

NSDL Payments Bank

Deposit Policy V1.2

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Maintained by : Product Team

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REVISION HISTORY

S.No	DATE OF REVISION	VER	SECTION NUMBER	DESCRIPTION OF CHANGE	CHANGE REQUEST	CHANGE MADE BY
1	24-Apr-21	1.1	8	Deleted "and term deposit"	Amended	Customer Service Team
2	24-Apr-21	1.1	4.1	Changed "Nomination facility" from point 4.2 to 4.1	Amended	Customer Service Team
3	25-Apr-25	1.2		The Bank has undertaken a comprehensive revision of the Policy vis. a vis the RBI Master Circulars and made design level changes. Since there are multiple changes, the MOC is not attached. The Major amendments made to the policy are summarized below: Section 7 Identification through documents provided by the customer Section 9 - Interest payment Section 14 Renamed as Closure of inoperative, inactive and frozen accounts Section 16 - Settlement of dues in deceased deposit account	Amended	Product Team

				Section 17 - Settlement of claims in respect of missing persons Section 18- Insurance cover for deposits Section 19 - Inoperative accounts Section 19.1 - Customer Induced Transaction Section 19.2- Bank Induced Transaction Section 20 - Redressal of complaints and grievances Section 21 - References		

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1. Introduction

One of the important functions of a Bank is to accept deposits from the customers and open Savings and Current bank accounts.

While adopting this Policy, the Bank reiterates its commitment to customers as outlined in Bankers' Fair Practice Code of Indian Banks Association. This document is a broad framework under which the rights of common depositors are recognized. Detailed operational instructions on various deposit schemes and related services shall be issued from time to time.

This Policy document on deposits outlines the guiding principles in respect of formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the account. The document recognizes the rights of depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposits accounts, payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers.

It is expected that this document would impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customers shall get services they are rightfully entitled to receive.

2. Types of liability accounts

Various deposit products offered by the Bank are assigned different names. Deposit products can be categorized broadly into the following types.

Demand deposit means a deposit received by the Bank which is withdrawable on demand.

Savings account means a form of interest-bearing demand deposit primarily meant to encourage savings habit, withdrawable by means of ATM cum Debit Cards, Mobile Banking, Internet Banking etc.

Current account means a form of demand deposit wherefrom withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount.

3. Best Practices in Account opening process

Deposit accounts can be opened by an individual in his / her own name (known as account in single name). Savings account can also be opened by a minor represented by a natural guardian or mother. Minors above the age of 10 and having ability to sign uniformly shall be allowed to open and operate saving account independently.

Savings accounts can be opened for eligible person/persons while current accounts can be opened by individuals / partnership firms / private and public limited companies / specified associates / societies, departments of authority created by the government (central or state), limited liability partnership, etc. Also, the Bank is committed to providing basic banking services to the unbanked and underprivileged sections of the society.

The Bank before opening any deposit account, shall carry out due diligence as required under Know Your Customer (KYC) guidelines issued by RBI and/ or such other norms or procedures as per the policies of the Bank. If the decision to open an account of a prospective depositor requires clearance at a higher level, reasons for any delay in opening of the account shall be informed to him / her and the final decision of the Bank shall be conveyed at the earliest.

The account opening forms and other related materials shall be provided to the prospective depositor by the Bank with step by step guide in digital channels and physical forms where relevant. The same shall contain details of information to be furnished and documents to be produced for verification and / or for record. The Bank for opening the account will explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he / she approaches for opening a deposit account.

To govern deposit products such as savings account and current account, the Bank will stipulate terms and conditions, including certain minimum balances to be maintained which shall be displayed on the digital channels and notice board, (where relevant and feasible). Failure to maintain minimum balance in the account shall attract levy of charges as specified by the Bank from time to time. For savings account, the Bank may also place restrictions on number of transactions, amount of cash withdrawals, etc., during a given period. Similarly, the Bank may specify charges for additional statement of accounts, duplicate passbook, etc. All such details, regarding terms and conditions for operation of the account and schedule of charges for various services rendered by the Bank shall be communicated to the prospective depositor while opening the account. The Account shall be opened only after acceptance of terms and conditions by the depositor.

The due diligence process, while opening a deposit account shall involve satisfactory verification of the identity of the person, and his/her address, signature and occupation in case the account is opened using a physical account opening form. Obtaining recent photograph of the person/s opening / operating the account may be part of the due diligence process. The KYC documents shall be verified with the originals (in case of physical account opening form) or using Aadhar based eKYC or CKYC based verification of records. In addition to the due diligence requirements, under KYC norms the Bank is required by law to obtain Permanent Account Number (PAN) as specified under the Income Tax Act / Rules.

The Bank will offer sweep facilities in savings and current accounts based on threshold definitions, for bank accounts, term/ fixed deposits, mutual funds and bank accounts in partnership with other financial institutions.

