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# Deceased Claim Process for Accounts and Deposits

## ❖ Background:

The **Settlement of Claims in respect of Deceased Customers of Banks Directions issued by RBI** updated from time to time are issued to provide a harmonized framework and to standardize the documentation for settlement of claims in respect of deposit accounts, safe deposit locker and articles in safe custody of a deceased customer and to minimize the difficulties faced by the nominees, survivors and legal heirs.
Detailed internal guidelines have been issued in the past on nomination and handling of deceased / death claims by branches. Basis feedback / queries, revised circulars received from branches, the guidelines in respect of nomination & handling of deceased claims are being revised as follows:

## ❖ Applicability:

- The directions shall be applicable to savings, current accounts and deposits
- These Directions shall not be applicable in case of Government savings schemes administered by banks such as Senior Citizen Savings Scheme (SCSS), Public Provident Fund (PPF), etc. Settlement of claims in such cases shall be as per the provisions of the respective schemes and covered in this note.

## ❖ Effect of Nomination for settlement of claims in various types of accounts

- **With Nomination**

| Sr. No. | Nature of Account | Single Depositor | Joint A/c (Operated jointly) | Joint A/c (Either or Survivor/Former or Survivor) | Joint A/c (Anyone or Survivors) |
|---|---|---|---|---|---|
| A | Savings / Current A/c | Nominee | • On death of one depositor – Legal Heirs of deceased + survivors<br>• It needs to be equally divided among Legal Heirs of Deceased + survivors or in share as agreed by Legal heirs/Survivors.<br>• On death of all depositors - Nominee | • On death of one depositor –Survivor<br>• On death of both depositors – Nominee | • On death of one or more depositor/s – Survivor/s<br>• On death of all depositors - Nominee |
| B. | Term Deposit Account | - same as above – (On maturity of deposit) | - same as above – (On maturity of deposit) | - same as above – (On maturity of deposit) | - same as above – (On maturity of deposit) |
| C. | Premature withdrawal of Term Deposit | - same as above | - same as above | • On death of one depositor – Legal Heirs of deceased + survivors<br>• On death of all depositors – Nominee | • On death of one depositor – Legal Heirs of deceased+ survivors<br>• On death of all depositors – Nominee |

- **Without Nomination:**

| Sr. No. | Nature of Account | Single Depositor | Joint A/c (Operated jointly) | Joint A/c (Either or Survivor/ Former or Survivor) | Joint A/c (Anyone or Survivors) |
|---|---|---|---|---|---|
| A | Savings / Current A/c | Legal Heirs | • On death of one depositor – Legal Heirs of deceased + survivors<br>• It needs to be equally divided among Legal Heirs of Deceased + survivors or in share as agreed by Legal heirs/Survivors.<br>• On death of all depositors - Legal heirs of all the depositors | • Survivor<br>• On death of both the depositors – Legal heirs of all the depositors | • Survivor<br>On death of both the depositors – Legal heirs of all the depositors |
| B. | Term Deposit Account (on maturity of deposit) | same as above | same as above | same as above | same as above |
| C. | Premature withdrawal of Term Deposit | - same as above | same as above | • On death of one depositor – Legal Heirs of deceased + survivors<br>• On death of all depositors – Legal heirs of all the depositors | • On death of one depositor – Legal Heirs of deceased + survivors<br>• On death of all depositors – Legal heirs of all the depositors |

❖ **Deceased Constituents - Legal Aspects**

**1. Bank's Responsibility on the Death of a Constituent**

- Notice or knowledge of the death of a constituent precludes the bank from paying further cheques signed by the deceased person even though these may be dated / issued prior to death of the person, except when the bank itself becomes a holder-in-due course before the death of such person.
- In case of a joint account, the withdrawal may continue to be permitted to the survivor(s), if any, based on the mandate given at the time of opening a joint account. In due course, after completion of prescribed formalities, the name of the deceased person may be deleted in case the joint holder wants to continue the account, or the account closed.
- However, the difficulties arise in the case of disposal of assets belonging to the only/all the account holder(s) if there is/are no other joint account holder(s)/survivor. In such cases, the balance in the account or valuables deposited in locker(s) or articles kept in safe custody should ordinarily be paid/delivered to –
  a) A nominee, if any, or
  b) Legal heir(s)/representative(s).

**2. Death Claims - Operating Procedures**

As indicated above, notice or even knowledge of the death of a constituent precludes the bank from paying further cheques on his account. Therefore, it is very essential to immediately act on the information relating to the death of a constituent maintaining any banking relationships with the branch. After due verification of correctness of the information, the actions to be triggered without further delay, are detailed in the subsequent paragraphs.

- **Receipt of notice of death, noting in Bank's records and intimation**
  a) Notice or knowledge of the death of a constituent through Death certificate only
     1. A total block in singly and jointly mode of operation held accounts to be marked in the deceased holders accounts to avoid misuse
     2. Memo to be updated at Customer ID level 'Customer Deceased'
  b) Basis the above the Customer ID must be flagged off as deceased in CIM32 by maintaining the date of death to avoid misuse of funds. Intimation to Nominee (as per Annexure 1)/ Intimation to survivors in Joint holders (as per Annexure 3) to be sent by branch. If death certificate carries a QR code, then attestation by branch must clearly mention "verified through QR'
  c) Once the Cust ID is flagged as deceased the Cust ID will be Auto Blocked. For linked accounts i.e., CASA, TD, RD, SDB, PPF & SSY where the deceased customer ID is in SOW, JAF, JAO or GUR relationship, system will Auto Block under Block Code "8404 – Customer is deceased "
  d) For linked accounts where the deceased Cust ID relationship is JOF, JOO or a Mandate, system will Auto place a low-level memo on all accounts stating, "Customer ID ABC is deceased"
  e) Signature will be auto deleted in system and replaced with text "Customer Deceased "
  f) Nominee Maintenance will be disabled both Digitally / Physically PROVIDED deceased date is maintained under CIM32.
  g) Date of death in CIM32 to be maintained for the deceased Cust ID. E.g. for partnership, Pvt Ltd, LLP date of death will be maintained for AUS Cust ID & not the partnership firm's / Company's Cust ID
  h) Only in case of death of Proprietor, Both Firm and Proprietor's Cust ID should be flagged as deceased.
  i) The fact of death of a constituent along with the source of information/confirmation and the details of various accounts maintained by the deceased constituent including sole proprietary and partnership firms accounts, locker(s) held, articles kept in safe custody, overdrafts against shares & securities and shares & securities held in safe custody, etc. should be recorded in the RBB Death Claim Portal

