

Safe Deposit Renter Commits Suicide

(Bank Negligence Cited as Cause)

Recently a renter opened his safe deposit box to remove some cash to pay his wife's funeral expenses. He was shocked to find the box empty!

What he expected to find he said, were two gold necklaces worth \$5,200, stock certificates and more than \$300,000 in cash. In a lawsuit filed against the bank he stated, "My expectation was that the contents of my safe deposit box would be safe; they were not."

He also stated that he rented this box over 20 years ago. Since that time the box has only been entered a few times by him and once by his wife.

Dishonest Employee Theory

According to court documents, the husband's theory of what caused this loss was the following speculation: "During my wife's last visit to the box, a dishonest employee, after locking the safe deposit door shut, kept his wife's box key and gave her a different one. After my wife left the bank, this dishonest employee opened and emptied our box. The next time my wife tried to enter the box, her key wouldn't work. She was told by the same dishonest employee that the lock was broken and she must now leave her key at the bank because it will never open her box again."

The following week, the wife wrote a letter to the bank, asking if her safe deposit box had been fixed and when could she return to remove her contents. Unfortunately, no response was ever received. Four days later she committed suicide.

The husband's lawsuit speculates that not only did the bank's negligence allow someone to empty their box, but it also caused his wife's suicide. "What else would have made her take her own life?," his affidavit asked.

No Sympathy – Just Harassment

His affidavit also states that he had expected the bank to be understanding and to help him through this very difficult time in his life. Instead, he says, they have harassed him; asked his to provide a detailed accounting of all his personal finances; canceled a bank credit card that he's had for over 22 years; sent a letter to his home telling him he was DEAD; requested that his estate contact the bank immediately; and asked the court to dismiss his lawsuit.

In addition to the damages stemming from this safe deposit loss, the husband is also seeking punitive damages for emotional distress. He claims that he has suffered enormous mental stress as a result of his wife's death and the bank's negligence and inappropriate actions.

The New Media is Very Interested

Unfortunately, for the safe deposit industry, this type of lawsuit is very newsworthy. It has lots of consumer appeal and will be followed closely by TV and newspaper reporters. If and when it goes to trial, the national TV networks will share all the sordid details with their viewers.

If your box renters hear the many details surrounding this lawsuit, they may have strong concerns about the safety and security of any safe deposit area.

Must Have Correct Procedures

When your renters ask you questions about your vault operations, you must explain that you have correct procedures in place to minimize their concerns.

The following procedures are just a few that must be in place to defend against this type of lawsuit and successfully answer these questions.

1. **Renters should never lose sight of their safe deposit key.** Never handle the renter's key until you are standing in front of the box. Insert and turn your guard key first and then ask for the renter's key. Renters must see their key at all times.

2. **Never leave the renter's key in the box door.** While the renters are viewing their contents, their key should be removed from the box and returned to them. This procedure is necessary to defend against accusations that the vault attendant could have made a wax impression of the key while the renter wasn't looking. *(Unfortunately, this dishonest act has happened in the past.)*

3. **Never ask a boxholder to leave his or her key with your financial institution.** If a lock problem exists, the renter and your locksmith should both be present to correct the problem. Never accept a renter's key for safekeeping or as a customer convenience.

4. **Establish detailed procedures to handle a disappearance claim properly.** If these claims are not handled in a timely and professional manner they always worsen. Immediately report a potential claim to your safe deposit liability insurance carrier. These insurance companies have trained investigators to handle this type of situation. If you are not properly trained in these matters, your actions might antagonize the renter and create an even bigger problem and loss.

If these four procedures are followed by your bank, your chances of successfully defending against this type of lawsuit would be excellent.

In Conclusion

Review your current safe deposit procedures. Do you have a written, up-to-date policy and procedures manual? Are the four procedures mentioned above included in this manual? Are all your employees who handle safe deposit box access aware that this written procedures manual exists? Do you perform an annual audit of your safe deposit procedures? If you answered "No" to any or all of these questions, immediate attention should be given to this area...before you find yourself in the position of the bank that was sued because its renter committed suicide.

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. He also conducts in-house audits and contract reviews for many financial institutions throughout the United States.