4. Operation of Accounts

Limit on account balance

In conformity with RBI's guidelines for Payments Banks, the balance at the end of day in a deposit account (savings as well as current) held with the Bank shall not exceed INR 2 Lakhs. The limit shall be subject to review by the Bank as per extant RBI guidelines. Based on onboarding journey the limits will vary and Product wise limits are displayed on Bank's website.

5. Nomination facility

Nomination facility shall be made available on all deposit accounts opened by individuals. In cases of nomination, cancellation and/ or variation of nomination, the receipt of the duly filled nomination shall be acknowledged by the Bank using digital medium like Email, SMS etc.

Nomination shall also be available to a sole proprietary concern account. Nomination so made can be cancelled or changed by the account holder/s at any time using Digital Channels. Nomination can be modified with the consent of the account holder/s. Also, Nomination can be made in favor of a minor for which the date of birth of the minor and full details of the guardian shall be furnished.

The Bank recommends that all depositors avail nomination facility. The nominee, in the event of death of the depositor/s, shall receive the balance outstanding in the account as a trustee of legal heirs. The depositor shall be informed/displayed the advantages of the nomination facility while opening a deposit account.

When an account holder has availed himself of nomination facility, the same shall be recorded in the Banks and shall be made available for changes on the request of the customer.

An electronic statement of account shall be periodically provided by the Bank to account holders of deposit(s) only as per terms and conditions of opening of the account. free of cost. Physical copies of statement of accounts shall be issued on request on payment of prescribed fees.

The regulatory guidelines require the Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the Bank not opening an account.

If the account holder appoints or assigns a nominee with a bogus or fictitious name, the bank will treat it as a "No Nomination" scenario. In such cases, the account balance will be transferred only to the legal heir(s) or the individual nominated by the court, as applicable.

6. Know Your Customer (KYC) guidelines

Know Your Customer (KYC) is the platform on which the banking system operates to avoid the pitfalls of operational, legal and reputation risks and consequential losses, by adhering to the various procedures laid down for opening and operating of accounts. The Bank shall follow appropriate KYC policies, procedures and internal control mechanism designed to:

Establish and document the true identity and address of the customers who maintain/establish relationships, open accounts or conduct business transactions.

Obtain background information on existing and/or new customers; The Bank shall use this information to create an AML risk profile of the customer. In specific cases a field verification may be carried out for additional due-diligence, where the bank feels appropriate.

Safeguard the Bank from the risks of doing business with any individual or entity whose identity cannot be determined.

Protect the Bank from the risks of having business relationships with any individual or entity who refuses to provide information, or who has provided information that contains significant inconsistencies which cannot be resolved after due investigation.

7. Identification through documents provided by the customer.

The bank shall establish customer's identity (true name, residential and mailing address) with the help of Aadhar based eKYC or CKYC can also be used for identification of a customer. In some specific cases officially valid documents (OVDs) as may be provided by the customer in original. The indicative lists of identity and address proof documents to be submitted in case of individuals are as under:

Proof of identity- As per the RBI circular and as per Bank's KYC & AML Policy, only any one of below documents is valid for identity proof.

Passport

Driving license

Voter's identity card issued by Election Commission of India

Job card issued by NREGA duly signed by an officer of the state government.

The letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number.

Aadhar based eKYC

CKYC based verification.

Proof of address - As mentioned in RBI circular, the documents listed above for proof of identity which have address on them shall also suffice as proof of address.

8. Basic and Small Savings Accounts

Simplified RBI guidelines for opening Basic Savings accounts for Financial Inclusion.

Single document for proof of identity and proof of address (documentary proof)

There is now no requirement of submitting two separate documents for proof of identity and proof of address. If the officially valid document submitted for opening a bank account has both, identity and address of the person, there is no need for submitting any other documentary proof.

To further ease the process, the information containing personal details like name, address, age, gender, etc., and photographs made available from UIDAI as a result of e- KYC process can also be treated as an 'Officially Valid Document'.

No separate proof of address is required for current address.

Since migrant workers, transferred employees, etc., often face difficulties while submitting a proof of current address for opening a bank account, such customers can submit only one proof of address (either current or permanent) while opening a bank account or while undergoing periodic updating. If the current address is different from the address mentioned on the proof of address submitted by the customer, a simple declaration by her/him about her/his current address shall be sufficient.

8.1 Small Accounts:

Those persons who do not have any of the 'officially valid documents' can open 'small accounts' with banks. A 'small account' can be opened on the basis of a self-attested photograph and putting her/his signature or thumb print in the presence of an official of the Bank. Such accounts have limitations regarding the aggregate credits (not more than Rupees one lakh in a year), aggregate withdrawals (not more than Rupees ten thousand in a month) and balance in the accounts (not more than Rupees fifty thousand at any point in time).

