STATE CONSUMER DISPUTES REDRESSAL COMMISSION UTTARAKHAND
DEHRADUN

Date of Admission: 24.05.2022
Date of Final Hearing: 09.09.2026
Date of Pronouncement: 15.09.2026

SC/5/A/80/2022

State Bank of India
Branch Badethi, District Uttarkashi (U.K.)
through its Branch Manager

(Through: Sh. Alok Ghildiyal, Advocate)
…… Appellant

Versus

1. Smt. Ilma Devi W/o late Raghuveer Singh
(wrongly mentioned as Raghubir Singh)

2. Sh. Dhirendra Singh S/o late Raghuveer Singh
(wrongly mentioned as Raghubir Singh)

3. Sh. Vivek S/o late Raghuveer Singh
(wrongly mentioned as Raghubir Singh)
Nos. 1 to 3 all R/o Village Indra, Patti Bisht
Tehsil Chinyalisaur, District Uttarkashi
(Through: Sh. Vaibhav Jain, Advocate
via Video Conferencing)

4. SBI General Insurance Company Limited
1st Floor, Shivalik Gold, 42, Subhash Road
Near SBI Main Branch, Dehradun
through its Branch Manager
(Through: Sh. Suresh Gautam, Advocate)
…… Respondents

Coram:
Ms. Kumkum Rani, President
Mr. B.S. Manral, Member

ORDER

(Per: Ms. Kumkum Rani, President):

This appeal has been directed against the impugned judgment and order dated 30.10.2021 passed by learned District Consumer Disputes Redressal Commission, Uttarkashi (hereinafter to be referred as “The District Commission”) in consumer complaint No. 26 of 2017,

styled as Smt. Ilma Devi and others Vs. State Bank of India and another, wherein and whereby the consumer complaint was allowed, directing the appellant / opposite party No. 1 (bank) to pay the personal accident cover to the tune of Rs. 2,00,000/- to respondent Nos. 1 to 3 / complainants alongwith interest @6% p.a. from the date of filing of the consumer complaint, i.e., 10.10.2017 till payment, besides to pay Rs. 5,000/- as compensation for financial & mental agony and Rs. 5,000/- towards litigation expenses.

2. The facts giving rise to the present appeal, in brief, are, as such that during his lifetime, late Raghuveer Singh, the deceased husband of respondent No. 1 and deceased father of respondent Nos. 2 & 3, had obtained a Personal Accident Insurance Policy, namely, SBI General Group Insurance Master Policy No. 143820444401 from respondent No. 2 – insurance company through the appellant – bank w.e.f. July, 2013 on payment of annual premium of Rs. 100/-. A certificate bearing No. 80168881 was issued by the insurance company in favour of the deceased. Under the aforesaid policy, there was personal accident cover to the tune of Rs. 2,00,000/- and the total sum insured was to the extent of Rs. 4,00,000/-. The premium amount of Rs. 100/- was to be deducted / debited by the bank from the Savings Bank account No. 30889201599 of the deceased maintained with the appellant – bank, to be remitted to the insurance company. For the year 2013, the premium amount of Rs. 100/- was debited by the bank from the account of the deceased on 20.07.2013. In respect of insurance for the year 2014-15, the determined premium amount was deducted from the account of the deceased. In regard to insurance for the year 2015-16, the amount of Rs. 100/- was deducted from the account of the deceased on 15.12.2015 and for the year 2016-17, the premium amount was

deducted on 31.12.2016. The premium amount of Rs. 100/- for the year 2016-17 was deducted by the bank on 31.12.2016, whereas the same should have been deducted on 15.12.2016, which tantamount to deficiency in service on the part of the bank.

3. It was also stated that on 20.12.2016, the deceased was going from Banchora to Dharasu by motorcycle. In the way, the said vehicle met with an accident at 6:00 p.m., wherein the deceased sustained grievous injuries, ultimately resulting in his demise at 11:00 p.m. The intimation of the accident was given to P.S. Dharasu, Uttarkashi and after filing Panchnama by Kotwali, Dehradun on 21.12.2016, the person of the deceased was subject to postmortem at Shri Mahant Indiresh Hospital, Dehradun on 21.12.2016 at 3:00 p.m. The complainants through bank, lodged claim with the insurance company and submitted requisite documents, but the claim was repudiated by the insurance company on the ground that the premium amount was received / deposited with delay on 31.12.2016 and on the date of the accident, the deceased was not insured. Thereafter, the complainants through their counsel issued legal notice dated 22.03.2017 to the bank, which was replied through reply dated 15.04.2017, on baseless grounds. Thus, alleging deficiency in service on the part of the bank as well as insurance company, consumer complaint was set in motion by the complainant before the District Commission.