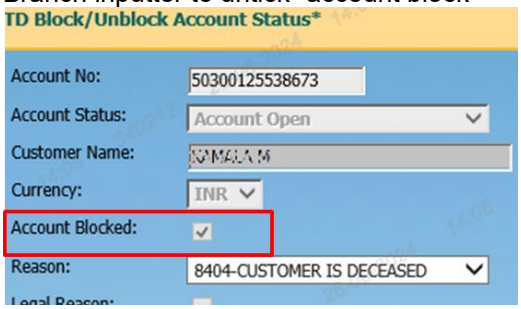
- **Notings in the System:**
  **i) <u>Single Accounts/Sole Proprietary Concerns:</u>**
  All CASA, Time Deposit and Overdraft against Shares accounts, standing in the sole name of the deceased including proprietary concern accounts, if any, should immediately be flagged by system as deceased as mentioned under para 2.A. However, following two exceptions may be allowed:
  1. Instruments (Cheques/DDs/Pay Orders/Bills) sent for collection prior to the death or receipt of notice of death but realized later, may be credited to the account of the deceased.
  2. Cheques signed by the deceased purchased / negotiated prior to the death of the depositor where the bank became holder-in-due course, may be debited to the account.
  - If a proprietor is deceased, the account will have to be closed / settled. In case if proprietor is an HUF and a Karta is deceased process for change in Karta will have to be followed
  - In the case of balances lying in current account standing in the name of a deceased individual depositor/ sole proprietorship concern, interest should be paid from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment by following the below steps
     A. Branch to capture date of deceased in CIM32. For sole proprietorship accounts customer ID of the entity to be captured & proprietor should be captured
     B. Branch to ensure that a/c is unlocked prior to closure
     C. Closeout withdrawal instruction to be maintained in the CASA a/c of the deceased in FC fastpath CHM05
     D. Select closeout withdrawal mode in CHM05 as (i) Funds transfer or (ii) withdrawal by NEFT
     E. Immediately after CHM05 proceed with account closure process using fast path CH001. Reason to be selected is 2-Deceased. The a/c will be blocked and the proceeds will be credited on the next working day. Do not unblock the a/c after this.

  3. Process of Unblocking at the time of closure:
     **A. <u>CASA:</u>**
     - Branch inputter to initiate unblock under flexcube fastpath CHM21
     - Branch authorizer to review and authorize from fastpath CH021
     - Cases where accounts are blocked / no debit marked already for any other restricted Block code reason, an additional block is placed due to deceased flagging. In case Branch faces an error of "restricted block code" not allowing them to process the unblocking. In these scenarios Branch to

raise request to CPU manually over e-mail for removal of Block due to 8404 – Customer is deceased with scan copy of certified Closure request, Death certificate & CH approval

**B. Fixed Deposits:**

- Branch inputter to initiate unblock under Flexcube fast path TD028
- Branch inputter to untick "account block"




- Branch Authoriser to review and authorise under Flexcube fast path TD028

4. Unblocking PPF/SSY Accounts: Branch to send a scanned copy of the request to weed.outacclosure@in.hdfcbank.com with CH approval for closure code maintenance and unblocking
5. 404-Dormancy induced no-debit
   A. Branch to raise the request in CATS for removal of dormancy
   B. Branch Manager to review and submit it to the Cluster Head for approval
   C. Cluster Head to review & approve
   D. Post Cluster Head's approval CPU will action the request
6. Blocked with restricted block code ~~/ 404-Dormancy induced no-debit~~: Branch to send a copy of the scanned request along with Cluster Head approval to CPU over email/CRM by raising a child case in CPU under the deceased claim workflow request unblocking

**ii) Joint Accounts:**

- In joint accounts CASA and time deposits, where the survivor(s) can operate the accounts as per mandate given at the time of account opening, withdrawals by the survivor(s) and cheque deposits in their name(s) will be permitted in the account. At the same time, it would be necessary to return cheques signed by the deceased prior to death (except where the bank is holder-in-due course) and deposit instruments favoring the deceased. If the MOP of account is jointly then account cannot continue with name deletion. A/c will need to be closed.
- In case of overdrafts against shares accounts in joint names, all transactions on the account will be BLOCKED once cust ID is flagged as deceased especially when the deceased is the primary holder, or the shares/securities stand in the name of the deceased as first holder.

**iii) Minor Accounts**

- In case of death of account holder, being a minor, the account must be closed immediately with a request letter from the natural/court appointed guardian and death certificate. The amount in the account to be paid to the natural /court appointed guardian. The same applies with fixed deposit / recurring deposits, if any.
- In the event of death of Minor & guardian, Fast track/legal representation-based death claim process to be followed.

Scenario1: Death of the Guardian: In the event of death of the guardian the following can be done

| Account to be continued | Account to be closed |
|---|---|
| • Request letter from the new natural parent / Legal guardian for change in guardian<br>• The guardian in the account can be changed. Name of the new guardian to added basis name addition process and the Name of the deceased customer to be deleted basis death certificate. | • The surviving guardian can close the account.<br>• The balance in the account will have to be made in favor of the minor – Minor u/g the surviving guardian. Relationship proof to be taken of the minor with the surviving guardian. |

| | |
|---|---|
| The guardian must be a natural or court appointed guardian<br>• Instances where both the natural guardians of the minor are deceased, the guardian appointed by the court can continue with the account by providing a court order. | • In case both the natural guardians are deceased, court appointed guardian can initiate closure. |

Scenario 2: Where minor has turned major, and guardian is deceased:

| Account to be continued | Account to be closed |
|---|---|
| • In case the account needs to be continued the extant process of Minor turned major to be followed.<br>• Death certificate of the guardian to be attached for name deletion.<br>• Account can be converted in the name of the Minor (who has turned major).<br>• In case the Minor (above age 10) wants to continue the account as a Self-Operated Minor account, the same can be continued by providing a request along with the death certificate of the Guardian. | • In case the account needs to be closed a request letter to be taken from the Minor turned major for closure.<br>• Identity document (Officially Valid Documents – OVD) and photograph to be taken in from Minor (who has turned major).<br>• Payout can be made in the name of the minor (who has turned major). |

**iv) Partnership Accounts:**

- In partnership account and linked time deposits, blocking transactions on Partnership accounts in the event of death of a partner will depend on the provisions in the Partnership Agreement as regards to dissolution of the firm in the event of death of a partner or not. Pending study of the Partnership Agreement in consultation with Legal department, a low severity caution memo may immediately be updated, and cheques signed by the deceased partner returned. Further action should be initiated in consultation with the legal department.
- On receipt of notice of death of a partner, the Bank is required to check the availability of the survivorship clause in the partnership deed available in the records of the bank. AUS Cust ID should be flagged off as deceased in CIM32

Following may be noted in respect of the partnership account:

1. **When partnership is constituted with only two partners**:
   - The Partnership stands dissolved in the event of 1 of 2 partners dies or retires. The firm cannot continue even if there is a survivor clause in the partnership deed that the firm will continue to exist.
   - Branch to close the account and issue a DD in the name of the partnership firm for the balances lying in the account. Account closure request from the surviving partner to be obtained for closure along with the with the death certificate of the deceased partner.
   - Proceeds will be handed over to the surviving partner in the name of the partnership firm

2. **When there are more than two partners in the partnership deed:**
   - In this scenario, the firm can continue as per the death and retirement clause given in the partnership deed. i.e., a new partner can be added, and the firm can continue.
   - A reconstituted deed is prepared, and firm can continue the account in the bank.
   - In case the remaining partners wish to close the account, then normal closure process to be followed by taking copy of death certificate of deceased partners and signature of all remaining partners on the closure request.

**v) Trust/Society/Clubs/Association accounts:**

- In case of death of sole trustee/authorized signatory, operation on the A/C should be immediately blocked,
- The trustees/ authorized signatory(ies) has to act jointly unless there is an express provision to the contrary in the Trust Deed/Bylaws. In case of death of any, trustee, the operation on the a/c should be stopped unless the relative Trust Deed/Bylaws confers express powers on the surviving trustee to act.