These small accounts shall be valid normally for a period of twelve months. Thereafter, such accounts shall be allowed to continue for a further period of twelve more months, if the account holder provides a document showing that she/he has applied for any of the officially valid document, within twelve months of opening.

9. Interest payment

Within the ambit of regulations, the Bank can decide the savings interest rates as per the decision of ALCO (Asset Liability Committee). Interest is not paid on deposits in current accounts.

Interest on Savings accounts shall be credited on a regular basis irrespective of the fact that the account is in operation or not.

As per Reserve Bank of India directives, interest shall be calculated on the basis of end of the day balance in savings accounts deposits and paid on a quarterly basis.

The rate of interest on deposits shall be prominently displayed in the digital channels. Changes, if any, with regard to the deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed on Bank's Website.

Interest rates paid to customers will be reviewed and decided by the Assets and Liability Committee (ALCO).

Any changes in the interest rates shall be presented by ALCO in the subsequent Board meeting.

10.Accounts of illiterate persons

The Bank may at its discretion open savings accounts in the names of illiterate persons

11.Minors' accounts

A minor is one who has not completed the age of 18 years. However, where a legal guardian has been appointed by a Court, the minor shall attain majority on attaining 21 years of age.

Minors above the age of 10 and having ability to sign uniformly shall normally be allowed to open and operate savings account independently. It is permissible to open any type of deposit account in the name of a minor within the framework for minor account but no current account shall be opened in the name of the minor.

On attaining majority, i.e. 18 years of age and, in case there is a legal guardian, 21 years, the erstwhile minor shall confirm the balance in his/her account and if the account is operated by the natural guardian /guardian, KYC details of erstwhile minor shall be obtained using Aadhaar E-KYC and kept on record for all operational purposes.

12.Accounts of blind persons

The Bank may at its discretion open deposit accounts other than current accounts in the names of blind persons after completing all necessary formalities.

The Bank shall take certain special precautions to protect the blind customer from being cheated by others and shall make the additional efforts to ensure security and transparency. Hence, it is important to explain to him/her the rules of business, the obvious risks involved and the precautions that he/she shall take in operating his / her account before opening the account.

While there is no legal provision for the appointment of a guardian of blind persons, the Bank may, at its discretion, allow a properly constituted attorney to operate the account on behalf of the blind account holder. However, in the cases the Bank is satisfied on merits, the next of kin of a blind person may also be allowed to operate on his/her account as his/her constituted attorney duly authorized by a Letter of Authority or Power of Attorney as may be expedient.

13.Accounts of mentally challenged:

The Bank may at its discretion open deposit accounts other than current accounts in the name of mentally ill/challenged persons given the following conditions:

At first instance it is convinced on its own that the person is capable of entering into a valid and legally binding contract. To make this decision the bank may, on a case by case basis, rely on documentary evidence including either of the following: certificate by authorized government mental health institution/practitioner, District disability board or any other authorised government health professional as provided by relevant Mental Health Acts

In case Bank is not convinced basis the above, it may cause the account to be opened or operated only by a guardian or a receiver appointed by a competent court as defined under the Mental Health Act, 1987

14.Closure of inoperative, inactive and frozen accounts

In cases where the operations in savings or current accounts are not satisfactory, the Bank may decide to close the account and pay the balance in the account to the depositor after giving due notice.

The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, their subsidiaries and affiliates. If the Bank proposes to use such information, it shall be strictly with the consent of the account holder.

The Bank reserves the right to close any dormant account/inoperative account / any account with Zero balance where no financial transaction for a period of 90 days, after providing a prior notice of at least thirty (30) days to the Customer. Upon the expiration of the notice period, if the account remains dormant/inoperative or if the customer has not undertaken any financial transaction, the Bank may proceed with the closure of the account without further liability or obligation to the Customer.

The bank shall not be held liable for any failure to complete financial or non-financial transactions in the account due to the closure of the account by the bank, provided that the bank has given proper notice to the customer beforehand.

15.Secretcy of customers' accounts

The Bank shall not disclose details / particulars of the customer's account to a third person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

16.Settlement of dues in deceased deposit account:

The under noted procedures shall be followed by the Bank in respect of treatment of death of a depositor for operation of his/her account/ settlement of dues.

Form for claims in case of death shall be made available to the customers in branches/BC points and Digital Channels in electronic format.

If the depositor has registered nomination with the Bank; the balance outstanding in the account of the deceased depositor shall be transferred to the account of / paid to the nominee after the Bank satisfies itself about the identity of the nominee.

The Bank shall settle all claims in respect of deceased depositors and shall release payments to nominee(s) within a period not exceeding 15 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 claim(s), to the Bank's satisfaction.

