

**BANK OF ISRAEL**

Office of the Spokesperson and Economic Information

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Press release:

**The Banking Supervision Department publishes the findings of its annual survey of households’ and business owners’ satisfaction with the services provided to them by the banks**

**In recent years, the Banking Supervision Department has conducted several surveys, the goal of which is to reflect customers’ perception of the quality of the services received from the bank in which they manage their account, compared to other banks. The goal of carrying out the customer satisfaction survey and publishing its findings is strengthening the fairness and competition in the area of service to the customer, by receiving a picture of the situation from the perspective of banking system customers regarding the service provided to them, and in accordance with the findings, to shine a spotlight on issues requiring improvement, and thus serve as an incentive for the banks to improve their customer service.**

**Supervisor of Banks Mr. Daniel Hahiashvili** said, “The quality of the service provided to banking system customers is a substantial pillar in fair conduct vis-à-vis the customers, and the issue is a focus of the Banking Supervision Department’s activities. Customers’ satisfaction with the state of the service, and in particular for small businesses, as reflected in the surveys, is not optimal in some service areas. We expect the banks and credit card companies to improve the customer service systems and to provide their customers with service that is proper, available, professional, and effective. We recently published a new directive on the issue of service and we intend to follow its implementation closely. In parallel, we will act to publish comparative data on the surveys’ findings in a clear and convenient manner on the Bank of Israel website in order to assist banking system customers to compare the various banks with regard to service.”

**Households**

Following are the main findings from the household satisfaction survey for 2023, among other things compared to the findings of the survey carried out in 2022.

**Willingness to recommend to a friend or family member** to manage an account at the bank in which the customer manages accounts remained unchanged (56 percent).

**Satisfaction with the use of the banks’ websites remains high (90 percent).**

**Satisfaction with the use of the banks’ applications remains high (88 percent).**

**There was a slight increase in satisfaction with the service at the call centers (72 percent, compared with 69 percent in the previous survey).**

**There was a slight decrease in satisfaction with the service provided in a branch (75 percent compared with 77 percent in the previous survey).**

**This year, the survey was expanded to satisfaction with the services provided by the credit card companies. Following are the main findings:**

Of those responding, 60 percent would recommend to a friend or family member to execute transactions via the credit card company.

Of those responding, 76 percent are satisfied with the level of service provided by the credit card companies’ call center.

Of those responding, 66 percent are satisfied with the level of service provided by the credit card company on its website.

Of those responding, 58 percent are satisfied with the level of service provided by the credit card company on its application.

**Business owners**

Following are the main findings from the satisfaction survey for 2023 of business owners of micro and small businesses (hereinafter, “business owners”), among other things compared to the findings of the survey carried out in 2022.

**Willingness to recommend to a friend or family member to manage an account at the bank in which the business owners manage their accounts declined** (47 percent compared to 52 percent in the previous survey).

**Satisfaction with the use of the banks’ websites remains high (86 percent).**

**Satisfaction with the use of the banks’ applications remains high (87 percent).**

**There was a decrease in satisfaction with the option of depositing cash or checks** (63 percent compared with 67 percent in the previous survey).

**Satisfaction with the banks’ availability is low (55 percent).**

**Satisfaction with the banks’ familiarity with their business activity and their needs is low (28 percent).**

**Satisfaction with the level of accompaniment in making financial decisions is low (24 percent).**

**It should be noted that the availability and personal interaction were highlighted as the 2 most substantial needs with regard to the bank.**

**The main interface with the banking system**

The survey of household customers points to a continued trend of decline in visiting the branch as the main communication channel of the customers with the banks. Only 6 percent of the customers noted that visiting the branch is their main means of contact with the bank, compared with double that number, 13 percent, in the first survey we conducted, in 2019.

The main channels of communication for contact with the bank continue to be digital channels, with the bank’s application the leading means of communication for contacting the bank.

**Perception of fairness**

Of the household customers, 54 percent of total bank customers are of the view that their bank acts fairly toward them, compared with 55 percent in the 2022 survey. These findings indicate low satisfaction in the issue of fairness, impacted on by, among other things, the customers’ low satisfaction with quality of service they are provided. Additional indications regarding the need to improve the quality of service in the banking system arose within the framework of the ongoing professional work by the Banking Supervision Department, among other things within the framework of carrying out controls in the area of quality of service and the handling of customer enquiries.

With the approach that banking corporations are to act fairly in all the interfaces between them and the customers, and out of the understanding that service that is proper, available, effective, and high quality for customers is a central component and very important in creating a positive customer experience when executing financial transactions, in gaining from the service and the products offered to customers, and in strengthening the public’s reliance on the banking system, in March 2023 a Proper Conduct of Banking Business Directive was issued, on “Managing a service and support array for customers”. It is set to go into effect in another 3 months. The directive establishes organizational principles and obligations in the areas of service and support for customers, and its goal is to promote in supervised corporations an organizational culture and work processes that will enhance the fairness vis-à-vis the customers and will improve the quality and availability of the service in a continuous and prolonged manner.

**The Banking Supervision Department is following the directive’s implementation, and will continue to follow and verify that the banking system is acting in accordance with the supervisory expectations and that it will improve the quality of service and its conduct in areas in which the survey showed low satisfaction from banking customers.**

**Appendix A: Methodology of the Survey**

The surveys were conducted by the Rushinek Research Institute.

Among households, there were 2 parallel samples.

In the first sample, there were 2,029 respondents, serving as a random national representative sample of the Israeli population aged 18–74 connected to the Internet.

In the second sample, there were 60 telephone surveys, in order to complete the representation of the population aged 65–74 that is not connected to the Internet.

In order to keep the sample representative, strict gender and age quotas were maintained, according to their proportion in the population (based on Central Bureau of Statistics data) as well as representation in two additional parameters: sectoral (general, ultra-Orthodox, Arab, and Russian) and geographic (North, Haifa, Sharon, Tel Aviv, Central, Jerusalem, South, and Judea and Samaria).

Out of all the respondents, 2,042 respondents, who reported that they have a private, single/main current account at one of the banks, continued to the full questionnaire.

In order to increase the reliability of the findings by neutralizing random time deviations, the sample was split into four different subsamples that were conducted about a week apart.

The data were collected in July–August 2023, and the various analyses of the findings were carried in recent months.

In the business owner survey, there were 2,733 respondents, serving as a random national representative sample of self-employed, micro and small business owners (employing up to 20 workers), connected to the Internet.

Out of all the respondents, 2,004 respondents, who reported that they have a private, single/main current account at one of the banks, continued to the full questionnaire.

In order to increase the reliability of the findings by neutralizing random time deviations, the sample was split into four different subsamples that were conducted about a week apart.

The data were collected in August 2023 and the various analyses of the findings were carried in recent months.

The preamble to the questionnaire was built so that respondents cannot know which entity is behind the questionnaire, in order to avoid misleading the interviewer. Misleading the interviewer may result from three main situations: when the respondent consciously or subconsciously wants to impress the interviewer; when the respondent consciously or subconsciously wants to fulfill the interviewer’s expectations; or when the respondent is consciously or subconsciously worried that the information will be given to external parties and cause him damage. Therefore, the preamble to the questionnaire does not mention the Bank of Israel, and the formulation legitimizes a broad range of responses.

In the research report, statistical cells of at least 60 respondents were presented. For example, if one of the banks had less than 60 customers, the findings of the customers’ responses for that bank were only calculated as general averages and were not presented separately.