

## **Sending Notices via Means of Communication**

### **Introduction**

1. The technological revolution in the banking sector in recent years enables the banking corporations in Israel to develop the services that they offer customers and to render efficient, available, and high quality banking services that include a range of channels through which services and banking information are obtained.
2. Today, the banking corporations send their customers notices regarding the management of their account through various means of communication including: the customer's personal area on the banking corporation's website, a mobile app, mail, etc. The Directive was amended in view of the technological advances that facilitate improvements in services for customers and in the effectiveness of delivering notices and sending information in near-real time, and reduced costs of producing and sending messages, and which are consistent with the global trend of reducing the use of paper.

### **Application**

3. (a) This Directive shall apply to a banking corporation, as this term is defined in the Banking (Service to Customers) Law, 5741-1981 (hereinafter, "a banking corporation").  
(b) The Supervisor may issue specific instructions that differ from those listed below and apply to a specific banking corporation, or, in exceptional cases, may exempt a banking corporation from a specific instruction, if special reasons deems such actions appropriate in the Supervisor's view, and the reasoning will be recorded.

### **Definitions:**

4. "**Notices**"— Written information sent by a banking corporation to a customer by law, and information that the banking corporation elected to send to its customers and that is designed to aid in the management of their account.  
"**The Service**"— Sending notices through communication channels.  
"**Checks Without Cover Law**"— The Checks Without Cover Law, 5741-1981.  
"**Communication channels**"— Within the meaning of this term in the definition of 'e-banking services' in Section 8 of Proper Conduct of Banking Business Directive No. 367 on "E-banking," that the banking corporation offers.

### **The Service**

5. A banking corporation may provide the Service to a customer, in lieu of sending the notices by mail or at the branch, provided that the following conditions are satisfied, subject to all law:
  - a. The customer requested to join the Service. For the purpose of this section, "request" — includes a request made on any communication channel.

- b. The banking corporation meets all the statutory requirements, including the Proper Conduct of Banking Business Directives concerning information security and e-banking.
6. Should the notices be information or a copy of a transaction instruction document, given to the customer at the branch, and the document includes a disclosure of the cost of the Service, the banking corporation may render the Service to its customers in accordance with Section 4(a) of the Banking (Service to the Customer) (Due Disclosure and Provision of Documents) Rules, 5752–1992. Furthermore, the banking corporation shall clarify to the customer that their request to receive these notices via communication channels shall apply, at the banking corporation’s discretion, to all notices drafted in their presence at the branch in the future, and that they may request, at any time, that a specific notice be given to them at the branch, in addition to being sent via communication channels.

### **Sending notices**

7. (a) The banking corporation shall select the appropriate communication channel for sending a specific notice to a customer who joined the Service, based on the materiality of the information and the required speed of delivery. For this purpose, the banking corporation shall examine the customers’ needs and circumstances and take into account aspects of privacy protection and, among other things, the banking corporation shall examine whether there exists a need to allow the customer to receive the information immediately and in an accessible manner, and whether the customer needs to track, save, and print the notice.  
  
(b) A banking corporation shall send a voice message, as this term is defined in Proper Conduct of Banking Business No. 367, as an alternative to a written notice in the event that the banking corporation is aware that the customer is unable to receive or read a text message.
8. (a) Without limiting the generality of Section 7, the banking corporation shall send notices on the following topics to a customer who joined the Service, both on a communication channel that allows the customer to track, save, and print the notice, and on a communication channel that facilitates the delivery of notices in an immediate and accessible manner, such as SMS messages.
  - (1) Notices related to a legal action against the customer or notices that might lead to the initiation of legal proceedings against the customer, such as a notice on arrears interest, or a notice before court action;
  - (2) Notice of cancellation, reduction, or non-renewal of a credit facility;
  - (3) Notice of setoff or lien;
  - (4) Notice to guarantors related to a guaranteed debt;

- (5) Notice by a payment service provider of the termination of a payment service contract;
  - (6) Notice by a payment service provider of its decision to freeze the use of a means of payment;
  - (7) Notice regarding a warning in the event that five checks in an account were refused, according to the conditions defined in the Checks Without Cover Law. The notice will include a link to the Checks Without Cover guide on the Bank of Israel website;
  - (8) Notice regarding the imposing of a restriction on a customer or an account, including information on the type of restriction (ordinary, aggravated, special), according to the definitions in the Checks Without Cover Law, and in the event of a special restriction, also the party that ordered the imposing of the restriction, including its contact information. Furthermore, the notice shall include a link to the Bank of Israel's website section on the information system and authorizations related to restricted customers and accounts.
- (b) Insofar as the banking corporation believes that doing so will enhance the clarity and comprehensibility of the notice, the banking corporation may include in a notice sent via a communication channel that facilitates the delivery of notices in an immediate and accessible manner, as stated in Subsection (a), summary information together with a suggestion to the customer to peruse the complete notice on another channel appropriate for viewing.
- (c) If the customer is not a subscriber to the Service, the banking corporation will take reasonable steps to inform the customer as soon as possible about the notices listed in Subsection (a) using the means available to it, subject to all laws.
- (d) The banking corporation shall include its contact details in the notices listed in this Section that are sent to its customers.

#### **Notice before Refusal of Check**

9. (a) In the event that a check is presented for payment and there are insufficient funds in the account to allow payment to take place, notice from the banking corporation to the customer concerning the need to deposit funds into the account in accordance with Section 7a(a) of the Checks Without Cover Law shall be sent to all registered account holders by 8:00 a.m. of the business day following the business day on which the check is presented for payment.
- (b) Notwithstanding the provisions of Subsection (a), in accounts that are registered under corporate ownership, the banking corporation shall send the notice specified in Subsection (a) to all authorized signatories of the account who are authorized to take action to cover the check that has been presented for payment, in accordance with the banking corporations' most recent list of authorized signatories.