4. The appellant / opposite party No. 1 (bank) filed written statement before the District Commission and pleaded that for the year 2013-14, the deceased had got himself insured under SBI General Group Insurance on payment of premium of Rs. 100/- and for the duration of his entire life. In the event of accidental death of the

insured, only accidental benefit is payable. In the year 2013-14 and 2014-15, the premium of Rs. 100/- per year was got deducted by the deceased from his account. Under the subject insurance policy, there was provision of insurance for a term of one year only. So far as deduction of premium for the years 2016-17 and 2017-18 is concerned, sometimes the amount is automatically deducted by the computer system. If the information regarding the death of the deceased would have been timely conveyed to the bank, there would not have been any occasion for deduction of premium in respect of years to come, but the complainants intentionally gave the intimation to the bank regarding the death of the deceased after two years of premium deduction. The deceased was maintaining his bank account and he knew fully well that in respect of insurance for the year 2015-16, the premium amount of Rs. 100/- has not been deducted from his account till the date of his death, i.e., by 20.12.2016. So far as premium deduction for the coming years is concerned, the same was deducted on account of computer system error / mistake. When the complainant No. 1 contacted the bank, she was apprised by the Branch Manager that on the date of his death, the deceased was not insured / covered under the policy, to which the complainant No. 1 got satisfied. So far as deduction of premium amount is concerned, the same is automatically deducted from the account of the insured. The intimation regarding death of the deceased, was given to the bank after two years of deduction of premium amount. Since on the date of accident / death, the deceased was not insured / covered under the insurance policy, hence the consumer complaint is liable to be dismissed.

5. The respondent No. 4 / opposite party No. 2 (insurance company) submitted written statement before the District Commission, stating that there was no insurance of the deceased on the date of his death, i.e., 20.12.2016. The complainants have never tendered intimation regarding death of the deceased to the insurance company. The complainants have also not submitted any claim documents / papers with the insurance company. No cause of action has arisen in favour of the complainants to file the consumer complaint against the insurance company, hence the complainants are not entitled to any relief from the insurance company.

6. The District Commission, after hearing learned counsel for the parties and after taking into consideration the material available on record, allowed the consumer complaint vide impugned judgment and order dated 30.10.2021 in the above terms. Feeling aggrieved by the impugned judgment and order, the bank has preferred the instant appeal before this Commission as an appellant.

7. We have heard learned counsel for the parties and perused the record.

8. It is an admitted fact that for the first time, the insurance policy was issued by the insurance company in favour of the deceased for the year 2013-14, for which premium amount of Rs. 100/- was deducted by the bank on 20.07.2013 from the account of the deceased maintained with the appellant – bank. It is also an admitted position that the deceased breathed his last on 20.12.2016.

9. The insurance policy of the deceased for the year 2015-16 had expired on 14.12.2016, being effective for the period from 15.12.2015 to 14.12.2016 and as per the stand taken by the insurance company, the subsequent insurance policy was issued on 31.12.2016, which was valid till 30.12.2017. Thus, the insurance company has taken the plea that on the date of his death, i.e., 20.12.2016, there was no insurance of the deceased, as the policy had already expired on 14.12.2016.

10. The appellant – bank has admitted the factum that the premium amount of Rs. 100/- for the insurance policy for the year 2015-16 was deducted / debited from the account of the deceased on 31.12.2016. Here, it is pertinent to mention here that when the previous policy had expired on 14.12.2016, why the premium amount in respect of the subsequent insurance policy was not immediately deducted by the bank from the account of the deceased and remitted then & there to the insurance company. It is not the case of the bank that there was no sufficient credit balance in the bank account of the deceased for deduction of premium amount. Even otherwise, the premium amount of Rs. 100/- was deducted by the bank from the bank account of the deceased on 31.12.2016.

11. The alleged delayed intimation of death of the deceased to the bank is not at all relevant in the present matter, for the reason that the premium ought to have been deducted by the bank from the bank account of the deceased on 14.12.2016, which came to be deducted on 31.12.2016, due to utter negligence on the part of the bank, be it a computer system error or otherwise. Thus, it is amply clear and proved beyond any shadow of doubt that for not getting the deceased insured for the period from 15.12.2016 to 14.12.2017, i.e., upon expiry of term

of the policy for the period from 15.12.2015 to 14.12.2016, the bank is to be held liable.

12. Under the present scenario, the District Commission was completely justified in allowing the consumer complaint against the bank in the above terms and granting the relief to the complainants. However, we are of the view that the District Commission has erred in granting Rs. 5,000/- as compensation for financial & mental agony. Since the District Commission has already awarded interest, hence no compensation could be granted to the complainants for financial & mental agony. It is well settled that both interest and compensation for mental agony, can not be awarded together, hence the award of Rs. 5,000/- towards financial & mental agony, needs to be set aside. Rest of the impugned judgment and order passed by the District Commission requires no interference. This way, the appeal is to be partly allowed, thereby modifying the impugned judgment and order in the above terms.

13. Appeal is partly allowed. Impugned judgment and order dated 30.10.2021 passed by the District Commission is modified to the extent that the award of Rs. 5,000/- passed by the District Commission towards financial & mental agony is hereby set aside. Rest of the impugned judgment and order dated 30.10.2021 passed by the District Commission is hereby affirmed. No order as to costs of the appeal.

14. A copy of this Order be provided to all the parties free of cost as mandated by the Consumer Protection Act, 1986 / 2019. The Order be uploaded forthwith on the website of the Commission for the perusal of

the parties. A copy of this Order be sent to the concerned District Commission for record and necessary information.

15. File be consigned to record room along with a copy of this Order.

(**Ms. Kumkum Rani**)
President

(**Mr. B.S. Manral**)
Member

Pronounced on: 15.09.2026