- In the absence of any specific provision in the Trust Deed, it is not safe for the Bank to assume that the surviving trustees possess full powers to deal with the A/C. Branches should, therefore, not allow the surviving trustees to operate on the a/c or withdraw the balance.
- Accounts operated by Power of Attorney (POA) or Letter of Mandate (LOM)
- Upon the death of the principal, the authority of POA or LOM stands cancelled,
- The operation on the a/c should be immediately blocked and no cheques signed by POA or LOM should be paid after receipt of notice of death of the principal.
- AUS Cust ID should be flagged off as deceased in CIM32.

**vi) Private / Public LTD Accounts**

- Death of the director of a Company / LLP will not affect the constitution of the company as company is different and separate entity from its directors. Therefore, no death claim is required to be settled in case of Pvt. Ltd, Ltd and LLP company. The change in directors can be affected through Form 32 and ROC receipt.
- Upon the death of the AUS, branch to flag off the AUS customer id as deceased in CIM32 deceased. Caution to be exercised before passing cheques. Further action should be initiated in consultation with the company officials.
- To delete AUS who is deceased, entity to follow name deletion process.

**vii) HUF Accounts**

- In case of death of the Karta, the Cust ID of the karta should be flagged off as deceased in CIM32
- Please note wife is only a member in an HUF and can act as a Karta only in case of minor coparceners

| Account to be continued | Account to be closed |
|---|---|
| ○ Post death of Karta, next senior most co-parcener becomes the Karta<br>○ Branch to check AOF for the list of co-parceners,<br>○ The account will continue as is, with change in the name of Karta.<br>○ Branch to obtain Account Opening Form duly filled along with OVD/photograph of the new Karta and death certificate of the deceased Karta and send the same to CPU for processing. | ○ The amount can be claimed either by the eldest co-parcener of the HUF or the Legal Heir.<br>○ A NOC (Annexure 4) will be required by the Co-parceners expressing their approval for the settlement.<br>○ Request letter duly signed by all the coparceners for closure of account and NOC / authority to one of the co-parcener to receive the balance should be obtained.<br>○ In case there are no co-parceners, HUF account to be Closed and branch to follow the process followed for settlement of death claims without nomination.<br>○ Basis the amount, the amount to be settled as No Nomination based claim process. The NOC to be signed by all the co-parceners (it will not apply when there are no co-parceners). In case the amount exceeds the fast-track limits, the extant process to be followed. Refer Annexure 4 for format of the NOC. |

**viii) NRI Accounts - Death Claim for NRE/NRO/FCNR accounts:**

The entire process remains the same as that for resident account with only the below exceptions.

- In case claimant does not visit the branch (non-face to face customer), copy of death certificate and KYC documents of claimant should be attested by anyone of the below.
  - Any authorized official of overseas branches of Scheduled Commercial Banks registered in India.
  - Any branch of overseas bank with whom HDFC Bank has relationship.
  - Notary Public abroad.
  - Court Magistrate abroad.
  - Judge abroad.
  - Indian Embassy/Consulate General.
- If claimant is not having any account with the bank and wish to open new account with the bank, then KYC documents need to be certified by any one of the above-mentioned designated authorities.

- The following points to be noted additionally in case of death claim settlement of a NRI customer holding NRE/FCNR/NRO accounts.
  - **Repatriation of NRE/FCNR funds to non-resident nominee** - Authorized dealers/Authorized banks may allow remittance of funds lying in the NRE/FCNR account of the deceased account holder to his non-resident nominee OR can be credited to NRI nominee's NRE/FCNR/NRO account.
  - **Payment of NRO funds to Non-resident Nominee** - The amount due/ payable to non-resident/NRO Account nominee from the account of a deceased account holder, shall be credited to NRO account of the nominee with an Authorized dealer/Authorized bank in India.
    Such funds can be repatriated outside India by NRI nominee following extant process of USD 1 Million and all the documents to be obtained from the NR nominee. USD 1 Million reporting to be done on NR nominee's PAN.
  - **Remittances abroad by Resident nominee** -
    A nominee being a person resident in India, who is desirous of remitting funds outside India out of his share for meeting the liabilities abroad of the deceased, may do so basis limits of LRS scheme.
  - **RFC Accounts -**
    On the death of an RFC account holder
    a. the authorized dealer with whom the account is held or maintained may remit to a nominee being a person resident outside India, funds to the extent of his share or entitlement from the account of the deceased account holder
    b. a nominee being a person resident in India, who is desirous of remitting funds outside India out of his share for meeting the liabilities abroad of the deceased, can remit the amount basis limits prescribed in the LRS scheme.

**ix) Limited Company's A/cs:**

- Where notice of death is received in respect of a person who is authorized to operate an A/c of a Limited Co., outstanding cheques drawn by such person of the Company can still be paid.
- AUS Cust ID must be flagged off as deceased in CIM32.
- The Board resolution submitted by the Company regarding the operation of its A/c should be examined by the branch to see whether any amendment or new resolution is necessary. If the date mentioned on a cheque is that of a date subsequent to the demise of the authorized signatory, then such cheque should not be paid by the Bank.
- However, if the remaining authorized signatories of the company are empowered to issue such cheques, independent of the deceased authorized signatory, a written confirmation may be obtained from such signatories to honor the cheque, along with their signatures and seal/stamp, in which case, the Bank may pay the cheque if the same is otherwise in order. Such written confirmation should be attached to the cheque and held on record.
- Association, Society, club A/c: The instructions given in respect of Limited Company's A/cs shall also apply to A/cs of Association, Society, Club etc.
- Accounts operated by a holder of Power of Attorney or Letter of Mandate: Upon the death of the principal, the authority of Attorney or Mandate holder stands cancelled. The operations in the a/c should be immediately stopped and no cheques signed by Attorney/Mandate holder should be paid after receipt of notice of death of the principal.

**x) FCY & Special Purpose accounts:**

For documentation of FCY & special purpose products on Death claim settlement please note the below. Extant claim settlement process as per the constitution (Individual / Non -Individual) to be followed for

a. FCY – EEFC
b. FCY - Ship manning or Crew manning Cos.
c. FCY – RDF-D
d. FCY - Shipping Agents or Freight Forwarders
e. FCY - Embassy / Diplomats & Non -Diplomatic Staff
f. FCY – DDA
g. FCY - FDI
h. FCY - Re-insurance & Composite Insurance Brokers
i. FCY – OTO
j. FCY - Special Economic Zone (SEZ)
k. Unspent CSR

l. Share application / Share Buy-Back & Debenture allotment.
m. No Lien

i) For FCY accounts of individuals: Remittances out of the account after the account holder's death: On the death of a foreign currency account holder, -
   a. the authorized dealer with whom the account is held or maintained may remit to a nominee being a person resident outside India, funds to the extent of his share or entitlement from the account of the deceased account holder;
   b. a nominee being a person resident in India, who is desirous of remitting funds outside India out of his share for meeting the liabilities abroad of the deceased, may apply to the Reserve Bank for such remittance.
   c. A resident nominee of an account held outside India in accordance with Regulation 5 shall close the account and bring back the proceeds to India through banking channels.

ii) RERA Accounts & Fixed Deposits -. In addition to the extant process, claimant to confirm the Status of Project. Confirmation from RERA authority on noting changes if any or Project completion or Project transfer to other promoter to be obtained from the claimant along with RERA certificate.

iii) Escrow accounts -, In addition to the extant process, Branch to refer Escrow Agreement for terms & conditions defined on event of death of Individual / AUS and take legal views to proceed with the settlement.

iv) For FCY accounts, after conversion of available balance to INR, delegation to be followed as mentioned in the circular.

v) For Dormant account/ RBI Deaf account/ Account blocked due to negative parameter, branch to take the closure request along with the death certificate and scan it through CATS utility as per extant process.

