

GOVERNMENT OF JAMMU & KASHMIR
DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
BARAMULLA/BANDIPORA

Coram: -

1. Peerzada Qousar Hussian

..... President

2. Ms Nyla Yaseen

..... Member

Consumer Complainant No: 58/2024

1. **Habibullah Sheikh S/O Late Ghulam Ahmad Sheikh R/O Dewan bagh, Baramulla.**

Versus

1. **Manager HDFC Bank, Branch Baramulla.**

2. **Safdar Khan**

S/O Rashid Khan R/O Handwara

Employee HDFC Bank Baramulla.

..... (Opposite parties)

Date of Institution of the complaint: 19-08-2024.

Date of Decision: 16-05-2025

Appearing Counsel:

Adv. Sheikh Irshad for the Complainant.

Nemo for OP's.

ORDER

The present complaint has been filed by the complainant before this commission on 19-08-2024 alleging therein deficiency in Service on the part of the OP's with prayer to grant the following relief: -

1. Direction to the OP's to pay the matured amount of the cash certificate alongwith interest.
2. Direction to the OP's to pay an amount of **Rs2,00,000/-** to the complainant for deficiency in service and for putting the complainant into mental agony.
3. Direction to the OP's to pay an amount of **Rs50,000/-** as litigation charges

Brief Facts:

4. The Complainant in order to secure his money and to earn the interest, obtained two cash certificates from the OP No 1 Bank bearing Account No 50300640093231 Dated 14-09-2022 for an amount of **Rs2,00,000/-** and 50300851867303 Dated 07-05-2024 for an amount of **Rs4,35,000/-**.

The Contention of the complainant is that at the time of its maturity date he approached the OP Bank for encashment of one Cash certificate however he was surprised to know that the concerned Bank do not have any such records. The complainant subsequently submitted the other cash certificate to the OP's Bank, however he was again told that there is no records of such cash certificates.

Complainants contention is further that he requested the OP No 1 Bank to enquire about the hard earned amount deposited by him in the shape of cash certificates, which have been issued to him with validity/seal and signature of the Op's Bank. However, on his insistence he was told that the same cash certificates might have been made by one of the Bank employee namely

Safdar Khan, who is under suspension. This way the Bank shifted the liability to the aforesaid employee.

Complainant's contention is further that he in fact did not approach the said official for depositing the amount and he has deposited the cash in Bank. The complainant several times requested the Bank for encashment of the cash certificates but he was denied of any payment. Although he went from pillar to post with his grievances but no heed was given to his requests. The contention of the complainant further that the OP No 1 Bank cheated him and despite having the authentic cash certificates he was denied the payment of the same which constrained him to approach the District Consumer Disputes Redressal Commission Baramulla for Redressal of his grievance.

5. Notices were issued.

6. OP No 1 upon service of notice submitted the written version in the matter but did not appear to contest the case, resultantly the Ex Parte proceedings were initiated against OP.1

The OP.2 despite service of notice did not appear to contest the case. As such the OP. 2 was also set to Ex Parte.

7. The complainant subsequently submitted the evidence affidavit of 2 witnesses namely Bilal Ahmad Sheikh S/O Habibullah Sheikh R/O Dewan bagh and Habibullah Sheikh S/O Late Ghulam Ahmad Sheikh R/O Dewan bagh, Baramulla the Complainant as witness in his own case.

8. The witness on affidavit stated that the complainant deposited **Rs 2,00,000/-** in the OP No 1 Bank on 14-09-2022 under Account No 50300640093231 and **Rs. 4,35,000/-** on 07-05-2024 under Account No 50300851867303 and obtained the cash certificates for **Rs. 2,00,000/-** was having the maturity date as 14-09-2023 on attaining the date of maturity of one cash certificate the complainant approached the OP No 1 Bank and requested for its encashment however, he was told that there is no records available. The complainant requested the OP No 1 Bank about the authenticity of the said cash certificates, issued to him with proper seal and signature of the Bank but he was not paid any heed. Although the complainant went from pillar to post and requested for encashment of the said cash certificates but he was denied the payment instead he was told that the cash certificates might have been issued by one of their official namely Safdar Khan, hereinafter referred to as private respondent No 2 and the said official is presently under suspension.