- (c) Said notice shall be sent digitally, at the very least via a communication channel that allows notices to be sent immediately in an accessible manner, such as SMS or voice message, as relevant, or by email, all of which, insofar as the bank has the relevant communication details. If the banking corporation receives an indication before the deadline for the deposit of funds that the customer has not received the notice, it shall make reasonable effort to send the notice again. It shall also make use of a mechanism that redials to a customer who has not responded to a voice message.
- (d) Said notice shall inform the account holders or authorized signatories of the need to deposit funds into the account in order to prevent the check from being refused due to insufficient funds, and shall include at least the following details:
  - (1) the amount of the check;
  - (2) the deadline for depositing funds into the account, as specified in the Checks Without Cover Law;
  - (3) the ways in which the customer may deposit said funds; The notice shall clarify that the customer may use only such methods that ensure the finality of the receipt of funds into the account by said deadline;
  - (4) ways in which the customer may receive additional information;
  - (5) a clarification to the effect that depositing the amount of the check will not prevent its being refused for a reason other than insufficient funds in the account, if such reason exists;
  - (6) a clarification to the effect that situations may occur where funds cannot be deposited to the account and the check will be refused, e.g., if the account with the bank has been closed; The customer shall also be advised that if the account has been attached, funds deposited into it may be seized in favor of the attachment.
- (e) In the event that several checks are presented for payment on the same date and the account lacks the funds to cover them all, they may be indicated in a single notice instead of sending a separate notice for each check. In this case, the banking corporation may indicate in said notice the total amount of the checks that are due for payment by the deadline.
- (f) The banking corporation shall act in accordance with Subsections (a)–(e) above, even toward customers who did not request to join the Service.
- (g) The provisions of this section shall not apply in the event that the banking corporation knows, before sending the notice, that the check will be refused for another reason, on grounds of which it will not count in the tally of checks returned due to insufficient funds.

10. Repealed.

10A. Repealed.

**Customers' instructions not in writing**

11. After executing a customer's instruction that was not made in writing, a written notice shall be sent to the customer that includes the details of the instruction.

**Control over use of the Service and receipt of notices**

12. (a) A banking corporation shall use computerized tools that allow it to determine whether the customer regularly accesses the notices sent to them through the Service.
  - (b) A banking corporation that has indications that a customer has not read the notices sent to them through the Service over a significant period shall send a notice to the customer of this fact via a communication channel that allows the immediate delivery of notices to customers in an accessible manner. The notice will clarify that the banking information sent to the customer is important and should be accessed by the customer. If this situation continues after said notice was sent to the customer, the banking corporation shall make reasonable effort to contact the customer and obtain the customer's instructions for sending notices in the future.
  - (c) If the banking corporation obtains an indication that a notice that the banking corporation intended to send to a customer via communication channels was not delivered to the customer, the banking corporation shall make reasonable effort to contact the customer and confirm that the customer's contact information for sending notices is correct.
13. Repealed.

**Displaying the information**

14. (a) When customers enter their personal area on an application that the banking corporation offers its customers, such as the banking corporation's website or app, a prominent message will be displayed, alerting the customer to the fact that they have new unread messages. The alert will include a link to the designated area where the notices are displayed.
  - (b) The customer will have an option to receive an immediate indication on an accessible channel every time a new notice is received on the app, and the customer will be able to change their choice about receiving said indications, in a quick and simple procedure.

**Protecting customers' privacy**

- 14A. A banking corporation shall confirm that the notice is sent to the customer in a manner that protects the customer's privacy, including: If the notice sent via communication channels bears a subject line, the subject line will reflect the contents of the notice, and the subject line will not include full identifying details of the account or the customer such as the customer's name, the account number, the debit card number, or any other information that might be sensitive for the customer, according to the discretion of the banking corporation.

**Access to information:**

15. (a) If there is an ongoing legal proceeding between the banking corporation and the customer, the banking corporation shall continue to permit the customer to access the notices that were sent to him prior to the legal proceeding on the banking corporation's website and application.
- (b) If the customer requested to receive notices that were sent to him on the banking corporation's website and application after the termination of their agreement with the banking corporation, the banking corporation shall permit the customer to access the notices sent to them in the six-month-period prior to the termination date, for a period of at least 6 months from the termination date. Alternatively, the banking corporation shall provide the customer with a copy of all said notices, no later than 6 months from the termination date of the agreement.

**Exclusion from the duty of encryption**

16. Repealed.

**Notice of joining the Service or changes to the details of the Services**

17. (a) Soon after the date of joining the service or updating the details of the Service, the banking corporation shall send the customer a written notice of such, clarifying that sending notices via communication channels is a substitute for notices sent by mail or to the branch, and that the customer may, at any time, request to receive the notices by mail or at the branch, including the ways in which the customer may so request.
- (b) In a joint account of two or more account holders who use the account jointly or severally, a banking corporation's response to a request to receive the Service or a request to change the details of the Service will include a notice sent to the remaining partners in the account, soon after the date on which the banking corporation accedes to the request. The notice shall include the information stated in Subsection (a).

**Defining Procedures**

18. The banking corporation shall define procedures for performing everything stated in this Directive, including procedures with respect to sending notices via communication channels and with respect to controls over the use of the Service and receipt of notices.

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**Updates**

<b>Circular 06 no.</b>	<b>Version</b>	<b>Details</b>	<b>Date</b>
2291	1	Original directive	30/01/11
2395	2	Update	04/08/13
2508	3	Update	25/07/16
2550	4	Update	11/01/18
2557	5	Update	22/03/18
2653	6	Update	25/02/21
2659	7	Update	06/06/21
2713	8	Update	13/6/22