- **Action to be taken on Handling Deceased Claims for Managed Customers refer Annexure 6**

- **Action to be taken on account linkages available by customer, if any – Available in Annexure 7**

- **Intimation to CPU:**
  An intimation should be sent to CPU-Retail Liabilities (CPU-RL) furnishing details of CASA, Time Deposits, Overdraft against Shares, ATM / Debit Card and Standing Instructions recorded with the bank for suspension of Standing Instruction
  For the below linkages in the Account Branch to follow the given process for removal of linkage:
  1. HDFC SLIC linkage removal
  2. Sweep-in/ Sweep-out removal.
  3. Tax saver FD flag removal.
  4. HDFC SLIC linkage removal
  5. Tax recovery linkage removal.
  6. ECS linkage removal
  7. Sweep-in/ Sweep-out removal.
  8. Tax saver FD flag removal.
  9. PPF flag removal - Weedout Closure Team - Mail Basis

- **Process to be followed for opening Estate account by executors appointed by Court.**
  Estate account can be opened where the executor(s) have been granted the probate/letter of administration to take inventory of the assets of the deceased customer, however permission to transact in the said estate account can be done unless there is court order.

  The Court order will be in addition to the probate/letter of administration provided by the executors Only in such cases Estate account can be opened in any product code other than PC 176 where deliverables will be issued.

  Probate to the will is compulsory in Mumbai, Kolkata and Chennai. In other parts of the country a will have to be produced.

  Executors/Administrators cannot delegate their power to any third parties unless there is a court order permitting the Executors/Administrators to appoint an attorney.

In case the Branch is accepting a will (where Probate/Letters of Administration is not mandatory) and branch is satisfied with the genuineness of the will, settlement of claim may be considered upon obtaining NOC from legal heirs of the deceased in respect of settlement of death claim basis will and confirming the WILL is not disputed / challenged before any competent court of law.

Account to be opened in the name & style of "ABC Executors (or Administrators) to the Estate of XYZ deceased" or Estate of the Deceased or name as per Pan of the executor(s)….

Following documents will be required to open an Estate account.

- Probate of the will
- Death Certificate of the deceased customer
- Specific court order to permit transactions in the estate account for the purpose of expenses/other reasons (wherever applicable)
- PAN of the Estate
- Recent photograph and OVD of the executors
- Non-Individual Account opening form (along with Extended KYC declaration- of the Signatories)
- Request for opening estate account by executor (Annexure 8)

On the death of an executor or administrator unless otherwise provided in the Will or Probate or Letter of Administration, all the powers of the office bearers become vested in the surviving executors or administrators.

The a/c should be allowed to be operated by co-executor(s), but the cheques signed by the deceased executor or administrator and presented after notice of his death should not be paid in the account.

In case of death of a sole Executor or Administrator, it will be necessary to obtain fresh order of the court appointing a new Administrator.
In case of closure of an Estate account a request letter to be taken from the executor/s and funds to be paid according to the instructions mentioned in the letter

The court order/probate will/registered will should be shared with legal for their views.

❖ **Claim Documents Required**

**Claim Situations:**

Various type of claim situations arising from the death of constituent(s) can be broadly grouped under the following four categories, viz.

(i) Simple claims for deletion of name(s).
(ii) Nomination based claims.
(iii) Fast Track claims (without nomination)
(iv) Legal Representation based claims (without nomination)

NOTE:

- The forms required for the above claim situations (fast track and others) are given in the Annexures sequentially. Branches may print the forms as per the guidelines issued for each type of death claim.
- Limits as prescribed in the Delegation of Powers will be applicable for claims without nomination

**(i) Simple Claims for Deletion of Name(s)**

- These claims can be entertained only on CASA and Time Deposit / RD / PPF / SSA accounts in joint names with one/more deposit accounts holders surviving, irrespective of whether there was nomination or not, mainly because nomination on joint account becomes effective only on the death of all the account holders.
- The documents required are:

| In case account is to be closed | In case account is to be continued |
|---|---|
| (i) Death Certificate.<br>(ii) Annex I-A (separate A/c Closure form will not be required) | (i) Death Certificate.<br>(ii) Name deletion form<br>(iii) Multiple Nomination Form |

- Where the deceased person is the first named person, the name of deceased person to be deleted basis name deletion process supported by Death certificate.

- Fresh Nomination Form DA 1 / Multiple Nomination form will need to be filled up and signed by the survivors even if they wish to continue the original nominee.
- The Branch Manager should ensure that prescribed documents have been obtained and these are in order. S/he should ensure that all the details of the deceased constituent's relationships and documents obtained, etc. are properly recorded in RBB death claim portal.
- S/he should record his approval of claim and on request letter received from claimant(s) against his authentication and allow Branch staff to proceed with the claim settlement.
- Name deletion requests on account of death of account holder to be sent to CPU for necessary maintenance in the system.
- For term deposit NOC from legal heir is required for name deletion or premature closure
- Refer table on page 1 for documentation on various scenarios like nomination / no nomination

**(ii) Nomination based Claims.**

- The Branch staff to ensure the Date of Nomination updated in the account is prior to the date of death of the account holder. The same can be checked through Flexcube path BA525. Branch Manager to approve these claims in case:
  i. Nomination is updated in the account/ deposit after the date of death of account holder & there was no nominee in the account prior to that, branch to follow the No Nomination based claim process.
  ii. Nomination is updated in the account/ deposit after the date of death of account holder but there was already a nominee registered in the account, Branch to process the claim in favour of the nominee updated in the account prior to this change. Documentation as per nomination-based claim to be used. If the nominee, previously updated, has expired then Branch will follow No Nomination based claim through fast track or legal representation as the case may be.
- Branch to exercise due care and caution in establishing the identity of the nominee(s) and the deceased status of the account holder(s) by obtaining appropriate documentary evidence (physical or equivalent e-document);
- 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
- 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.
- The documents required are:
  a) Death Certificate.
  b) Self-attested copy of Officially Valid Documents (OVD) to be obtained from nominee(s), duly certified by the branch official as 'Original Seen & Verified' (by comparing original OVD with copy of OVD provided) and 'Customer Signed in My Presence' (after ensuring that the nominee(s) / appointee of minor nominee have been met in person),
  c) Claim Application from the Nominee (as per format provided in Annex I-A).
  d) Declaration from the Appointee of a Minor Nominee in the Annex I-A (if applicable)
  e) Fresh Account Opening documents, if the nominee wants to open an account and transfer the funds to his/her account.

