

Mizuho Bank, Ltd

**Policy on Classification of unclaimed deposits; grievance redressal mechanism, record keeping and periodic review of unclaimed deposits August 2018.
(Indian Operations)**

Policy on Classification of unclaimed deposits; grievance redressal mechanism, record keeping and periodic review of unclaimed deposits

- 1) The objective of this policy is to ensure:
 - ❖ Identification of the inoperative accounts / unclaimed deposits at regular intervals.
 - ❖ To take pro-active role in locating inoperative accounts / unclaimed deposits and the whereabouts of the account holders
 - ❖ To facilitate the customers to reactivate their inoperative accounts.
 - ❖ To facilitate the legal heirs to claim unclaimed deposits in case of death of an account holder.
- 2) Inoperative Account: The Customer Account in which there is no transaction for two years is termed as an Inoperative Account.
- 3) Unclaimed Deposit: The Balance in Inoperative Account of the Customer which is not claimed for a period of 10 years will be termed as Unclaimed deposit.
- 4) Type of Accounts to be treated as Inoperative Account: The Customer Account in any form such as Current Account, Savings Bank Account, Term Deposit Account, Non-resident Savings Account (NRE), Non-resident Ordinary Rupee Account (NRO), Non Resident Foreign Currency Deposit Account (FCNR), Exchange Earners Foreign Currency Account (EEFC), Diamond Dollar Account, Customer Sundry Deposit Account and including any new types of account in future to be treated as Inoperative Account / Unclaimed Deposit Account if it meets the classification criteria.
- 5) Periodicity of Review of Accounts: Bank shall make monthly review of accounts in which there are no operations for more than ten years and display the data on its website.
- 6) Follow-up with the Customers: Bank shall contact by writing a letter to Customers as per the address on banks record who have not operated their accounts for more than two years and ask for the reason for not operating their account. If they have shifted to new locality and for operational convenience they have opened new account with other Bank, the Customer may be requested to close the account and transfer the funds to the new account.
- 7) Efforts to trace the Customer: Bank shall make all efforts to contact the customers or their legal heirs in case they are deceased or the account holder is untraceable. Efforts shall be made to contact the Customer through the person who has introduced the Customer to the Bank.
- 8) In case any reply is given by the account holder giving the reasons for not operating the account, banks should continue classifying the same as an operative

account for one more year within which period the account holder may be requested to operate the account. However if the Customer still does not operate the same during the extended period given by the Bank, Bank shall classify the same as inoperative account after the expiry of the extended period and intimate the customer about the same

- 9) Consideration of types of transactions: For the purpose of classifying an account as “Inoperative” both the type of transactions i.e. debit as well as credit transactions done/induced at the instance of Customers as well as third party shall be considered by the Bank. However Bank shall not consider or take into account the service charges levied by the bank to the account for classifying the account as operative. In case where only interest is being credited to the account at the instance of the customer from any source, the period of two years for identifying the accounts as inoperative shall start after the last interest amount is credited to the account.
- 10) Banks responsibility: This exercise of identifying the accounts as inoperative accounts done by the Bank is from the point of view of reducing risk of frauds. Bank shall not put the Customer into inconvenience in any way while rendering the account as inoperative.
- 11) Operations in Inoperative Accounts: Bank shall exercise due diligence as per risk category of the Customer. Bank shall ensure genuineness of the transaction, verification of the signature and identity etc. Bank shall not put Customer into inconvenience as a result of extra care taken by the Bank.
- 12) Charges for activation of inoperative account: Bank shall not charge the Customer for activation of the inoperative account.
- 13) Control of inoperative accounts: Bank shall ensure that the amounts lying in inoperative accounts are properly audited by the internal / statutory auditors and are transferred to a separate ledger of ‘inoperative accounts’.
- 14) Payment of Interest: Bank shall pay interest on Savings bank accounts on regular basis whether the account is Inoperative or not. If a Fixed Deposit matures and proceeds are unpaid and the amount is left with the Bank as unclaimed, Bank shall pay interest as mentioned in the Deposit Policy, which would mean and include payment of interest at the prevailing savings bank account rate. (OPD to check the Deposit Policy says so)
- 15) Redressal of complaints and grievances: Depositors having any complaint / grievance with regard to services rendered by the Bank has a right to approach authority(ies) designated by the Bank for handling customer complaint / grievances. The details of the internal set up for redressal of complaints / grievances are displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within the time limit

specified in the policy or the customer is not satisfied with the response received from the Bank, the customers shall have the right to approach the Banking Ombudsman appointed by the Reserve Bank of India. Further, it is also necessary that the customer is made aware of his rights to approach the concerned Banking Ombudsman in case he is not satisfied with the bank's response. As such, in the final letter sent to the customer regarding redressal of the complaint, banks will indicate that the complainant can also approach the concerned Banking Ombudsman. The details of the concerned Banking Ombudsman will also be included in the letter and also displayed by the Bank in the branch premises.

- 16) Record Keeping: Bank shall keep the records of Inoperative / Unclaimed deposits for a period of 10 years from the closure of the Account.
- 17) Periodic review of Inoperative / Unclaimed deposit Accounts: Bank shall review the Inoperative / Unclaimed deposit accounts yearly and circulate it to the management for information.
- 18) Periodic review of this Policy: This Policy shall be reviewed annually or as and when there are any changes in local regulation / laws or Head Office guidelines.
- 19) All unclaimed deposits over a period of 10 years would be remitted to Reserve Bank of India, under the Depositor and Awareness Fund Scheme the details of the account name will be available in banks website.