9. OP. 1 in the written version contended that the complainant has made several transactions of Fixed Deposit but the cash certificates in question are fake and forged and the same are not in the records of the Bank or have not been issued by the OP Bank. Further contention of the OP.1 is that the complainant has not filed any complaint before the Bank regarding the said cash certificates. However, the OP No 1 Bank on its own has placed one employee namely Safdar Khan under suspension as he was in charge during that period. The OP No 1 Bank accordingly contended that there is no deficiency in service on the part of the OP No 1 Bank and prayed for dismissal of the complaint.

10. Heard the complainant and perused the records placed on the file which reflects that the complainant deposited an amount of **Rs2,00,000/-** with Bank hereinafter referred to as OP NO 1 on 14-09-2022 and obtained cash certificate bearing Account No 50300640093231 having the maturity date as 14-09-2023. Additionally, he deposited an amount of **Rs4,35,000/-** with the Bank on 07-05-2024 having the maturity date as 08-05-2025. The complainant on attaining the maturity of one cash certificate bearing No 50300640093231 for an amount of **Rs2,00,000/-** approached the respective Op No 1 Bank and intended to encash the said certificate. However, he was told by the OP No 1 Bank that no such records is available which constrained the complainant to enquire about the other cash certificate bearing No 50300640093231 for an amount of **Rs4,35,000/-** having the maturity date as 08-05-2025. However, he was again informed that no such record is available with the Bank.

The OP.1 Bank admittedly submitted the written version however, their Contention that the fixed deposit Certificate might have been issued by a suspended official does not absolve the Bank of its liability.

11. Since the Bank is vicariously liable for the actions of its employees who act as agent of the Bank as Master Agent relationship.

The Bank is duty bound to verify and investigate the allegations and take necessary action to resolve the issue and to ensure that the officials are acting with the authority. The Bank is further duty bound to authenticate the transactions and documents to prevent irregularities. The Bank is further liable to take responsibility for the actions of the employees and compensate the Consumer/Customer.

The Bank has failed to act fairly and to investigate the matter or to honor the cash certificates issued to the complainant. The Denial of encashment of the Cash certificates amounts to deficiency in service on the part of OP.1 (Bank).

The complainant has established a prima facie case because the cash certificates bears the seal and signature of the Bank. Furthermore, the Bank has failed to contest or to submit any cogent evidence in the case to substantiate that the Cash certificates does not bear the seal and signature of the Bank. Submission of mere written version does not suffice. The OP Bank has responsibility to verify the authenticity of the certificates. Customers have right to rely on the certificates issued by the Bank and the Banks cannot deny liability without sufficient evidences.

We rely on the judgement passed by the Hon'ble supreme Court in the case titled PNB Vs Surendra Prasad Sinha 1992 AIR 1815 whereunder it was held that the Bank cannot deny its liability on the grounds that the certificate was not issued by the Bank if the said certificate bears the seal and signature of the Bank.

Therefore, on the above facts and circumstances of the case the complaint of the complainant is allowed and disposed off with the following directions: -

The OP No 1 Bank is directed to pay the matured amount of the cash certificates to the complainant along with the interest after obtaining the original cash certificates from the complainant.

The OP No 1 Bank is further directed to pay an amount of **Rs50,000/-** to the complainant as compensation for deficiency in service and for putting the complainant into mental agony.

The OP No 1 Bank is further directed to pay an amount of **Rs20,000/-** to the complainant as litigation charges.

The OP No 1 Bank is further directed to pay an amount of **Rs10,000/-** for the Consumer welfare fund Baramulla.

The OP No 1 Bank is however at liberty to investigate and enquire about the cash certificates issued to the complainant and take action as per the mandate of law against the issuing persons of the cash certificate.

The OP No 1 Bank shall comply with this order within a period of four weeks from the date copy of this order is served upon the OP.

The office is directed to return the original cash certificates to the Complainant.

Order announced
Date: 16-05-2025


Nyla Yaseen
Member
District Consumer Disputes
Redressal Commission
Baramulla
16/05/25


Peerzada Qousar Hussain
President
District Consumer Disputes
Redressal Commission
Baramulla
16/05/25

Copy of this order be provided to the parties for compliance and after completion, the file be consigned to records.