**Note:**

- In case of Multiple Nominations partial settlement will not be permitted. The claim will be settled on receipt of complete documentation from all nominees together only.
- In case nomination if nominee/s is demised before settlement the same needs to be updated in BA525 screen through Ops to avoid the settlement to the demised nominee with Death certificate
- In case of simultaneous nomination (%) if the nominee is demised along with the account holder the settlement of the %age assigned to the demised nominee will be basis no nomination process

**(iii) Fast Track Claim without Nomination**

- A deceased depositor(s) had not made any nomination or in case of a joint account, the account was without nominee/ survivorship clause, there is no Will left behind by the deceased depositor(s), there is no contesting claim, and
- 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.
- Accordingly, branch can follow the delegation of powers for settlement of no nomination-based claims basis the thresholds defined

- However, at any given point of time if the approver is not sure / comfortable with the branch recommendation and the KYC the bank can then ask for Succession certificate / Probate / Letters of Administration
- **Documents required are:**
  (i) Claim form (Annex I-B,) duly filled in and signed by the claimant(s)
  (ii) Death certificate of the deceased depositor(s);
  (iii) Officially Valid Document of the claimant(s) to verify his/ her identity and address;
  (iv) Bond of indemnity, as given in Annex I-C, signed by the claimant(s);
  (v) Letter of disclaimer/ no objection, as given in Annex I-D, from non-claimant legal heir(s), if applicable; and
  (vi) Legal Heir Certificate issued by a competent authority;
  OR
  Declaration, as given in Annex I-E, 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.
- No bond of surety from a third-party shall be obtained in case of claims up to the threshold limit.
- For accounts with nil balance and there are no transactions post death, account can be closed by taking death certificate and request letter from all legal heirs.
- The Branch Manager should ensure that prescribed documents have been obtained, are in order and properly recorded in RBB Death claim portal. S/he should also satisfy herself / himself about genuineness of reasons for payment / delivery of balances / assets to the claimant(s) without obtention of legal representations.
- Refer Delegation of Powers for the approval matrix and value for settlement under fastrack claims without nomination

**(iv) Legal Representation based Claims (Without Nomination)**

- Such claims may be settled basis approval of Branch Manager and concurrence of legal department irrespective of the settlement value of the claims.
- In case of death claim where legal representation (Succession Certificate, or Letters of Administration, or Probate of the Will is granted by the Court, the following documents should be obtained:

| Succession Certificate / Probate of Will/ Letter of Administration | Registered Will (No Probate) |
|---|---|
| (i) Claim form (Annex I-B,) duly filled in and signed by the claimant(s)<br>(ii) Death certificate of the deceased depositor(s);<br>(iii) Officially Valid Document of the claimant(s) to verify his/ her identity and address; | (i) Claim form (Annex I-B,) duly filled in and signed by the claimant(s)<br>(ii) Death certificate of the deceased depositor(s);<br>(iii) Officially Valid Document of the claimant(s) to verify his/ her identity and address;<br>(iv) Bond of indemnity, as given in Annex I-C, signed by the claimant(s);<br>(v) Letter of disclaimer/ no objection, as given in Annex I-D, from non-claimant legal heir(s), if applicable; and |

**Exception Process**

- In case if settlement is to be conducted **without legal representation documents** as mentioned above following documents to be obtained for value within threshold limit along with approval as per Delegation of Powers
  a) Legal Heir Certificate issued by a competent authority as follows; or
     i. Revenue Department
     ii. Tehsildar
     iii. District magistrate
     iv. Collector
     v. Sub-Divisional magistrate (SDM)
     vi. Civil Court
  b) Affidavit, as given in Annex I-E, sworn before a Notary Public/ Judge/ Judicial Magistrate regarding the legal heir(s) of the deceased depositor, 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.
  c) Claim form (Annex I-B,) duly filled in and signed by the claimant(s)
  d) Death certificate of the deceased depositor(s);
  e) Officially Valid Document of the claimant(s) to verify his/ her identity and address;
  f) Bond of indemnity, as given in Annex I-C, signed by the claimant(s);

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

- Original legal representation in the form of Succession Certificate/Probate of the will granted by the Court/Letters of Administration along with a duly certified copy (Certified copy means the orders/succession certificate/probate issued by the court). Probate of will is required only in the following cities:
  - Mumbai
  - Chennai
  - Kolkata
- For other parts of the country if the WILL is registered and the branch is satisfied with the genuineness of the WILL, the claim can be settled in favor of the beneficiary of WILL / Executors of WILL on obtaining NOC from all the legal heirs stating that WILL is genuine / undisputed, not challenged before any competent court of law and they do not have any objection if the claim is settled basis WILL. In all such cases the Will to be vetted by Legal. If NOC from legal heirs is not given or if it is an Unregistered WILL and genuineness of the WILL cannot be ascertained, court orders declaring WILL as undisputed / genuine should be called for.
- Branches to refer circular on delegation of powers for approval limit and designation.
- The Branch Manager should ensure that the prescribed documents have been obtained, are in order and properly recorded in the RBB portal. S/he should also satisfy himself about the genuineness of the reasons for payment/delivery of balances/assets to the claimant(s) without obtaining legal representations.

❖ **Monthly reporting** – Settlement of claims in respect of deceased depositors

(i) Reserve Bank of India has issued guidelines in the past to settle claims in respect of deceased depositors and release payments to survivor(s)/nominee(s) within a period not exceeding 15 calendar days from the date of receipt of claim (subject to the production of proof of death of the depositor and suitable identification of the claim(s), to the Bank's satisfaction).

(ii) Keeping in view RBI guidelines in regard to time limit for settlement of claims, coupled with the fact that claims not settled within the time period as specified by RBI would be required to be reported to the Customer Service Committee of the Board with reasons for the delay, it becomes imperative for branches to process these claims within the timelines prescribed and without any delay.

(iii) Branches are required to report in RBB reporting portal as below:
- Claims must be reported in RBB portal once intimation of death is received. Once complete documents have been received, the date of receipt of documentation must be updated.
- Once complete set of documents are received from the customer the same should be settled within 15 calendar days.
- RBB portal to be updated on final closure/settlement of account.
- RBB portal must be updated on the same day when documentation is received and when account is closed. There should not be any delay in reporting.

(iv) For the purpose of reporting:
- The date of receipt of claim would be the date when the complete sets of documents (as prescribed by the Bank) have been received by the branch.
- The date of settlement of claim would be the date when the payment is made to the legal heirs / survivor(s) / nominee (s).

(v) Branches to ensure reporting for particular month to be done by 3rd of the following month in RBB reporting portal. i.e. a case of April needs to be reported latest by 3rd of May.

❖ **Documents Common to All Claim Situations**

In all claim situations, death certificate will be required as a basic document. Further, self-attested copy of Officially Valid Documents (OVD) to be obtained from nominee or other claimant(s), duly certified by the branch official as 'Original Seen & Verified' (by comparing original OVD with copy of OVD provided) and 'Customer Signed in My Presence' (after ensuring that the nominee(s) / claimant(s) have been met in person), except for simple claims for deletion of name(s).

(i) Death Certificate - Original Death Certificate issued by anyone of the following authorities alone is accepted:
- Registrar of Birth and Deaths
- Municipality or Corporation
- Panchayat Office

Death Certificate normally contains the place and date of the death of the deceased, his name and age. A copy of the death certificate duly verified against the original death certificate and attested by the concerned branch official should be held on record.

(ii) In case the customer has expired in a foreign country, the original death certificate can be accepted duly self-attested by claimant with other KYC documents. In case of photocopy of death certificate, same should be attested by any one of the below designated authorities. In case customer has expired outside India, 'proof of death' document is issued by an authority outside the country. In such cases, a bank shall accept the certified copy of the document issued for 'proof of death', Authentication to be done at country of Issuance or Country of Residence of claimants and not country of its issuance in any one or more of the following modes

- apostilled services /Indian embassy/Consulate general
- Any authorized official of overseas branches of Scheduled Commercial Banks registered in India.
- Any branch of overseas bank with whom HDFC Bank has relationship.
- Notary Public abroad.
- Court Magistrate abroad.
- Judge abroad.
- Indian Embassy/Consulate General.

