

**BANK OF ISRAEL**

Office of the Spokesperson and Economic Information

November 27, 2024

**Press release:**

**Banking Supervision Department Conference on**

**Financial Fraud**

**The conference included addresses by senior executives and experts on information encryption, identifying and monitoring financial fraud, and AI technologies in the world of fraud. In addition, there were panels on the issue of financial fraud from the national perspective, and on the responsibility of compensating customers in fraud incidents.**

**The Banking Supervision Department’s conference on “Financial Fraud” that is being held today deals with the various aspects of the phenomenon of financial fraud that adversely impacts the public and is a threat to the public’s confidence in the financial system and Israel’s digital expanse overall. This phenomenon, which is liable to negatively impact all customers and is aimed at a broad segment of the population, is carried out among other things by unauthorized use of a bank account or credit card, and leads to withdrawing money fraudulently from customers and adversely impacting them. The conference included addresses by senior executives and experts on information encryption, identifying and monitoring financial fraud, and AI technologies in the world of fraud. In addition, there were panels on the issue of financial fraud from the national perspective, and on the responsibility of compensating customers in fraud incidents.**

Governor of the Bank of Israel Prof. Amir Yaron opened the conference, referring to the changes that the financial system is undergoing, technological changes, the system’s state related to challenges of competition and the consumer’s welfare, and he presented the steps being taken by the Bank to promote a more competitive banking system , while maintaining its stability. [The Governor’s full address can be found at this link](https://www.boi.org.il/en/communication-and-publications/press-releases/remarks-by-supervisor-of-banks-daniel-hahiashvili-at-the-banking-supervision-department-s-2024-conference/). Among his remarks:

**“Global experience has taught us a dual lesson: the heavy toll financial crises impose on society as a whole, and the critical importance of financial stability as a necessary condition for economic growth and prosperity. At the same time, there is a growing understanding that the role of regulation is not limited to only safeguarding stability—it must also foster the development of an innovative, efficient, and accessible financial system.**

**In this context, I would like to commend the payment deferral framework adopted by the banking system during the war. This initiative has provided—and continues to provide—vital support to many households, including those of reservists, residents of Gaza border communities, and others directly affected by the conflict.**

**The Israeli banking sector is characterized by a level of competition that remains insufficient. Maintaining public trust is essential for the stability of the banking system. The banking sector must internalize that strengthening its long-term confidence and reputation requires delivering greater value to its customers.**

**At the Bank of Israel, we are working—and will continue to work—to promote competition within the banking system and improving customer outcomes in a responsible and professional manner.”**

Supervisor of Banks **Mr. Daniel Hahiashvili**, in his remarks, referred to the impact of recent years’ technological developments on the banking sector and on how consumers access banking services. He noted that most banking transactions are now conducted through digital channels. While digitization offers numerous advantages, it has also led to a significant rise in financial fraud, with increasingly sophisticated methods being employed.

The Supervisor emphasized that combating financial fraud is a key priority in the Banking Supervision Department’s work plan. Accordingly, today’s conference highlights the challenges posed by financial fraud, as well as the steps being taken by the Banking Supervision Department—together with relevant stakeholders—to minimize the phenomenon as much as possible.

He further stressed that preventing financial fraud requires public awareness as well as proactive measures by banks, credit card companies, telecommunications providers, security agencies, and other relevant entities. These measures include monitoring, detection, and the deployment of advanced prevention tools.

**Prof. Adi Shamir** of the Weizmann Institute of Science, an expert on encryption and winner of the Turing Award and the Israel Prize for computer science, spoke on the issue of encryption, and detailed its development over the years, its contribution to the financial and business systems’ ability to execute transactions digitally, and its importance with regard to preventing financial frauds.

The Conference also included a panel on “The financial fraud phenomenon—a national perspective”, moderated by Deputy Supervisor of Banks and Head of the Technology, Innovation, and Cyber Division Ms. Tal Harel Matatyahu. Participating were Head of Police Investigations Brig. Gen. Shlomit Landes; VP of Digital Technologies and Services Division in the National Digital Agency Mr. Yogev Shamni; Head of Cyber-Finance at the Emergency Cyber and Security Array at the Ministry of Finance Mr. Micha Weiss; Association of Banks in Israel CEO Mr. Eitan Madmon; Communication Ministry Head of Sector Cyber Unit Mr. Zohar Ben-David; and Mr. Yaron Yungman, Head of the Cyber Department in the National Cyber Directorate.

Panel participants presented various trends in their fields, discussed ways to reduce the phenomenon of frauds and the challenges that involves, noted the importance of collaboration among the different entities, and presented additional ways to promote the goal of dealing with the phenomenon.

In addition, there was a panel on “Responsibility for compensating customers in fraud incidents”, moderated by **Ms. Odeda Perez**, Deputy Supervisor of Banks and Head of the Bank-Customer Division , with the participation of **Mr. Tomer Alkobi**, VP and Chief Risk Officer in credit card company Max; **Adv. Yael Almog**, VP and Chief Legal Counsel for Bank Hapoalim; **Mr. Assaf Eldar**, VP and Head of Banking Division in Israel Discount Bank; **Prof. Ruth Plato-Shinar** head of the Banking Laws and Financial Regulation Center in Netanya Academic College; and Adv. Yaara Lemberger Kiner, Head of the Civilian Group (acting), consultation and legislation (Civil Law) in the Ministry of Justice.

Panel participants dealt with the responsibility imposed on the financial system to compensate customers who have been victims of fraud and the activities that the customers must adopt with the goal of reducing the risk of such incidents.

**Other conference participants:**

Mastercard VP Mr. Simon Rushforth, who spoke about AI technologies in the world of fraud, and Mr. Saar Marzan, Head of Cyber Security Defense at First International Bank of Israel, who presented the ways to identify and monitor digital fraud.