



BANK OF ISRAEL

Banking Supervision Department

Bank–Customer Relations Division

Report for 2012

on the

**Activity of the Banking Supervision Department in the Handling of
Public Enquiries and Complaints**

May 2013

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1. Introduction

The Banking Supervision Department works to maintain the stability of the banking system and fairness in the relations between banking corporations—the banks and the credit card companies—and their customers, while protecting the rights of the banking consumer. Fairness in these relations is protected by the Bank–Customer Relations Division of the Banking Supervision Department¹. Subordinate to this division is the Public Enquiries Unit, whose function is to clarify customers' enquiries and complaints against the banks and the credit card companies, and to draw conclusions from the information obtained from the processing of complaints. This activity includes making decisions on whether complaints are justified and providing suitable remedies, issuing information to the consumer public in order to narrow the knowledge and information gaps between them and the banking corporations, and detecting and remedying systemic deficiencies.

The Public Enquiries Unit operates in accordance with Section 16 of the Banking (Service to the Customer) Law, 5741–1981, which empowers the Supervisor of Banks to investigate complaints by the public concerning their business with the banking corporations. The unit itself is authorized to investigate all matters relating to customers' activity with the banks and the credit card companies, including: management of a current account, checks, charge cards, deposits, foreign currency, commission fees, loans, mortgages and securities deposit management.

Matters not within the Unit's area of authority are:

- Complaints against the Postal Bank (which should be referred to the Postal Authority or the Ministry of Communications).
- Complaints against insurance companies, provident funds and pension funds (which should be referred to the Commissioner of Capital Markets, Insurance and Savings at the Ministry of Finance).
- Complaints concerning the deduction of taxes (which should be referred to the Tax Authorities).
- Complaints concerning securities investment advice (which should be referred to the Israel Securities Authority).
- Information on the accounts of customers who have died (which should be referred to the banks' head offices, together with a Writ of Inheritance or a Probate Order).
- Matters that were discussed in the past or that are concurrently being discussed in the courts, the Execution Office or other instances.
- The unit does not reply to complaints when only copies of them were sent to it.

The Banking Supervision Department advises customers to fully exploit the opportunity to investigate a complaint by referring to the public enquiries department at the bank or credit card company against which the complaint is made before contacting the Banking Supervision Department.

For further information on the activity of the Unit and how to submit enquiries, go to the Bank of Israel website: www.bankisrael.org.il

¹ Such activity is also carried out by the Banking Supervision Department's On-Site Division.

As it does every year, the Banking Supervision Department hereby submits the report on its activity in the processing of public enquiries and complaints.

The rating of the banking corporations herein is based only on the information obtained by the Banking Supervision Department in its processing of customers' enquiries and complaints, and is provided as a service to the public. The rating does not indicate a comprehensive grade or a rating of a banking corporation's entire range of activities, and should not be regarded as any recommendation or proposal.

The examples included in this report are not a representative sample. A number of topics were selected which, in our view, may be of interest to the general public. While the examples of complaints selected maybe indicative of the position of the Banking Supervision Department, they should not be regarded as a binding precedent since each case was handled in accordance with its specific facts and circumstances.

2. Processing of public enquiries and complaints—General data

In 2012, the Banking Supervision Department processed 6,095 written enquiries and complaints from customers of the banks and credit card companies. In addition, 16,400 telephone enquiries were answered.

Of the 6,095 written enquiries and complaints, 1,253 were complaints, and the rest were enquiries and requests. A position was taken on 898 complaints (either justified or unjustified) while for the rest no position was taken, mainly because the bank had in any case decided to accede to the customer's request before a position was taken regarding the complaint. In the case of 510 complaints and requests, the banks and the credit card companies acted in the customer's favor even though they were not classified as justified, and the total amount paid to customers in respect of these complaints reached NIS 1.4 million. With other complaints, no position was taken due to the inability to decide between conflicting verbal claims or because of concurrent legal proceedings.

As a result of the Banking Supervision Department's intervention in the matter of individual complaints, the banking corporations paid their customers a total amount of NIS 2.4 million.

