

## **Frequently Asked Questions – Inoperative Accounts**

### **What is an Inoperative Account?**

As per RBI regulations, a savings / current account shall be treated as inoperative, if there are no 'customer induced transactions' in the account for a period of over two years. In order to reduce the potential for fraud, banks convert accounts that have been idle for long (a period over two years) into Inoperative accounts in the interest of the customer. An Inoperative account customer cannot make payments, transfer money, make withdrawals, and even log into his/her account once it has been declared Inoperative.

### **What is a Customer induced transaction?**

Transactions in an account which are in the nature of:

- a. A financial transaction initiated by or done at the behest of the account holder by the bank/ third party or;
- b. a non-financial transaction, or;
- c. KYC updation done by face-to-face physical mode or through digital channels such as internet banking or mobile banking app of Equitas Small Finance Bank Limited

### **What is a financial transaction?**

- ATM/ Cash withdrawal/deposit
- RTGS / NEFT/ IMPS /UPI/ AePS/ ABPS Transactions
- Internet Banking Transactions
- Debit Card Transactions
- Transfer of funds from / to the linked CBDC(e-Rupee) account
- Cheque Clearing
- Remittance of funds by way of demand drafts
- Cash withdrawal by third party through cheque
- Standing Instructions issued by the customer
- NACH Debit / Credits
- Term Deposit Interest / proceeds
- Dividend on shares/Interest on Debentures or any other investment proceeds
- Direct Benefit Transfer (DBT) credits
- Refunds like refunds related to e-commerce payments, Income Tax Returns, etc.
- National Electronic Toll Collection (NETC) debits

### **What is a Non-financial transaction?**

An enquiry or request for any product/ service initiated by the account holder through an Equitas ATM or internet banking or mobile banking application of the bank or through a Third Party Application Provider, which requires a two-factor authentication and leaves a trail for audit purposes or successful log-in to the internet banking/ mobile banking application. Illustratively, this includes transactions such as change in transaction limit, request for issue of cheque book/ debit card, nomination facility, balance enquiry etc.

### **What happens if your savings bank account becomes Inoperative?**

If your savings account becomes Inoperative, then, some of the below services/transactions will not be permitted in your account.

- Access to internet banking / mobile banking
- Change of residence address or address for communication
- Reissuance / Renewal of an ATM or debit card.
- Addition or removal of a joint account holder
- Change of signature
- Transactions at a bank branch

If an Inoperative account has no balance or a Total Relationship Value (TRV) of INR 1000/- or less, Equitas Small Finance Bank Limited will send an email communication / SMS requesting the customer to visit any nearby Equitas Small Finance Bank branch to re activate the account. If the customer does not reactivate within 30 calendar days of the date of the letter, Equitas Small Finance Bank Limited will close the account and send a demand draft to the customer's registered mailing address for the available balance in the account.

#### **Will my inoperative savings account earn interest?**

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

#### **How can I Reactivate my Inoperative account?**

Equitas Small Finance Bank Limited has the facility of updation of KYC for activation of inoperative accounts/ unclaimed deposits at all branches (including non-home branches). The same can be done by visiting the branch in person.

To reactivate an Inoperative account, all the account holders, including mandate holder must submit a completed application form to the nearest Equitas Small Finance Bank Limited, bank branch detailing the reasons for the account's inactivity. The account holders, including mandate holder must be physically present at the bank branch, with original KYC documents (Proof of Identity and Proof of address) as stated in the account opening form.

Equitas Small Finance Bank Limited will not levy any additional fees/charges while reactivating an Inoperative bank account as per RBI norms.

Once the above process is completed and upon the authorised bank official's confirmation, the customer is requested to make at least one of the any customer induced transaction in the account. Some of the relevant financial transactions are listed below:

- Deposit a cheque
- Deposit of cash in the account
- An Equitas Small Finance Bank Limited ATM can be used to make a cash withdrawal or a cash deposit.
- Make an online transaction in the account.

#### **How to prevent my account from becoming Inoperative?**

Regular transactions are essential to keep the account active. One can also prevent the account from becoming Inoperative by taking several actions such as executing a transaction or withdrawing /depositing cash.

Equitas Small Finance Bank Limited shall automatically intimate inoperative account/ unclaimed deposit holders through SMS and registered email stating that on the basis of the KYC documents submitted by them, the inoperative status of the account has been removed. The intimation shall also mention the remedial measures available to them to report unauthorised access, if any. Equitas Small

Finance Bank Limited has in place adequate operational safeguards to ensure that the claimants in case of inoperative accounts/ unclaimed deposits are genuine. The banks shall process requests for activation of inoperative account/ unclaimed deposits within three working days from the receipt of the complete application and KYC documentation as per RBI norms.

**Important:**

Equitas Small Finance Bank Limited shall activate inoperative accounts/ unclaimed deposits, including those which are under freeze by orders of various agencies like Courts, Tribunals, Law Enforcement Agencies, only after adhering to the KYC guidelines provided by the RBI with Customer Due Diligence (CDD), customer identification, risk categorisation etc. However, such accounts may execute transactions only after clearance of the freeze issued by the agency that has given the freeze order.

The bank shall automatically intimate the inoperative account/ unclaimed deposit holders through SMS and registered email stating that on the basis of the KYC documents submitted by them, the inoperative status of the account has been removed. The intimation shall also mention the remedial measures available to them to report unauthorised access, if any. This would alert the account/ unclaimed deposit holder against any possible fraudulent activity in his/her inoperative account. The banks shall have in place adequate operational safeguards to ensure that the claimants in case of inoperative accounts/ unclaimed deposits are genuine. The banks shall process requests for activation of inoperative account/ unclaimed deposits within three working days from the receipt of the complete application.

**Where can I get the application forms for activation of my Inoperative account?**

Link: <https://equitasbank.com/form-centre>