

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**

**UNSTARRED QUESTION NO.124**

To be answered on the 18<sup>th</sup> July 2022/Ashadha 27, 1944 (Saka)

**Bank Lockers Safety**

124. SHRI MARGANI BHARAT:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the Bank Locker Safety Rules, 2021 released by Reserve Bank of India;
- (b) the manner in which Ministry justifies allowing banks from absolving their responsibility, if fraud committed by bank employees, theft, etc., and valuables lost from bank lockers;
- (c) whether the customers are at the mercy of banks and receive pittance proposed under Bank Lockers Safety Rules when lockers are meant to secure valuables of customers; and
- (d) the details of protective measures that banks take to safeguard valuables from lockers of its customers?

**ANSWER**

THE MINISTER OF STATE FOR FINANCE  
(DR. BHAGWAT KARAD)

(a) to (d): Reserve Bank of India (RBI) has issued comprehensive revised instructions on Safe deposit locker / safe custody article facility provided by banks *vide* its circular dated 18.8.2021 in compliance with the Hon'ble Supreme Court Judgment dated 19.2.2021, effective from 1.1.2022. The banks are advised to frame their own Board approved policy/ operational guidelines in this regard taking into account the revised instructions. Some of the key instructions of the said circular includes *inter alia* the following:

- i) Model locker agreement for adoption by banks;
- ii) Enhanced standards of safety and security both for mechanical and electronic lockers have been prescribed;
- iii) The area housing the locker shall remain adequately guarded at all times;
- iv) Provision of alerts to locker hirer through SMS and email for locker operation;
- v) A detailed procedure has been prescribed for discharge of locker contents by breaking open the locker under various circumstances – at the request of a) customer b) Law enforcement agencies c) Non-payment of locker rent for more than three years d) Locker remaining inoperative for seven years;
- vi) A Liability / Compensation policy has been prescribed. The banks shall also place on their websites, the model locker agreement, Standard Operating Procedures and the instructions/ policies / procedures regarding the locker facility.

As per the RBI's said circular, the banks have now been held liable for events like fire, theft, burglary, dacoity, robbery, building collapse or in case of fraud committed by the employees of the bank. 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. Bank has the responsibility to ensure that the aforesaid incidents do not occur in the bank's premises due to its own shortcomings, negligence and by any act of omission/commission. In such instances where loss of contents of locker are due to incidents mentioned above 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.

Also, RBI has introduced "The Reserve Bank - Integrated Ombudsman Scheme, 2021" with the objective of enabling resolution of complaints if any, relating to services rendered by banks to facilitate the satisfaction or settlement of such complaints. Banks take steps in accordance with the said RBI advice/guidelines.

Banks take various measures to safeguard valuables deposited in lockers of its customers. As informed by Public Sector Banks, locker units are kept either in strong rooms or in a safe as per Bureau of Indian Standards specifications. Bank branches have been provided with security equipments like closed circuit televisions, burglar alarms with passive infrared devices, fire alarm systems covering the entry and exit of strong room and the common areas of operation, besides measures for proper physical security. These arrangements are subject to regular audit of security.

Further, as per the RBI's said circular, banks are advised to take necessary steps to ensure that the area in which the locker facility is housed is properly secured to prevent criminal break-ins and to securely protect against any natural/ man-made hazard damaging the lockers. The standards/ benchmarks have also been prescribed for the lockers installed by the banks.

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