Eighty-nine percent of the enquiries and complaints submitted to the Banking Supervision Department in 2012 were processed within six months. Enquiries from the public that involved questions and requests for information were answered shortly after being received. Action regarding complaints takes longer because it is taken vis-à-vis the banks and the credit card companies. Depending on the volume of complaints and their complexity, several attempts at clarification are sometimes necessary in order to decide on a complaint.

The following is a breakdown of the time it took for the Public Enquiries Unit to deal with enquiries and complaints this year:

Up to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Over 12 months
81 %	8 %	5 %	4 %	2 %

As can be seen in Figure 1 below, 21.5 percent of the complaints against the banks and credit card companies on which a position was taken were found to be justified in 2012 as compared to 26.1 percent in 2011. The decline in the proportion of justified complaints resulted from the following two reasons:

1. A large decrease in the proportion of justified complaints at Mizrahi-Tefahot Bank, from 38.4 percent in 2011 to 20.1 percent in 2012², and a considerable decrease in the proportion of

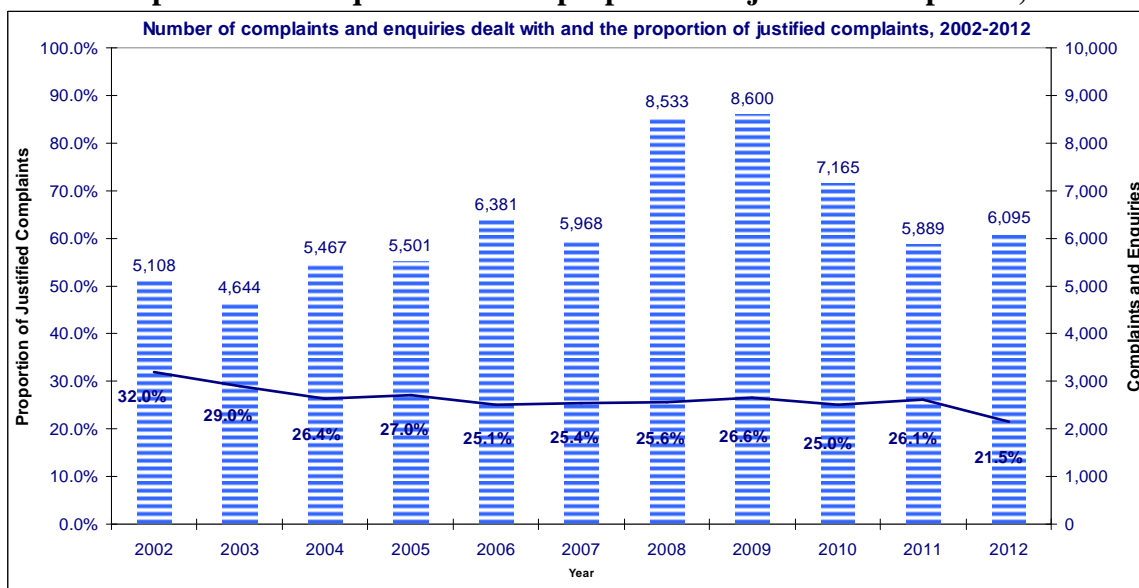
² We believe that this decrease derived from the extensive systemic action taken at the bank following the Banking Supervision Department's detection of deficiencies—see Section 5, Paragraph 5.1 below. See also the Report for 2011 on the Activity of the Banking Supervision Department in the Handling of Public Enquiries and Complaints, Section 5, Paragraph 5.1: (Hebrew): <http://www.boi.org.il/he/NewsAndPublications/PressReleases/Pages/120430s.aspx>. The decrease also appears to have resulted from the fact that the banks were more intent on solving disputes in an *ex gratia* manner.

justified complaints at the First International Bank, from 25.8 percent in 2011 to 16.7 percent in 2012. At the other banks, the proportion of justified complaints was similar to that in the previous year.

2. An increase in the proportion of complaints where the banks acceded to the customer's request *ex gratia*, even though the complaint was not determined as justified: At Bank Hapoalim, the proportion of complaints of this type rose from 25.5 percent in 2011 to 31.8 percent in 2012; at Mizrahi-Tefahot Bank, the same proportion rose from 24.9 percent to 31.4 percent; and at the First International Bank, the proportion increased from 27.7 percent to 38 percent.

