

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

Press release

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**As part of an increase in consumer-related enforcement, the Banking Supervision Department has imposed financial sanctions on two banks and one credit card company**

The Banking Supervision Department has executed a variety of consumer-related enforcement measures to examine the proper conduct of supervised entities vis-à-vis their customers through various service channels. The control procedures were conducted through examination of data and information, performing sample checks of customer portfolios, and visits by Banking Supervision Department teams posing as undercover customers in the field. The controls were conducted as part of the Banking Supervision Department’s work to improve fairness, partly by increasing controls and consumer-related enforcement.

Supervisor of Banks Daniel Hahiashvili said, “The Banking Supervision Department views fairness in the banking system’s conduct with its customers as a main value in its function. We attribute supreme importance to compliance with the provisions of consumer-related laws, with an emphasis on professional, available, and high-quality service to customers through all banking service channels. We will continue to act using the variety of tools at our disposal to enforce directives on a wide variety of consumer-related issues, as part of our work to ensure a fair organizational culture in the banking system.”

Through the series of controls that were conducted, the inspections found proper conduct in a variety of fields in the banking system. Alongside this, in cases where there were found to be contraventions of the law, the findings led to the imposition of financial sanctions by the Banking Supervision Department as follows:

1. **Bank Hapoalim did not fulfill the Supervisor’s Directives requiring the customer’s entry to a branch and receipt of professional service during hours of operation, even if an appointment has not been arranged. A financial sanction of NIS 1,000,000 was imposed due to the contravention.**

In 2023, Banking Supervision Department employees made covert examinations at various bank branches. The teams went into the field, and entered branches looking to receive service without making an appointment. The need to examine this issue was raised partly due to customer complaints received at the Banking Supervision Department with regard to banks disallowing entry to branches without a pre-arranged appointment.

As part of the consumer-related control process that was carried out, the Banking Supervision Department found that Bank Hapoalim did not fulfill the Supervisor’s directive[[1]](#footnote-1) requiring banks to permit entry to a branch and to enable customers to obtain professional service during operating hours, even if they have not arranged for an appointment in advance. The control found a material contravention by Bank Hapoalim in view of cases in which the covert visitors, who had not arranged an appointment in advance, were not allowed into Bank Hapoalim branches. In view of these findings, the Supervisor of Banks imposed a financial sanction of NIS 1,000,000 in respect of the contravention.

The Banking Supervision Department’s position is that there is no reason to prevent a banking corporation from using a system to make appointments, which is an efficient and effective system for managing customer visits, and it is even preferable for the banks to promote such systems. However, the banking corporations must enable free entry to customers who choose not to use such a system.

To view the decision and details of the contraventions that were found, the considerations of the decision and the reasons for imposing the sanction (in Hebrew), please see the decision on imposing a financial sanction in respect of the contravention of Proper Conduct of Banking Business Directive 401.

1. **Bank Leumi did not fulfill the Supervisor’s directive on collecting debts, and a financial sanction totaling NIS 1,000,000 was imposed due to two contraventions.**

As part of an initiated control carried out by the Banking Supervision Department at a number of corporations in the banking system to examine the implementation of the obligations set out in the Supervisor’s directive[[2]](#footnote-2) on collecting debts from customers, it was found that Bank Leumi did not fulfill the requirements of the directive. Accordingly, the Banking Supervision Department imposed a financial sanction of NIS 1,000,000 on the bank in respect of two contraventions of reporting requirements to the Enforcement and Collections Agency, in accordance with Sections 25 and 26 of the directive. The sanction was imposed for cases in which deficiencies were found in reporting to the Enforcement and Collections Agency with regard to receipts paid on account of the debt and that were recorded in the bank’s books, and in respect of reporting to the Enforcement and Collections Agency at a time that was not reasonable, with regard to debt arrangements reached between the bank and the customer.

To view the decision and details of the contraventions that were found, the considerations of the decision and the reasons for imposing the sanction (in Hebrew), please see the decision on imposing a financial sanction in respect of the contravention of Proper Conduct of Banking Business Directive 450. It is further noted that as a direct result of the broad control, financial sanctions were imposed on additional banks in 2023 in respect of similar contraventions.[[3]](#footnote-3)

1. **Isracard did not fulfill the provisions of the law requiring it to provide a human response at its call center within 6 minutes, with regard to the handling of failures, account clarifications, and end of the customer relationship, and a financial sanction of NIS 250,000 was imposed on it.**

As part of a consumer-related control process undertaken by the Banking Supervision Department, it was found that between December 2022 and June 2023, Isracard did not fulfill the provisions of the Banking Law[[4]](#footnote-4), and that excess waiting times were found in receiving a professional human response for the three services enumerated in the law: handling failures, account clarification, and end of the customer relationship. In view of this, the Banking Supervision Department decided to impose a financial sanction of NIS 250,000 on the company in accordance with the law.

To view the decision and details of the contraventions that were found, the considerations of the decision and the reasons for imposing the sanction (in Hebrew), please see the decision on imposing a financial sanction in respect of the contravention of sections of the Banking Law.

1. Section 9 of Proper Conduct of Banking Business Directive 401 on “Opening Days of a Banking Corporation’s Offices”. [↑](#footnote-ref-1)
2. Sections 25 and 26 of Proper Conduct of Banking Business Directive 450 on “Debt Collection Proceedings”. [↑](#footnote-ref-2)
3. https://www.boi.org.il/en/communication-and-publications/press-releases/the-banking-supervision-department-has-imposed-financial-sanctions-on-israel-discount-bank-bank-hapoalim-and-mizrahi-tefahot-bank-for-improper-conduct-in-the-process-of-collecting-debts-from-customers/ [↑](#footnote-ref-3)
4. Section 5a3© of the Banking Law (Service to the Customer), 5741–1981. [↑](#footnote-ref-4)