accounts opened by banks so that the stipulation of inoperative/dormant account due to non-operation does not apply, while crediting proceeds as mentioned in paragraph 2 above.

4. In order to reduce the risk of fraud etc., in such accounts, while allowing operations in these accounts, due diligence should be exercised by ensuring the genuineness of transactions, verification of signature and identity, etc. However, care may be taken to ensure that the customer is not inconvenienced in any manner.

Yours faithfully,

(A.K.Bera)
Principal Chief General Manager

Urban Banks Department, Central Office, Garment House, 1st Floor, Dr. Annie Besant Road, Worli, Mumbai - 400018, India
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; E-mail: cgmincubd@rbi.org.in

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.