(iii) Proof of Identity of Nominee/Appointee of Minor/Other Claimants - Identification of the Nominee/Appointee of Minor Nominee/Other Claimants would be as per the Bank's acceptable list of identity documents. For non-face to face death claim-please refer to exception process documented below

❖ **Claim Processing**

**1. Scrutiny of Documents:**

Branch staff / branch official to ensure / scrutinize the following:

a) Appropriate documents as detailed above have been received from the claimant(s).
b) Original Death Certificate to ensure that the same is genuine and issued by appropriate authority.
c) Claimant(s) including the nominee(s) has/have been properly identified to the bank's satisfaction. The OVD furnished by the claimant(s) must be acceptable to the bank and adequate. Request letter received in respect of simple claims for deletion of name(s) to ensure that it is signed by all the survivor(s) on joint accounts and their signatures are in order. The signature must be done in front of the Bank staff.
d) Documents received from nominee(s) to ensure that they are in order in all respects and the nomination is in force. In case the Nominee is a minor, documents are required to be signed by the appointee.
e) Branch should check date of nominee addition in the deceased's account, which should be before the date of death of account holder.
f) Documents received from the other claimant(s) [legal heir(s) or the persons named in the Succession Certificate, Letters of Administration, Probate of Will, etc.] to ensure that these have been properly executed.
g) Make discrete inquiries in respect of claims without production of legal representations to ensure that the declarations/information furnished by the claimants and witness are correct.
h) Cross-check the details mentioned in the claim documents with noting's in the to ensure their correctness.
i) There are no dues from the deceased constituent(s) and the deposits claimed are free from any **lien** or charge.
j) Branch Manager should ensure that there are no attachment orders pertaining to the relationship(s) of the deceased constituent(s).

**2. Counter Claims/Court Orders, where Nomination is/are Recorded.**

For counter claims/court orders where nomination is/are recorded reference to be made to legal department.

i) In case of properly recorded nomination, branches need not take cognizance of any rival claim from any other person. Branches should not delay or postpone settlement of the claim on receipt of a mere notice of a rival claim.
ii) If a rival claim is received before making payment/delivering of articles to nominee(s) without a probate, letter of administration or succession certificate, the claim of nominee should not be kept pending. It may be settled in consultation with Legal. Note that as the Banking Regulation Act, 1949, (payment to nominee) payment by a banking company in accordance with the provisions of this section shall constitute a full discharge to the banking company to its liability in respect of the deposit:/monies/locker.
iii) However, if there is any decree, order, certificate, or other authority from a court of competent jurisdiction, before making payment or delivery of the articles to the nominee, prohibiting, or restraining the bank from settling the claim, branches should take due note of such decree, order, certificate or other authority and refer the matter to Legal.
iv) Where a rival claim based on the Probate or letters of administration or succession certificate or Prohibitory/ Restraining order of a court is received after settlement of the claim of the nominee, the claimant/court should be duly informed of the settlement of the claim of the nominee.
v) No notice of the claim of any person, other than the person or persons in whose name a deposit is held by a banking company shall be receivable by the banking company, nor shall the banking company be bound by any

such notice even though expressly given to it: Provided that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to such deposit is produced before a banking company, the banking company shall take due notice of such decree, order, certificate or other authority.

**3. Sanction of Claims**

- **Simple claims for deletion of name(s)**
  - These claims should be processed by the branch staff, based on the guidelines contained in the above detailed paragraphs and put up to the Branch Manager for approval.
  - Branch Manager should ensure that prescribed documents have been obtained and these are in order. S/he should ensure that all the details of deceased constituent's relationships and documents obtained, etc. are properly recorded in RBB Portal
  - S/he should record his approval of the claim in on the request, letter received from claimant(s) against his authentication and allow Branch staff to proceed with the claim settlement.
  - The relevant documents for deletion of name(s) should be sent to linked CPU/ WBO.

- **Nomination based claims.**
  These claims should be processed and approved ~~at~~ by the branch manager as indicated above.

- **Fast Track claim without Nomination**
  - These claims should be processed by the Branch staff based on the guidelines contained in paragraphs above and put up to the Branch Manager for further action.
  - Branch Manager should ensure that the prescribed documents have been obtained, are in order and properly recorded in the RBB Portal. S/he should also satisfy himself about the genuineness of the reasons for payment/delivery of balances/assets to the claimant(s) without obtention of legal representations.
  - The claim to be put up to approver as the Death Claim settlement grid, as per the circular on delegation of powers, to expedite sanction,

- **Legal Representations based Claims.**
  - These claims should be processed by the Branch staff based on the guidelines contained in Point f of page no 27 and put up to the Branch Manager for further action.
  - The Branch Manager should ensure that prescribed documents have been obtained, are in order and properly recorded in RBB Portal.
  - After due scrutiny, Branch Manager should forward complete set of documents along with a forwarding letter to the concerned office as per delegation matrix for sanction.
  - Delegated authority to examine the claims thoroughly, if necessary, in consultation with Legal department and convey sanction to the branch at the earliest.

❖ **Settlement / Disbursement of Claims**

Deposit Accounts

**Important Points:**

(i) Except where existing account(s) is/are allowed to be continued after deletion of the name(s) of the deceased person(s), branch should ask for producing the unused cheque leaves, ATM Cards, Deposit Confirmation Advice, etc. before payment of the claim amount. If the claimant is not able to produce the same, the claim may be paid without insisting for the same after satisfying with the reasons for the inability to produce these items and making a suitable noting in the RBB Portal.

(ii) Interest on Savings Bank accounts should be credited to the accounts as per rules in force till the date of payment to nominee/approved claimant(s).

(iii) Interest on credit balances outstanding in the Current account/overdraft account standing in the name of a single individual depositor / proprietor in case of proprietorship accounts should be credited to the account at the Savings Bank rate of interest, as per rules in force, from the date of the death of the deceased till date of payment to the nominee/approved claimant(s).

(iv) In the event of death of any holder, premature payment of deposit to nominee(s)/approved claimant(s), the RBI directives provide for payment of interest as applicable to the period for which the deposit has already run, without charging penalty.

(v) In case of an overdue term deposit, interest should be paid as per rate of interest applicable to saving account or contracted rate of interest of matured term deposit; whichever is lower.

(vi) However, in the case of death of depositor after the date of maturity of deposit, the bank shall pay interest at saving deposit rate operative on the date of maturity from date of maturity till date of payment.

(vii) If on request from the nominee(s)/approved claimant(s), it is agreed to split the amount of term deposit and issue two or more receipts individually in the name of nominee(s)/approved claimant(s), it should not be treated as premature payment, provided the period and aggregate amount of deposit do not undergo any change.

(viii) In the case where Term deposit is booked post the death of the account holder, by his/her family members / nominee via net banking / mobile banking, such Term deposits will be considered as unauthorized transaction. Term deposit will be liquidated in the account, and Savings interest will be paid from the date of Deposit booking, any excess interest paid on such deposit over and above the savings interest will be recovered at the time of settlement.

(ix) FD 's booked via sweep out facility post death of holder is a valid FD as the instruction was processed basis account holder's request.

(x) For third party Fixed deposit, NOC to be taken from beneficiary for release of lien and extant death claim process needs to be followed.

