

**INVESTMENT ON A CUSTOMER'S ACCOUNT WITHOUT
HIS EXPLICIT AGREEMENT**

Introduction

1. There have been instances in which a banking corporation informed customers by means of a circular that it was deducting a certain amount from their accounts or increasing the existing deduction, for savings or investment purposes (henceforth, investment). The circular also stated that if the customer objects to the deduction or its increase he should inform the banking corporation of this fact.

Clarification

2. It is hereby clarified that a banking corporation is not entitled to make decisions regarding a customer's investment without permission. The banking corporation may suggest an investment to a customer, but it is not permitted to act in accordance with that suggestion before the customer has stated that he accepts it. Silence does not indicate consent, under section 6(b) of the Contracts Law (General Part), 5733-1973: "determination by the proposing person that lack of response on the part of the person being proposed is considered to be acceptance, has no validity."
3. This shall also apply to savings schemes in which savers are entitled to increase their periodical payments. In schemes of this kind the banking corporation is authorized to agree with the saver in advance as to the way the amount invested shall be increased from time to time, but only on two conditions:
 - (a) The agreement is given in writing. If the agreement is included in the general agreement regarding the investment, that section shall be emphasized and must be signed separately by the customer;
 - (b) It shall be clarified to the saver in the same document that he may cancel the arrangement.

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