

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

**Press release**

January 22, 2025

**Periodic report on the prices of common banking services for households—first half of 2024**

**The average cost for households of managing a current account and holding payment cards in the account was NIS 23.6 per month (a decrease of NIS 4 per month, on average, from 2023). This decline was mainly due to the assistance program for bank customers in dealing with the ramifications of the Swords of Iron War. The program defined an exemption from most fees for first-degree customers (including current account fees, information, and payment cards, and excluding fees for the execution of transactions and withdrawals in foreign currency).**

The Banking Supervision Department today submitted to the Knesset Economic Affairs Committee the Periodic Report on the Prices of Common Banking Services to Households for the first half of 2024. The report is based on reporting by the banking corporations and credit card companies regarding fees charged during the first half of 2024.

**Supervisor of Banks Daniel Hahiashvili** said, “It is important to the Banking Supervision Department to present data on the cost of common banking services to the public, as part of enhancing transparency and in order to present transparently to the public the costs they paid for the banking services. In parallel, we are making available to the public various tools to improve their financial state and to strengthen their negotiating position vis-à-vis the banks. I urge the public to make informed use of these tools.

As part of the importance that the Banking Supervision Department sees in making the data available to the public, the Bank of Israel published on its website in December 2023 an “Equator”[[1]](#footnote-1)—an advanced tool to compare information among banks from a consumer perspective. The dashboard is intended to make available to customers the information in a simple, transparent, and advanced manner. It also makes it possible to compare banking services and products, including a comparison among fee schedules regarding current account fees and actual average fees regarding securities, by portfolio value. I urge the public to use the tool and to benefit from the convenient access to information that will help in making informed economic decisions.”

We note that the banking corporations are only permitted to charge fees for services included in the fees rules. Fee schedules of banking services are published on the banks’ websites and enable customers to clarify the cost of the banking service and to compare among the banks. In the first quarter of 2025, amendments to the Banking (Service to the Customer) (Fees) Rules, 5768-2008 (hereinafter, “the fees rules”) will go into effect. This includes a series of updates that will impact customers. The main ones are:

* A “Bank guarantee secured by a specific financial deposit” fee—the collection mechanism was revised from a percentage mechanism to a fixed shekel amount. Within this framework, it was established that a bank guarantee secured by a specific financial deposit for the purpose of a residential home agreement service (at a guarantee amount of up to NIS 50,000) shall be lower than the cost of the “Bank guarantee secured by a financial deposit” fee. This is because the operation is simpler and out of a desire to make things easier for tenants.
* With the goal of allowing flexibility in the provision of service, a clause was inserted that enables a banking corporation to put the customer’s request to join or cancel the tracks service into effect prior to the 1st of the month following the customer’s notice, provided that the bank sets and publishes a reasonable and fair mechanism for calculating the relative portion of the fee that will be charged to the customer for the relevant part of the month.
* Benefits for e-banking banking channels—Appendix E to the fee schedule has been expanded to include additional benefits on the prices of services offered through e-banking banking channels.
* Payment applications—it was permitted to charge fees for their services: receiving payments, executing payment instructions, and fees for membership for a specific service, subject to the Supervisor’s approval.

In addition, a joint team, which includes the Bank of Israel, the Israel Securities Authority, and the Budgets Division at the Ministry of Finance, recently published a Call for the Public’s Comment to the possible changes in the fee and compensation structure for the public’s securities activity. The process is intended to enhance transparency, to promote competition, and to improve the service to customers active in the capital market. The public is welcome to submit feedback and the team is currently deep in the process of examining the comments received.

**Following are the main points of the Report:**

* In the first half of 2024, there was a slight decline in the ratio of total fee income to banking system assets. This decline was mainly influenced by an increase in fee income that was lower than the increase in total system assets. The increase in fee income was mainly due to an increase in securities-related fees charged to large businesses, as a result of a higher transaction volume. Income from individuals and small businesses declined due to the customer assistance program due to the Swords of Iron War. In general, the ratio of fees income to total banking system assets has been in a cumulative downward trend that began following the fees reform in 2008. From then until today, there has been a cumulative decline of about 48 percent. This decline is partly attributed to Banking Supervision Department actions in the realm of fees in recent years.
* The average cost for households of managing a current account and holding payment cards in the account was NIS 23.6 per month—a decrease of NIS 4 per month, on average, from 2023. This decline was mainly due to the assistance program for bank customers in dealing with the ramifications of the Swords of Iron War. The program defined an exemption from most fees for first-degree customers (including current account fees, information, and payment cards, and excluding fees for the execution of transactions and withdrawals in foreign currency).
1. <https://www.boi.org.il/en/information-and-service-to-the-public/banking-customer-service-information/financial-education/campaigns/boi-equalizer/> [↑](#footnote-ref-1)