

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**The Credit Data Register’s five years of operations**

The Credit Data Register is intended to advance competition and access to credit in the Israeli credit market, and to reduce economic gaps and discrimination in the provision of credit. The Register was established by the Bank of Israel based on the Credit Data Law, 5776–2016, and began operating in April 2019. Within that framework, an annual report is presented to the Knesset Economics Committee as part of its work to monitor the implementation of the law and relevant developments.

As the Credit Data Register marks five years of operation, we are honored to publish main data regarding the system’s operation and its contribution to the retail credit market.

The Credit Data Register’s contribution:

* A study by the Bank of Israel Research Department found indications that data sharing through the Credit Data Register contributed to narrowing gaps in the price of credit by reducing customers’ dependence on the banks at which they manage their current accounts (trapped customer problem). In the four-and-a-half years from the start of the Credit Data Register’s operations until the study, the **“exclusive customer” premium**—the interest rate gap between customers who manage their current accounts at a single bank (exclusive customers) and those who hold a number of current accounts at different banks (nonexclusive customers)—**was fully closed**.
* In the time that the system has been operational, there has been a significant increase in the activity of nonbank credit providers. Between January 2020 and December 2023, the banks’ market segment has declined by about 8 percentage points (from about 88 percent to about 80 percent). In contrast, during those years, there was an increase in the market segment of nonbank credit providers. Nonbank credit companies increased their market segment by 4.5 percentage points (from 5.4 percent to 9.9 percent). Credit card companies increased their share by 2 percentage points (from about 4.4 percent to about 6.4 percent).

General information on the Credit Data Register:

* The Register contains information on about **6.8 million customers**.
* **About 80 percent of customers have “excellent” or “good” credit ratings.** About 10 percent have “reasonable” ratings, and the rest or rated “low” or “very low”.
* The Supervisor of Credit Data Sharing published a number of temporary orders that were necessary due to the Swords of Iron War and the existence of a state of emergency in the economy, with the aim of mitigating the negative implications of the war and helping customers.
* Since the establishment of the Register (in April 2019), the quantity of credit providers using the system **increased by 75 percent**. This was mainly due to nonbank entities that chose to join the system based on the principle of mutuality. As the use of the system increases, information gaps between the large credit providers (the banks) and smaller credit providers decrease, **and customers can obtain attractive credit offers**.
* **Since the establishment of the Register, 18 million credit reports and about 30 million credit statements have been generated**—a 6-fold increase.
* **Since the establishment of the Register, about 1.4 million personal reports were issued to customers from the system.** These reports provide customers with comprehensive information on their credit liabilities to all information sources reporting to the Register.
* **In May 2023, the Bank of Israel launched a digital reporting service.**  The new service enables customers to view the state of their credit liabilities as updated in the Register, and to obtain insights and explanations regarding the data. In the first six months of its operation, about 390,000 digital reports were issued.
* In view of the effect that the credit data reported to the Bank of Israel has on the ability to obtain credit and the terms of credit, the Bank of Israel is allocating many resources to responding to public enquiries and to investigating public complaints. In the past five years, the Register’s Public Enquiries Unit has handled about 115,000 written enquiries and responded to about 530,000 telephone enquiries.

**Bank of Israel Director General Shulamit Geri:**

“The Credit Data Register was established by law with the aim of advancing competition in the Israeli credit market and ensuring that the Register’s users would have relevant information in order to make credit decisions based on data. The increased use of the system helps to advance competition in the retail credit market. In addition, the credit data in the system help the Bank of Israel set monetary policy and carry out its other functions, including economic advice to the government and ensuring financial stability. We are continuing to streamline and improve the Credit Data Register to benefit the public, and based on that concept, we are also advancing the establishment of a credit data register for Israeli companies.”

**Supervisor of Credit Data Sharing Eyal Hadad:**

“Since the establishment of the Register, we have worked to improve its benefit and empower Israel’s citizens, and we will continue to do so. The Register is very important for advancing responsible credit behavior and preventing over-leveraging. The Register provides customers with tools that can help them monitor their financial conduct in the credit field, so that they can work to improve their terms of credit. We are working tirelessly to ensure information security, protect customers’ privacy, and maintain customers’ affairs during crisis periods as well.”