(xi) Resident Holder with Non-Resident/foreign National Nominee: If the A/c holder is a resident individual and the a/c is held singly then on the death of the account holder, fresh Account to be opened for Non-Resident/foreign National Nominee, if the nominee wants to transfer the funds to his/her account the funds can be repatriated abroad by the Non-Resident Nominee/Foreign National Nominee under the USD 1 Million Scheme. If nominee does not wish to open an account the request for repatriation of funds to be referred to NRI Product to understand the operational process.

(xii) Incase claimant wants to close the account and continue the term deposit till maturity, below process to be followed

a. For term deposit with interest payout instruction as Monthly/Quarterly or at Maturity, CASA is linked with FD for payout, branch to delink the account from Fastpath TD039 and select the payout mode as DD.
b. CASA is linked for TDS recovery
    i. Branch can check the details from Fastpath TD024, check value of "TAX Absorb for:"
    ii. If CASA is linked, then delinking request to be sent to CPU Mumbai

(xiii) Interest on the term deposits standing in the name(s) of a deceased FCNR(B) individual depositor

| No. | Payment Scenario | Interest payable |
|---|---|---|
| 1 | On FCNR Maturity date | Interest to be paid at contract rate agreed at the time of deposit. |
| 2 | Before Maturity date | Interest to be paid at the rate applicable for completed tenure for the period which the deposit remained with Bank and not at the contract rate. No Penalty for FCNR liquidation. No Interest will be paid if FCNR not completed 1 year. |
| 3 | Death before maturity and claim after maturity | 1. Interest to be paid at Contract rate till the maturity date of deposit.<br>2. From date of maturity till the claimant comes to claim the money, Bank to pay at the applicable rate of interest for completed tenure. Interest to be calculated without compounding effect. No Interest will be paid if FCNR not completed 1 year.<br>(Example - Suppose customer had booked FCNR deposit maturing on 1/1/25 @ 3 %. Interest from deposit date to 1st Jan 2025 will be paid as per the agreed rate (3%). Interest from 2nd Jan 2025 to the date of claim will be paid as simple interest at the rate applicable on 1st Jan 2025) |
| 4 | Death after maturity (only if the deposit was not auto renewed on maturity date.) | 1. From maturity date to actual date of payment, interest to be paid at saving deposit rate applicable on the maturity date under RFC account scheme applicable only if the deposit was not auto renewed on maturity date.<br>2. In case of deposit renewed then refer point 2 or 3 above. |

**Note:** If the claimants are Indian residents, then on maturity, deposit proceeds may be converted into Indian rupees at the exchange rate on the maturity date.

Steps to be followed for manual Interest payout if any:

1) Branch to take FD interest calculation from TDS team.
2) Branch to Debit Interest adjustment GL and Credit customer account

❖ **Name deletion of nominee(s)/approved claimant(s)**

(i) In case of joint account(s),(for Either or Survivor mode of operation) with/without nomination, where the name(s) of deceased constituent(s) is/are to be deleted and the survivor(s) continued, after due approval from Branch Manager, Branch staff should forward a copy of request letter and death certificate to CPU for making necessary change on the system. If there was a nomination, fresh nomination form(s) duly signed by the survivor(s) should also be sent to CPU for necessary action.

(ii) The above would be applicable to Minor account where the name of the deceased guardian can be deleted, and the surviving guardian name be added.

(iii) In case of term deposit(s) which is/are yet to mature, name of the primary holder (deceased) may be continued till maturity, by continuing the Caution Memo as indicated in the foregoing paragraphs till maturity and then making payment to survivor(s), maturity instruction will be changed to “Do Not Renew”. Alternatively name of the primary holder (deceased) can be deleted and the deposit can be continued provided customer category of both holders are same i.e., deceased and survivor (s).

(iv) In the event of death of secondary holder (s), the Deposit can be continued by deleting the name of deceased holder (s) irrespective of customer category.

(v) However, if there was a nomination in the deposit(s), fresh nomination form(s) duly signed by survivor(s) need to be sent to CPU for necessary action.

(vi) Suitable noting’s should be made in RBB Portal.

❖ **Payment to nominee(s)/claimants**

(i) Account(s) of the deceased should be closed in normal manner keeping in view guidelines indicated in above / foregoing paragraphs.

(ii) Payment to nominee(s) / approved claimant(s) should be made by credit to his/their account(s) with the bank or by an account payee 'Not Negotiable Crossed' Manager's Cheque/Demand Draft if no account is maintained with the bank and to be issued in the format "Bank Name - Claimant Name - Account Number". Alternatively, the settlement amount can be transferred to the account of the nominee’s account in another bank via RTGS /NEFT.

(iii) A signature from the claimant acknowledging receipt of funds will be obtained on the claim application form. (Annexure 9)

(iv) In case the Nominee is a minor, while appointee can sign the required documentation, payment is to be made in favor of the Minor u/g natural guardian.

❖ **Payment of 80C- Five Year Tax Saving Fixed Deposit.**

(i) A Tax Saving Fixed Deposit is an Investment option under section 80C with a lock in period of 5 year and can be encashed on Maturity or in Case of Death only.

(ii) Tax Saving Fixed Deposit can be prematurely withdrawn only in case of death of the primary holder.

(iii) Death certificate copy along with CH approval to be sent on mail to CPU for removal of Premat flag.

(iv) Premature liquidation needs to be done in fast path 1312 / 1332.

(v) Penalty to be waived on FD liquidation screen with reason code 1- Deceased case.

❖ **Settlement of Overdraft limit against an FD**

(i) If the deceased had an Overdraft limit against an FD, the amount of FD to be first settled against the outstanding and the balance to be paid to the claimant. Alternatively, the outstanding can also be settled by way of transfer from other accounts held in the name of the deceased or cash.

(ii) In case the Overdraft has been taken against term deposit of third-party FD, the outstanding amount in the OD to be settled by way of transfer from other accounts held in the name of the deceased or by cash. In case outstanding is recovered from the term deposit of third party, any excess funds post settlement of FDOD to be transferred to the FD holder’s CASA A/c. In the absence of any CASA A/c the same can be paid out through a DD

(iii) Currently when the ODFD is prematurely liquidated in death claim cases under fast path CHM07, the penalty is recovered automatically as there is no option to waive the penalty

(iv) Branches to follow the below process to refund the penalty:

a) Post premature liquidation of ODFD in death claim cases, branch to obtain penalty calculation from TDS team.

b) Branch to seek approval as per the delegation of powers for debiting the interest adjustment GL

c) Branch must settle the claim along with the penal interest

(v) Combinations where penal interest waiver is applicable

| # | CASA A/c | FD A/c | Eligibility |
|---|---|---|---|
| 1. | Partnership | Partner | Eligible |
| 2. | Proprietorship | Proprietorship | |
| 3. | Partnership | Partnership | Not Eligible |
| 4. | Ltd Company | Ltd company | |
| 5. | Ltd Company | Director | Eligible |
| 6. | Individual | Individual | Eligible |
| 7. | HUF | Karta | Eligible |
| 8. | Society | Member | Eligible |

❖ **Pension Account**

Branches need to block the account once they receive the death intimation / certificate of any of the pensioner and raise it to CPPC. Branches should not close the pension account without CPPC confirmation.