Figure 1

Number of complaints and enquiries and the proportion of justified complaints, 2002–12



Complaints and enquiries also help to detect and remedy systemic deficiencies in the banking system. In 2012, investigations were made of 63 occurrences where systemic failure was suspected, and the banking corporations were required to take such action as specifying or amending working procedures, adjusting technological systems, improving service and providing rebates to groups of customers. See Section 5 below for examples of systemic deficiency that were processed.

3. Detailed review of statistics on complaints against the banking corporations

Since 2010 the action taken with respect to their customers by the five banking groups³ and the five largest banks, as reflected by the public enquiries and complaints processed by the Banking Supervision Department, has been assessed in accordance with four criteria based on data accumulated by the Banking Supervision Department:

- a. The proportion of justified complaints to total complaints on which a position was taken.⁴

³ The banking groups are as follows: **Leumi group**—Bank Leumi Le-Israel, Arab Israel Bank, Leumi Mortgage Bank and Leumi Card; **Hapoalim group**—Bank Hapoalim and Isracard; **Mizrahi-Tefahot group**—Bank Mizrahi-Tefahot and Bank Yahav; **Discount group**—Israel Discount Bank, Mercantile Discount Bank, Cal (Cartisey Ashari Le'Yisrael)-Israel Credit Cards, and Diners Club; **First International group**—First International Bank, Bank Otsar Hahayal, Bank Poalei Agudat Israel, Bank Massad and U-Bank.

⁴ Complaints on which a position was taken are complaints that were classified either as justified or as unjustified.

- b. The ratio between the bank's share of justified complaints and its share of the banking system.⁵
- c. The proportion of enquiries and complaints that were satisfactorily processed by the bank to the total number of enquiries and complaints that were addressed to it.
- d. The proportion of enquiries and complaints where the bank acted in the customer's favor even though they were not classified as justified.

On the basis of these criteria the banks are rated on the following scale, as is accepted practice in the evaluation of a bank's management and control processes:

- i. Particularly good
- ii. Good
- iii. Adequate
- iv. Needs improvement
- v. Needs significant improvement
- vi. Deficient

See Appendix A to the report for a description of the criteria and the weighting attributed to them.

3.1 Overall rating

3.1.1 The overall rating of the **five banking groups** (based on a weighting of the four above-mentioned criteria) in the last three years is set out below:

Group ⁶	Rating		
	2010	2011	2012
First International	Needs significant improvement	Needs improvement	Good
Leumi	Good	Good	Good
Discount	Adequate	Adequate	Adequate
Hapoalim	Good	Good	Adequate
Mizrahi-Tefahot	Needs improvement	Needs improvement	Adequate

3.1.2 Set out below is the overall rating of the **five largest banks** (based on a weighting of the four above-mentioned criteria), which portrays the positive developments at two of these banks: First International and Mizrahi-Tefahot. The First International Bank's rating showed an improvement in the last two years, while Mizrahi-Tefahot Bank's rating improved considerably in 2012.

⁵ Total assets minus business credit, which is a relevant criterion for assessing the size of each bank's retail activity.

⁶ The order in which the banking groups appear in the table is according to their rating in 2012, and within the rating, by alphabetical order.

Bank ⁷	Rating		
	2010	2011	2012
First International	Needs improvement	Adequate	Good
Leumi	Good	Good	Good
Discount	Adequate	Good	Adequate
Hapoalim	Adequate	Adequate	Adequate
Mizrahi-Tefahot	Needs improvement	Needs significant improvement	Adequate

3.2 Description of each of the criteria calculated above relative to the five largest banks:

Data on the five largest banks are set out below. A detailed description of the entire banking system, including medium-sized and small banks and the credit card companies, is contained in Appendix B to the report.

3.2.1 Proportion of justified complaints to total complaints on which a position was taken

As can be seen from Table 1 below, the lowest proportion of justified complaints among the five largest banks was recorded at First International Bank (16.7 percent) and Bank Leumi (18.0 percent). Bank Leumi has consistently presented a low proportion of justified complaints for several years now. For the past two years, a considerable decline in this proportion has been recorded at First International Bank, from 31.4 percent in 2010 and 25.8 percent in 2011 to 16.7 percent in 2012.

