

'Either-or-survivor' clause lets the surviving joint account holder withdraw Fixed Deposit (FD) funds, but this does not make him or her the legal owner - The Economic Times

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Most joint bank FD agreements include a clause known as 'either or survivor'. This means that any of the joint FD account holders can independently operate the account and if one of the joint holders passes away, the surviving holder gets full 'operational access' to the FD account. It's important to note that the word used is 'access' as getting access, as having access to something is not the same as owning it.

This same 'either or survivor' clause is also written in joint bank locker agreements. However, the Kerala High Court has clarified that this clause functions differently for FDs compared to bank lockers.

On February 2, 2026, the High Court of Kerala said that the entitlement of one of the joint holders to claim rights over the money in a joint account or [fixed deposit](#) (FD), is entirely different and cannot be applied to bank lockers.

The Kerala High Court pointed out that in a joint bank locker account held by two individuals, there may also be items belonging to third parties stored inside the locker, depending on the arrangement between the individuals named on the locker by the Bank. Therefore, it will be difficult to apply the principle of "either or survivor" directly to bank lockers that are opened in the names of joint account holders.

Read on to find out what the either or survivor clause signifies for joint FD account holders.

'Either-or-survivor' clause lets the surviving joint a/c holder access FD funds but this does not make him or her the legal owner

Neeha Nagpal, Founding Partner, NM Law Chambers, explains to *ET Wealth Online* that in banking practice, a surviving joint holder of a Fixed Deposit or bank account may receive the funds due to the "either or survivor" mandate. However, this does not automatically make the survivor the legal owner of the funds.

According to Nagpal, the survivor may merely receive the money as a trustee for the legal heirs unless evidence shows beneficial ownership. In the case of a bank locker, the bank merely provides custodial space. The

bank has no knowledge or record of the ownership of the contents inside the locker.

Nagpal says: "Therefore, the surviving locker holder does not automatically become the owner of the items contained in the locker. Ownership of locker contents is determined by succession law, evidence of ownership, and any valid Will, not by the locker operating mandate."

**The "either or survivor" clause primarily creates operational rights, not ownership rights**

According to Nagpal, the "either or survivor" clause primarily creates operational rights, not ownership rights. Its purpose is administrative as it allows:

- Either of the holders to operate the account/locker during their lifetime.
- The survivor can access the account or locker after the death of the other holder without procedural delays.

However, this clause does not determine beneficial ownership of the funds or valuables.

Nagpal says: "Courts in India have repeatedly held that survivorship provisions in banking mandates are for operational convenience and discharge of the bank's liability, not for determining title. **Ownership is governed by succession law and testamentary documents such as a Will.**"

**Why does the law treat bank FDs differently than bank lockers**

According to Nagpal, the difference arises from the nature of the bank's relationship with the customer.

**For bank accounts or fixed deposits:**

- The bank becomes a debtor to the depositor.
- The money becomes part of the bank's funds.
- The bank is obligated to repay the amount to the account holders according to the mandate.

**For bank lockers:**

- The bank acts merely as a custodian or lessor of storage space.
- The bank does not know or control the contents of the locker.
- It therefore cannot determine ownership of the stored valuables.

Because of this distinction, having access to a locker does not mean you own it, while taking money out of an account simply discharges the bank's payment obligation and essentially the joint account holder actually has claims to the funds in the account. This is not true for the items kept in a locker.

Can one joint bank locker holder claim absolute ownership of all contents after the other holder's death?

Nagpal says: "No. A surviving locker holder cannot automatically claim absolute ownership of all locker contents." The surviving holder may be permitted to access the locker depending on the mandate (e.g., "either or survivor"), but the contents remain subject to:

- The legal heirs of the deceased, and
- Any valid Will executed by the deceased. If a dispute arises, ownership must be established through evidence of title or succession proceedings.

Does survivorship in locker agreements override a valid Will executed by one of the holders?

Nagpal says that a Will prevails over locker survivorship arrangements when determining ownership of the assets. The survivorship clause only allows the bank to permit access to the locker without requiring succession certificates immediately. It does not alter the legal distribution of the assets contained in the locker.

Nagpal says: "If a valid Will specifies who should inherit the contents, those directions override the survivorship arrangement."

Can a joint locker holder bequeath the contents through a Will without the consent of the co-holder?

Nagpal says that Yes, but only to the extent of assets that actually belong to that person. A locker holder may bequeath through a Will:

- Jewelry
- Documents
- Cash
- Other valuables provided those items are owned by that individual.

Nagpal says: "However, the person cannot bequeath property that belongs to the co-holder. If the contents are jointly owned or ownership is unclear, disputes may arise and may require judicial determination."

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