**Defense and Central Government Pensioner** - Once we receive the information through branch or other mean, CPPC (Central Pension Processing Centre) will initiate the process of family pension as per direction given on pension payment order (PPO). There are 2 Scenarios to this.

**Nomination on Pension Payment Order –** Once we receive the information through branch or other mean, CPPC will initiate the process of family pension as per direction given on pension payment order (PPO). If nomination is given on PPO, then we shall require certificate e.g., Life certificate, non-remarriage certificate and undertaking to refund excess payment and pension would be commenced to Pensioner accordingly.

**Nomination is not available on Pension Payment Order –** Family Pensioner will approach to concerned Authority and shall submit the required documentation for issuance of corrigendum PPO in family pensioner's name. Once we receive the corrigendum PPO, we shall start the family pension as per direction given in the PPO.

**EPFO Pensioners -** Family Pensioner will approach to concerned Authority and shall submit the required documentation for issuance of corrigendum PPO in family pensioner's name. Once we receive the corrigendum PPO, we shall start the family pension as per direction given in the PPO.

**In case if government authorities approach bank for return of pension paid in deceased pensioner bank account:**

- Branch to ascertain the genuineness of the request received from the authority and review the transaction in the account post the date of death
- Branch to ensure deceased flag is updated for the customer if not updated
- Branch to initiate a DD / Funds transfer as per the instruction on the request received from the Authority
- Post the refund issue a letter to the Authority stating the refund initiation along with the DD original / Funds transfer reference copy attached
- All the above to be stored at branch with deceased claim documents as per extant process
- In case interest is also demanded by the authority branch to issue a letter stating the return of specific balance is made to the authority and interest will be paid to the nominee / legal heir / survivor of the deceased
- In case if the request is received post settlement of the account branch to respond to the authority informing about the settlement of the account as per procedure and request completed

❖ **Time norms for settlement of claims:**

Branches should settle the claims in respect of deceased depositors and release payments to survivor(s) / nominee in case of accounts with survivor / nominee within a period not exceeding 15 calendar days from the date of receipt of the claim subject to the production of proof of death of the depositor and suitable identification of the claimant(s) to the bank's satisfaction. In the case of accounts without survivor / nominee clause the claim should be settled within 1 month from the date on which the requisite documents have been submitted.

❖ **Procedure for settlement of Missing persons claims.**

As per guidelines issued by Reserve Bank of India, 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. 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, RBI has advised banks to formulate a policy which would enable banks to settle the claims for missing person after considering the legal opinion and considering the facts and circumstances of each case.

Keeping in view the imperative need to avoid inconvenience and undue hardship to the customers the mentioned process for claims with respect to missing persons should be followed:

The claim process can be segregated into 2 types.

a) Fast track claims for missing persons – For claims amount below Rs. 1,00,000/- without any dispute.

b) Settlement of claims for missing persons – For claim amount greater than Rs. 1,00,000/-.

a) Fast track claims for missing persons: For claims amount below Rs 1,00000/- without any dispute

1. To avoid undue hardship and settle the claims without causing inconvenience to customers, claims with total balances in all accounts up to a maximum of Rs 1,00,000/- and where there are no disputes between the legal heirs, will be settled without production of Legal Representations i.e., probate/succession certificate.
2. Documentation for fast-track claims for missing persons:
   - a copy of the First Information Report (FIR) and non-traceable report issued by police authorities **OR** an order from a competent court declaring the civil death of the account holder for settling the claim
   - Claim settlement Annexures as per Nomination / No nomination protocol

b) Settlement of claims for missing persons: For claim amount greater than Rs. 1,00,000/-

1. Where a nominee / legal heir raises an express presumption of death (in respect of a missing relative), an order/decree of competent court presuming the missing person to be dead, will be required to be submitted by the nominee/legal heirs of such a person.
2. In this case a competent court would be district court magistrate, High court, Civil Judge, Supreme Court.

**NOTE:**

- Additionally, documents prescribed for settlement of Death claims must be taken for each type of claim mentioned above as per Nomination / Nomination
- Please note that in all these cases there will be NO death certificate issued.

❖ **Exception Process**

Non – face to Face Process for deceased customer settlement Claim

In order to avoid undue hardship and settle the claims in case nominee/ Joint holder/ Legal heir is unable to visit the Bank in person as he/she may be based out of country on temporary/ permanent basis., bank staff to advise the customer to send all the required documents in physical which is attested by apostilled services /Indian embassy or **any of the below to bank branch for claim settlement**

- Any authorized official of overseas branches of Scheduled Commercial Banks registered in India.
- Any branch of overseas bank with whom HDFC Bank has relationship.
- Notary Public abroad.
- Court Magistrate abroad.
- Judge abroad.
- Apostilled services/ Indian Embassy/Consulate General

Branch to ensure that the document is certified / apostilled within 90 days of receipt of the documents. Certification from designated authorities will be required only on KYC documents & photocopy of death certificate

**1.If the nominee / joint holder is not available in India for claim** settlement – All required documentation as mentioned in the circular above to be attested as mentioned above

**2.If one of the legal heirs of the deceased account holder is not in India** – Branch to advise the legal heir to send all required documents as per Fast Track Settlement/Legal Based Representation (not originally seen and verified by

staff including the form signed by legal heir) attested as mentioned above bank branch physically for claim settlement and then the other legal heirs present in India can provide their remaining respective documentation in presence of bank staff for the claim settlement.

**3.If all the legal heirs of the deceased account holder are not in India -** – Branch to advise the legal heir (s) to send the required documentation duly attested as mentioned above to branch to conduct due diligence for claim settlement.

**4. Deed/ Death Certificate/Succession certificate/ Probate is issued from Outside India**
First, in case of any documents/instruments executed/created/written & signed outside the India is required to have either Apostille certificate to have that attested by Indian High Commission in the Country from where the documents were created or any of the mentioned authorities as above in order to get that legally accepted in India.

Secondly, Succession Certificates/Probate issued outside India cannot be accepted, unless a Court of competent jurisdiction in India has validated such Probate of the Will under which the right is claimed or has granted Letters of Administration with the Will or with a copy of an authenticated copy of the Will annexed or the Succession Certificates.

**5.In case any of the Legal heir (s)/ nominee (s) is Mentally Challenged**
Guardianship Certificate certified by the district court or National Trust would be required in original and the guardian would facilitate the claim settlement.

**6.In case of any transaction done after death** as mentioned on death Certificate, branch to request for a declaration for the Nominee/ legal heir(s) to confirm the consent for transaction processed for claim settlement to avoid risk of any dispute. Annexure 10 - Declaration from Nominee/Legal Heir for transactions post death (on stamp paper)

❖ **Compensation for delay in settlement of claims**

- If any deposit related claim is not settled within the timeframe of 15 calendar days 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.

❖ **Issuance of Statement of deceased customer's account**

- In case of death of customer, immediate family members/ nominee may approach the Bank with request to issue Bank statement, for legitimate purposes, viz. filing IT return, death claim settlement, for filing application for succession certificate/probate etc.
- Branch before issuing statement to the nominee / legal heirs of the deceased
  - ascertain the purpose of obtaining statement
  - relationship with deceased customer
  - obtain death certificate
  - verify the KYC/ration card of claimant to ascertain family tree of deceased customer with claimant, etc.
- Above request should also be filed as per standard procedure at branches

❖ **Please refer Appendix and Annexures for reference to the following:**
1.Legal Representatives
2.Types of Legal Representations
3.Other Special Situations