Q7

Case study. You are working as an executive in a nationalised bank for several years. One day one of your close colleagues tells you that her father is suffering from heart disease and needs surgery immediately to survive. She also tells you that she has no insurance and the operation will cost about Rs. 10 lakh. You are also aware of the fact that her husband is no more and that she is from a lower middle class family. You are empathetic about her situation. However, apart from expressing your sympathy, you do not have the resources to find her. A few weeks later, you ask her about the well-being of her father and she informs you about his successful surgery and that he is recovering. She then confides in you that the bank manager was kind enough to facilitate the release of Rs. 10 lakh from a dormant account of someone to pay for the operation with a promise that it should be confidential and be repaid at the earliest. She has already started paying it back and will continue to do so until it is all returned.

UPSC Civil Services Mains 2023 · GS IV · 20 marks · Ethics Case Studies

Case Studies on above issues.

Core demand of the question

- (a) Identify the ethical issues in the nationalised-bank case of Rs 10 lakh taken from a dormant account, via the manager, for a father's surgery, now being repaid
- (b) Set out the options with merits and demerits
- (c) State what you should do, without endorsing theft of dormant deposits

Revision summary

Taking Rs 10 lakh from a dormant account is misappropriation, even if a surgery was the motive and repayment has started.

Stakeholders include heirs, the bank, the manager, the colleague and you.

Silence or a private informal loan conceals a crime; press shaming adds cruelty.

The duty is written disclosure to the competent authority, recovery, and protection of the account.

Lawful help is PM-JAY if eligible, staff welfare and hospital funds, not theft of deposits.

Introduction

A colleague in a nationalised bank has taken Rs 10 lakh from a dormant account, with the manager's help, to pay for a father's surgery, and is putting the money back. The stem does not list sub-questions, so the answer treats ethical issues, options, and the duty of the officer who now knows.

Body

Stakeholders

- The account holder or legal heirs of the dormant deposit, whose money was taken without authority.
- The colleague and the father who needed surgery.
- The branch manager who approved or enabled the transfer.
- You as a fellow executive who now have knowledge.
- The bank, its depositors, and the public that owns a nationalised bank.
- The regulator and investigating agencies if a crime is made out.

(a) Ethical issues

- Theft or criminal misappropriation of a dormant deposit is not compassion, even if the end was a surgery and even if repayment has begun.
- A dormant account is still someone's property. The bank is a trustee, not a family emergency fund.
- The manager's role is a breach of fiduciary duty and of the trust that depositors place in a nationalised bank.
- Conflict between empathy for a sick parent and the duty of integrity under banking law and service rules.
- Silence would make you a party to concealment. Gossip or public shaming of the patient would add a second harm.
- Repayment reduces loss; it does not erase the offence or the risk that the next "emergency" will empty another dormant ledger.
- Using a dummy route or an internal shortcut, if that is how the money moved, is fraud against internal control, not a harmless loan.

(b) Options

- **Option 1:** Stay silent because the money is returning and the father is ill.
- **Merit:** avoids immediate family distress and office conflict.
- **Demerit:** conceals a crime, leaves heirs unprotected, and trains the branch that dormant accounts are a private ATM.
- **Option 2:** Help the colleague keep the story inside the branch and treat it as an informal loan.
- **Merit:** looks kind.
- **Demerit:** you join the concealment; the bank's books remain false until a competent authority regularises nothing, because there is nothing lawful to regularise.
- **Option 3:** Confront only the colleague and demand faster repayment, without telling the bank.
- **Merit:** may speed recovery.
- **Demerit:** you become a private enforcer and the control failure stays hidden.
- **Option 4:** Leak the story to the press or to the ward to punish the colleague.

- **Merit:** fear.
- **Demerit:** humiliates a patient, damages fair process, and may destroy recovery while you look righteous.
- **Option 5:** Report in writing to the competent internal authority, protect the account, ensure recovery, and point the family to lawful help.
- **Merit:** truth, recovery, deterrence, and a humane path that does not use stolen deposits.
- **Demerit:** the colleague may face inquiry; that is the cost of the act, not a cruelty you invented.

(c) What you should do

- Do not endorse or continue the taking of dormant deposits, whatever the medical story.
- **Inform the competent authority in the bank in writing:** vigilance, controlling office, or the designated fraud channel, as the bank's rules require, and keep a copy.
- Ask that the dormant account be frozen for further debit, that the paper trail be preserved, and that recovery from the colleague be secured by lawful means, including salary and assets if needed.
- Do not publicly shame the father or discuss the illness in the market. The patient is not the accused officer.
- **Point the family to lawful support:** Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana if they are eligible; the hospital's poor-patient fund; State health insurance; and the bank's own staff welfare or compassionate rules, which exist so that no one has to rob a ledger.
- Cooperate honestly with the inquiry. Do not bargain for a cover-up as the price of your silence.
- The manager who enabled the transfer must be in the same report. Empathy for a colleague does not include hiding a second public servant's breach.
- If you are yourself a manager in the chain, recuse from judging your friend and still do not sit on the knowledge.

Flow diagram

Knowledge of Rs 10 lakh -> Written report to competent authority

Written report to competent authority -> Recover and protect account

Written report to competent authority -> PM-JAY staff welfare hospital fund

Silence -> Concealment

Public shaming -> Harm to patient

Conclusion

A father's surgery is a real need. A dormant account is not the fund for that need. Report, recover, and route the family to PM-JAY, staff welfare and hospital charity. Kindness that steals a depositor's money is not ethics.

Facts & figures

Dormant account

A bank account with no customer-initiated transaction for a long prescribed period; the money remains the customer's or the heir's, not the staff's.

Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana

A publicly funded health assurance scheme for eligible poor families, meant to pay hospital costs without private plunder of a ledger.

Prevention of Corruption Act, 1988

May apply if a public servant in a nationalised bank abuses office to move funds; banking fraud provisions can also apply.

Fiduciary duty of a banker

The bank holds deposits in trust for customers; staff have no licence to borrow from a dormant ledger for a private emergency.

Staff welfare funds

Nationalised banks maintain welfare, compassionate and medical-assistance routes so that an employee's family crisis has a lawful door.