

Understanding Dormant Accounts & Deceased Accounts

What is a dormant account?

Most banks classify savings accounts, current accounts and other types of deposit accounts as dormant where those accounts have no activity other than transactions initiated by the bank (such as interest and charges) after a specified period of time. This period varies from bank to bank, but is generally 6 months or more. Sometimes people open bank accounts, deposit money for a while, then unconsciously leave them stagnant, or, let the account balance drop to zero or a nominal value instead of closing the account.

Why is a dormant account undesirable?

Unnecessary fee

- Dormant accounts are a poor use of money. Most banks levy a small charge on dormant accounts. If you do not formally close the account, fees may continue to be charged which you will be responsible for paying to your bank.

Suspension of certain services

- Some banks will cease to provide certain services to holders of dormant accounts, such as ATM service.

Fraud risk

- If the contact information of the dormant accounts in the bank's record is outdated and you have not notified your bank timely, there is no way for the bank to contact you and so your statements/notices may continue to be sent to your outdated address or contact number, which may be read by others. You may also miss the bank's important notices and messages. As there is less incentive for you to keep track of activities of dormant accounts, you might become less vigilant in monitoring transactions and reconciling statements. As a result, there is a greater risk that unauthorised transactions may

go unnoticed for some time. Always notify your bank promptly when there are changes to your personal information. Some banks will impose restrictions on dormant accounts to protect your interests.

How to avoid having a dormant account?

Close unnecessary accounts

- Review what bank accounts you have. Formally close any accounts that you don't need. Make sure that all standing instructions and direct debit authorisations are identified and discontinued before closing your account(s). You should also download and store any electronic statements of account for record purposes before closure.

Take action upon receiving bank's notice

- Banks are required to give you 14 days' prior notice when charges accrue on a dormant account for the first time and advise you of what can be done to avoid the charges. So, remember to read the mail or notices from the bank and act accordingly when notice is served. Please ensure your personal information is up-to-date in the bank's record so that you won't miss any important notice.

What should you do if you may have forgotten or lost touch with your accounts?

Visit a branch of the bank with your identification documents (e.g., Hong Kong Identification Card) or call the bank's customer service hotline. Banks would endeavour to assist you to check if you hold any account(s) with them after authenticating your identity.

What is a deceased account?

A deceased account is one whose holder has passed away.

Why is it important to notify banks of the death of the account holder?

It is important to keep banks informed so that banks can freeze the accounts of the deceased to protect the interest of the potential owners or beneficiaries of the deceased's estate. The deceased accounts will be frozen awaiting further handling of the Personal Representative (please see the definition of Personal Representative in the paragraph below). Please bring the original or certified copy of the Death Certificate of the deceased to the bank to update the account status so to prohibit unauthorized persons from intermeddling with the estate of the deceased.

Who can deal with the bank accounts of those deceased?

The person responsible for dealing with the deceased's estate is generally known as a 'Personal Representative', who will either be the executor named in the will of the deceased or the administrator who can be the next-of-kin, or the registrar of the Court or creditors of the deceased according to the order of priority governed by the law of intestacy where there is no will. In general, a Personal Representative has the authority to deal with the deceased's sole estate, such as to manage and distribute the relevant assets to the beneficiaries.

What documents does the Personal Representative have to obtain before handling the deceased's assets?

A Grant of Representation is required to be obtained from the Probate Registry of the High Court of the Hong Kong Special Administrative Region for the handling of the estate of the deceased with a value exceeding HK\$50,000. A Grant of Representation acts as evidence of a person's right to deal with the estate of the deceased. Should the Personal Representative discovers any additional assets or liabilities subsequent to the obtaining of a Grant of Representation from the Probate Registry, the Personal Representative may be required to amend the Schedule of Assets and Liabilities annexed to the Grant of Representation where the assets forming

the estate of the deceased to be dealt with are not covered in that schedule. For the application for a Grant of Representation, please contact the Probate Registry.

If the estate has a value not exceeding HK\$50,000, consists wholly of money, the Personal Representative of the deceased can apply for a Confirmation Notice from the Home Affairs Department instead of a Grant of Representation. For the application details for the Confirmation Notice, please contact the Home Affairs Department (Estate Beneficiaries Support Unit).

What documents are required to be presented to the bank for handling a deceased account?

The documents required may vary from bank to bank. In general, the following documents will be required to be brought to a bank branch by Personal Representative:

- Original Grant of Representation issued by the High Court / Original Confirmation Notice issued by the Home Affairs Department
- Original identification documents of the Personal Representative
- Original identification documents of the deceased
- Original or certified copy of Death Certificate of the deceased

What should you do if you are looking for the account(s) of a deceased person? Can the Hong Kong Association of Banks (HKAB) help?

HKAB has no information of individual bank accounts and does not act as intermediaries for member banks relating to matters pertaining to specific bank accounts.

Please contact the relevant banks directly to ascertain if a deceased person holds any account(s) with the banks. In general, the following documents will need to be provided:

- Original or certified copy of Death Certificate of the deceased
- Original identification documents of the deceased

- Original identification documents of the person making the account enquiry
- Original proof of relationship between the person making the account enquiry and the deceased (e.g., marriage certificate for spouses, birth certificate for parents/children)
- Original will of the deceased, if any

If you have difficulties in meeting the documentation requirements, please reach out to the banks to discuss what else you may do and the banks would endeavour to assist you.