In case where a product/service of Partner bank/Fund house is included, NSDL Payments Bank shall forward any customer settlement request/requests to Partner bank/Fund House. Settlement process shall be guided by terms and conditions of partner bank/fund house.

16.1 Further reference

For further details on Settlement of dues in deceased deposit account, please refer to 'Deceased Claim Settlement Policy' of the Bank.

17.Settlement of claims in respect of missing persons

The nominee/legal heirs of the missing depositor have to raise an express presumption of death of the depositor after a lapse of seven years from the date of his/her being reported missing under Section 107/108 of the Indian Evidence Act before a competent court of law. The claim in respect of such missing person shall be settled by the Bank if the court presumes that he/she is dead.

17.1 Further reference

For further details on Settlement of dues in deceased deposit account, please refer to 'Deceased Claim Settlement Policy' of the Bank.

18.Insurance cover for deposits

All bank deposits are covered under the insurance scheme offered by Deposit Insurance and Credit Guarantee Corporation of India (DICGC) subject to certain limits and conditions. The details of the insurance cover in force shall be made available to the depositor.

Each depositor in a bank is insured up to a maximum of Rs.5,00,000 (Rupees Five Lakhs) for both principal and interest amount held by him in the same right and same capacity.

For more details, visit website at <https://www.dicgc.org.in>

19.Inoperative accounts

Reserve Bank of India, vide their circular had consolidated the instructions to banks on dealing with unclaimed deposits / inoperative accounts vide its circular RBI/2023-24/105 DOR.SOG (LEG).REC/64/09.08.024/2023-24 on Inoperative Accounts/ Unclaimed Deposits in Banks - Revised Instructions dated January 1, 2024

Accounts which are not operated for a period of two years shall be transferred to a separate inoperative account status in the interest of the depositor as well as the Bank. The Bank may, at its discretion, close zero balance accounts under this category, after serving due notice to the depositor in this regard. The depositor shall be informed of charges, if any, which the Bank shall levy on inoperative accounts. The depositor can request the Bank to activate the account for operating it.

Inactive – The savings and current accounts shall be treated as inactive if there are no customer-induced transactions in the accounts for a period of over one year. In the event where the customer reaches out to the Bank and requests for an extension along with the reason for not operating the account, the customer will be given an extension of 12 months.

Inoperative – The savings and current accounts shall be treated as inoperative if there are no customer-induced transactions in the accounts for a period of over two years or in case if the customer does not operate the account post the extension period on Inactive status.

19.1 Customer Induced Transaction

Financial Transactions – A monetary transaction (Debit or Credit) in the Savings/ Current Account done by the customer/ third party or done at the behest of the account holder by the bank or any transaction highlighted below:

- Any ATM/ Cash withdrawal/deposit
- Any transaction initiated through RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS
- Transaction initiated through Debit Card, Mobile Banking app
- Standing Instructions issued by the customer
- NACH Debit / Credits
- Direct Benefit Transfer (DBT) credits
- Refunds like refunds related to e-commerce payments, Income Tax Returns, etc

Non-Financial Transactions - An enquiry or request for any product/ service initiated by the account holder through any ATM or internet banking or mobile banking application Or through Third-Party Application Providers, which requires two factor authentication (2FA) and leaves a trail for audit purposes or successful log-in to the mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of debit card, nomination facility, balance enquiry, etc.

KYC updation done in face-to-face physical mode or through digital channels like Video customer identification process (V-CIP), Biometric KYC or any Re-KYC done through mobile banking application of the bank.

19.2 Bank Induced Transaction

Transactions in the account initiated by the bank as per its extant policy such as

- All types of charges, fees levied by the banks including taxes deducted
- Any penalties
- Savings Bank account interests

20.Redressal of complaints and grievances

Depositors having any complaint / grievance with regard to services rendered by the Bank have 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 shall be displayed in the branch premises and on digital channels. The necessary information will be displayed, and the bank will provide all required information regarding procedure for lodging the complaint.

In case the depositor does not get response from the Bank within 14 days from date of complaint or he / she is not satisfied with the response received from the Bank, he / she shall have a right to approach the Chief Customer Service Officer (CCSO).

In case the depositor does not get response from the Internal Ombudsman / CCSO within 14 days from date of complaint to him, or he / she is not satisfied with the response received from the Internal Ombudsman / CCSO, he / she shall have a right to approach the Banking Ombudsman appointed by the Reserve Bank of India.

21. References

RBI Master Circular on Customer Service in Banks dated 01.07.2015

RBI Circular on Depositor Education and Awareness Fund dated 21.03.2014

IBA Model Deposit Policy

RBI Master Direction - on Interest Rate on Deposits 2016 (Updated as on June 07, 2024)

Inoperative Accounts/ Unclaimed Deposits in banks dated - 01.01.2024

Please note - This policy is subject to revision based on the extant RBI guidelines from time to time.

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