

Do You Really Know Your Safe Deposit Locksmith?

During the past few years there have been several safe deposit lawsuits where the following questions have become very relevant:

- Does your locksmith sign a “Vault Entry Record” before entering your vault?
- Does this entry log show the technician’s signature, purpose of visit, date, and time and approval of your vault personnel?
- Does your policy require that your vault representative stay with the technician during the entire procedure?

If you responded “no” to any of these questions, you could have a significant problem defending your internal procedures if a “box content disappearance claim” occurs. Let me tell you about a disappearance claim where the financial institution lost the case because of negligent safe deposit procedures.

“Once Upon a Time...”

...a renter, whose rent was past due, went to the safe deposit area to get his box contents because his box had been drilled. He begrudgingly paid the drilling fee and past due charges. Everything went smoothly until he got the contents and looked at the inventory form. He furiously demanded the return of \$10,000 cash that he claimed was missing.

The vault attendant explained to him that when his box was drilled, the contents were removed and inventoried under dual control. Therefore his \$10,000 claim was impossible.

The renter was very upset and quite persistent. He demanded that every person involved in this procedure (including himself) take a polygraph test. The bank reluctantly agreed and arranged for the testing.

Surprising Results

The financial institution was pleased when their people passed the test with flying colors. They were surprised when the renter’s test results came back supporting his claim. The real shock came when the locksmith who drilled the box FAILED his polygraph test!

Left Alone in the Vault

Then they learned that during this box drilling procedure the locksmith had been left alone in the vault to open all the past due boxes. Only after all boxes were opened did the safe deposit personnel enter the vault to perform the required inventories. There was no doubt that this resourceful locksmith used this unsupervised time to remove more than just locks from the drilled boxes.

Charges were filed and the locksmith’s insurance company reimbursed the renter. The insurance company then filed a lawsuit against the financial institution to recover their losses, claiming the institution was negligent for leaving the locksmith alone in the vault, and if proper controls had been followed this loss would have never occurred. The court agreed. The financial institution had to pay the \$10,000.

Boxes Are Not the Only Problem

When a service technician is left alone in your vault, he has total access to everything. We’ve learned of a technician who by-passed the security system, vault door combination and time clocks. He returned that night and emptied boxes and the reserve cash lockers.

Select Your Locksmith Carefully!

To reduce your potential liability, select your locksmith by interviewing several reputable firms and comparing their fees. Then set up internal procedures to monitor and control their service activity inside your vault. Keep a vault service entry log recording vital information and stay with the technician at all times.

Ask the Locksmith

To test your internal vault service procedures your locksmith should be asked the following questions:

- Do your service technicians have adequate safe deposit lock experience?
- Does your company have a current safe deposit client list? (Contact their references)
- Are your technicians bonded? (Request the name of their insurance or bonding company and a copy of a current Certificate of Insurance or Blanket Bond.)
- Do you carry an inventory of locks to service our immediate needs? (This minimizes the unsightly doors or locks that are sometime missing in your vault for weeks or months.)
- Is your company a member of any local, state or national Locksmith Trade Associations?
- Are your technicians properly trained in safe deposit procedures and do they know our state laws? *(Technicians should be able to help us comply with current safe deposit regulations.)*

In Conclusion

With proper vault service procedures in place, strictly followed, you will have a much stronger defense if a renter claims something is missing from a drilled safe deposit box. **Always remember. . the last person you want in your vault alone... is a trained locksmith!** If you don't have an adequate "Non-Renter Vault Entry Record" system, visit our Safe Deposit Specialists web site @ www.sdspec.com ..

About the Author: David P. McGuinn, President of Safe Deposit Specialists, is a former banker and is often referred to nationwide as the safe deposit GURU. In all 50 states he has trained over 200,000 safe deposit personnel since 1969 and has served as President of the American Institute of Banking and the American, Texas and Houston Safe Deposit Associations. He has created numerous safe deposit manuals, training videos, products, compliance forms and other products. During the past 35 years, McGuinn's safe deposit manuals, videos, products and forms have been recognized as the national standard for the financial industry.