

Bank locker theft: Lenders should not be held liable

By: [The Financial Express](#) | Updated: June 27, 2017 6:28 AM



Banks should not be held completely liable for locker safety. (Image: IE)

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It is true that banking should be a public good, but it is also important that banks are allowed to charge for services. State Bank of India chairman Arundhati Bhattacharya was right in emphasising this in the case of bank charges, but banks may have to do this for lockers as well. While it is common knowledge that banks are not liable for the loss of valuable contents in a locker, a case in the Competition Commission of India has accused them of collusion, claiming they should be held liable for such damages.

Given instances of banks being robbed, it would seem logical to do so, but the argument lacks merit. For one, to

assume banks are not completely off the hook in instances of the breach is fallacious, as consumers have often filed cases against banks for deficiency of service and courts have been generous in awarding them. In one such case, where the contents of a locker were recorded, banks were asked to compensate the full amount with interest.

Second, as banks are not privy to the contents of a locker, holding them responsible would lead to frivolous claims. More important, even if banks were allowed to take disclosures of a locker's contents—many would file an RTI against this claiming right to privacy—comparing a locker to an insurance product would be wrong; more so if one compares the rates of insurance with that of a locker. While a small locker in an SBI branch in urban areas attracts Rs 1,100 in charges, insurance on jewellery usually amounts to Rs 1,500 per lakh of value insured.

Besides, nothing can be thought of as completely safe and insuring against all risks—banks already do adhere to [RBI guidelines](#)—is something even insurance companies do not do. So, why hold banks to that standard?