

How to Reactivate Inoperative Bank Accounts and Claim Dormant Funds in India

In India, many people forget about their old bank accounts or do not use them for a long time. These accounts become *inoperative* or *dormant*. If you have such an account, you may still have money in it that you can claim. Reactivating these accounts is not difficult if you know the steps.

In this blog, we will explain in simple words how to activate an inoperative account, how to claim dormant funds, and what to do if your shares are stuck in the IEPF (Investor Education and Protection Fund). We will also touch upon how debtor recovery services can help you in such situations.

What is an Inoperative or Dormant Account?

A bank account becomes inoperative or dormant if there is no activity (no deposit, withdrawal, or transfer) for a certain period. As per RBI guidelines:

- A savings or current account becomes inoperative if there is no transaction for 2 years.
- Fixed deposit and recurring deposit accounts do not fall under this rule until maturity.

Even if you are earning interest, it is not considered a transaction unless you withdraw or deposit funds.



Why Do Accounts Become Inoperative?

There are many reasons why people forget about their bank accounts:

- Change of job or location
- Death of the account holder
- Lost documents or passbooks
- Lack of awareness
- Elderly individuals who stop managing their finances actively

Sometimes, family members are not even aware of the account's existence.

How to Activate an Inoperative Account?

To [activate an inoperative account](#), follow these simple steps:

1. Visit the Bank Branch

Go to the bank branch where the account was opened. If it's far away, you can also visit a nearby branch, and they will guide you.

2. Submit a Written Request

Write an application to reactivate your account. Include your account number, full name, and reason for inactivity.

3. Provide Identity Documents

Carry your valid **KYC documents** like:

- Aadhaar Card
- PAN Card
- Passport or Voter ID
- Recent photograph

The bank may ask for address proof as well.

4. Make a Transaction

To reactivate the account, perform a small transaction, such as:

- Deposit a small amount
- Withdraw cash
- Transfer money to or from another account

This counts as activity and brings the account back to active status.

How to Claim Dormant Funds?

Sometimes, even after the account becomes inoperative, the money remains untouched. You can still claim it:

1. Reactivate the account as explained above.
2. Ask the bank to provide a statement showing the balance.
3. Withdraw the amount or use it again as you wish.

What If the Account Holder Has Passed Away?

If the account holder has died, the nominee or legal heir can claim the amount. You'll need:

- Death certificate of the account holder
- Identity proof of the claimant
- Relationship proof (legal heir certificate or succession certificate)
- Bank's claim form

The bank may take time to verify all documents, but once approved, the funds are released.

What Are IEPF Unclaimed Shares?

Apart from money in banks, many people also have unclaimed shares. These are shares that were never claimed, either because of:

- Wrong or outdated addresses
- Lost share certificates
- Forgotten investments

After 7 years of no claim, such shares and dividends are transferred to the Investor Education and Protection Fund (IEPF) by the company.

How to Claim IEPF Unclaimed Shares?

You can still recover these shares and dividends by applying to the IEPF Authority. Here's how:

1. Check if the shares are listed in the IEPF database on iepf.gov.in.
2. File a **Form IEPF-5** online with your details.
3. Send hard copies of the form and supporting documents to the Nodal Officer of the company.

4. After verification, the authority processes your claim and returns the shares to your Demat account.

This process can take several months but is completely legal and possible.

Role of Debtor Recovery Services

If you are facing problems in claiming old funds, shares, or forgotten assets, you can take help from [debtor recovery services](#). These are professionals who specialize in:

- Tracing old bank accounts
- Filing IEPF claims
- Recovering unclaimed dividends and shares
- Managing legal paperwork and compliance

They can save you time and help you get back what is rightfully yours.

Tips to Avoid Dormant Accounts

1. **Use your account regularly**, even for small transactions.
2. **Update your KYC documents** on time.
3. **Nominate a family member** in your bank account.
4. **Keep records** of all your accounts, investments, and shareholdings.
5. **Inform your family** about your bank and financial assets.

Conclusion

Thousands of people in India have money stuck in inoperative bank accounts and [IEPF unclaimed shares](#). The good news is that it's not lost forever. With the right knowledge and guidance, you can activate inoperative accounts and claim dormant funds easily.

If you're finding the process difficult, professional debtor recovery services can help you from start to finish. Don't let your hard-earned money go unclaimed. Take action today!

Contact Us for further Details:

<https://investorlink.in/reactivation-operative-bank-accounts>

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