

STATE BANK OF INDIA OFFICERS' ASSOCIATION

(BENGAL CIRCLE)

(Registered under Trade Unions Act 1921-Regd. No. 6908)

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IP No. 500077

Circular No. 89/2017

Date : 31.07.2017

To All Members (Please Circulate)

We reproduce hereunder the Circular No. 73 dated 25.07.2017 issued by General Secretary, All India State Bank Officers' Federation, the contents of which are self-explicit.

With revolutionary greetings,

Soumya Datta
(General Secretary)

To all our Affiliates / Members:

KYC COMPLIANCE - ORAL INSTRUCTIONS TO BRANCHES TO CLOSE ACCOUNTS

We have today sent a communication to the Chairman of State Bank of India on the above subject. A copy is enclosed. We note to keep our members advised of further developments in due course.
With greetings,

(Y.SUDARSHAN)
GENERAL SECRETARY

No. 6180/55/17

Date: 25th July, 2017

To,
The Chairman,
State Bank of India,
Corporate Centre,
MUMBAI.

Respected Madam,

KYC COMPLIANCE - ORAL INSTRUCTIONS TO BRANCHES TO CLOSE ACCOUNTS

We wish to bring to you kind notice that oral instructions are being conveyed by General Managers/Top Executives to Operating Staff/Branch Managers/ Deputy General Managers/ Regional Managers to arrange to close Operative (Live accounts) and In-Operative accounts for want of KYC Compliance. Many such accounts have balances amounting to lakhs of rupees. It is possible that due to lack of communication or the customers being out of the country or at a different address such accounts are not updated and KYC Compliant. Many such accounts may pertain to customers who are not literate, tech-savvy. It is also possible that customers/dependents may not be aware of the existence of such huge balances in their accounts. Closing such accounts without the knowledge of the customers is extremely dangerous and is likely to attract legal hassles to the Bank/Operating Staff in the days to come, affecting the image of the Bank.

2. It is reported that the General Managers are instructing the Branches / Operating Staff via Video Conference/SMS/WhatsApp messages. The Branches are being given a list of operative/in-operative accounts for closure wherein no clear cut instructions/plan of action is spelt out to the Branches and which is very vague, ambiguous.

3. It is a fact that, many branches have submitted KYC documents whenever the accounts are opened subsequent to setting up of LCPCs at various Centers. In some cases, the Branches have maintained KYC documents of such accounts which are opened prior to setting up of LCPC and such accounts were verified by the RFIA auditors from time to time or whenever the RFIA is conducted.

Soumya Datta
General Secretary
Mobile : 9830044737

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: 2 :

4. The branches are reporting to us that they did send/dispatch account opening forms duly enclosing KYC documents whenever accounts are opened. The Branches are also reporting to us that they do have POD – Proof of Delivery of Consignment/dispatch having sent the account opening forms enclosing KYC documents which is not accepted by the LCPCs.
5. In some of the cases, the Branches/Operating Staff are unable to locate/find out the customers who have not submitted latest KYC documents despite visiting to their known available addresses or places which are shown while opening the accounts and which are available in CBS.
6. The Branches/Operating Staff have since closed many operative/live accounts where huge balances are maintained and in many cases, there is reporting of cheques being bounced because of closure of accounts and it has resulted in lot of complaints against the Operating Staff/Branches.
7. The Bank/Branches have displayed notification regarding submission of KYC documents to the customer's from time to time through print media and despite the Bank's best efforts, many customers have not submitted or failed to submit KYC documents which is the requirement of the regulators. The Bank cannot hold the Operating Staff/Branch Heads/Regional Managers/Deputy General Managers responsible for non submission of KYC documents by the customers. We are aware of the fact that the regulators are insisting the Bank to adhere to ORM – Operation Risk Manager which covers KYC compliance but the Operating Staff are definitely not to be fixed with any liability for no fault of theirs.
8. **Sudden closure of accounts based on oral instructions by the Operating Staff may attract wrath of the customers who may approach various customer redressal forums viz., Consumer Protection Forum, Banking Ombudsman etc., which will badly damage the image of the Bank. Apart from that, our own officers are at grave risk of being charge sheeted for acting on oral instructions.** It has come to our knowledge that already many customers have lodged complaints against the Branch/Operating Staff for closing such accounts and it may be on the rise in the days to come as many branches have resorted to closure of such accounts based on oral instructions from the top executives.
9. **We also reiterate that whenever any instructions are to be passed on to operating level officers they have to be written instructions and not oral, in order to obviate the possibility of complications arising at later date.**
10. We request you to bestow your personal attention on this issue immediately.

Thanking you,

Yours faithfully,



(Y.SUDARSHAN)
GENERAL SECRETARY