Table 1
Number of complaints and proportion of justified complaints, 2012

Bank	Complaints	Complaints on which a position was taken	Justified complaints	Proportion of justified complaints in 2012
Leumi	178	122	22	18.0 %
Hapoalim	275	207	55	26.6 %
Mizrahi-Tefahot	207	154	31	20.1 %
Discount	194	155	31	20.0 %
First International	63	48	8	16.7 %
Total	917	686	147	21.4 %⁸

⁷ The order in which the banks appear in the table is according to their rating in 2012, and within the rating, by alphabetical order.

⁸ The overall proportion of justified complaints (with a weighting all the banks) was 21.5 percent.

3.2.2 Ratio between the bank's share of justified complaints and its share of the banking system

The Banking Supervision Department published the ratio between a bank's share of justified complaints and its share of the banking system, with reference to the five largest banks. A low ratio can be regarded as indicating that the bank processes customers' complaints in an appropriate manner at its branches and at the department designated for dealing with these complaints. An analysis of the results presented in Table 2 below shows that Bank Leumi's share of justified complaints is considerably smaller than its share of the banking system, while Bank Discount's share of justified complaints is larger than its share of the system.

Table 2
Ratio between the bank's share of justified complaints and its share of the system according to the criterion of size in the system, 2012⁹

Bank	Share of justified complaints	Share in the system	Ratio between share of justified complaints and share in the system
Leumi	11.4 %	24.9 %	0.46
First International	4.1 %	5.5 %	0.75
Hapoalim	28.5 %	24.7 %	1.15
Mizrahi-Tefahot	16.1 %	13.7 %	1.17
Discount	16.1 %	11.2 %	1.44

3.2.3 Proportion of enquiries and complaints that were satisfactorily processed by the bank to the total number of enquiries and complaints addressed to the bank

When processing customers' complaints, the Banking Supervision Department also rates the manner in which the complaint was handled by the bank. The Banking Supervision Department takes the view that the manner in which enquiries and complaints which it refers to a bank are handled by that bank reflects the attitude which the bank adopts towards customers' enquiries and complaints as a whole and those that they received via the Banking Supervision Department in particular. This figure is also indicative of the importance which the bank attaches to the proper processing of customers' complaints. For this reason, the figure is weighted in the Banking Supervision Department's evaluation of the banking corporation.

On the basis of this criterion, the five largest banks presented a large proportion of complaints that were adequately processed. The proportion of satisfactorily processed complaints at Mizrahi-Tefahot Bank and First International Bank increased to some extent.

⁹ Total assets minus business credit, which is a relevant criterion for assessing the size of each bank's retail activity.

Table 3
Proportion of complaints that were adequately processed by the bank, 2012

Bank	Complaints addressed to the bank	Properly processed complaints	Enquiries and complaints processed particularly well	Enquiries and complaints poorly processed	Proportion of enquiries and complaints processed adequately and particularly well
Leumi	329	247	81	1	99.7 %
Hapoalim	422	329	84	9	97.9 %
Mizrahi-Tefahot	311	243	62	6	98.1 %
Discount First International	268	214	47	7	97.4 %
International	100	74	22	4	96.0 %
Total	1,430	1,107	296	27	98.1 %

3.2.4 Proportion of enquiries and complaints where the bank acted in the customer's favor even though they were not classified as justified

In certain cases, the banks express willingness to act in the customer's favor even if his complaint is not found to be justified. These cases are notable for the credibility shown for the customer's version despite the difficulty in proving it, deciding in favor of the customer for humanitarian reasons, and in some cases adopting a standard of fairness which is higher than required by law.

Table 4
Proportion of enquiries and complaints where the bank acted in the customer's favor even though they were not classified as justified

Bank	Enquiries and complaints submitted to the bank which were not classified as justified	Enquiries and complaints not classified as justified where the bank acted in the customers' favor	Total rebate to complainants in unjustified complaints (NIS)	Total rebate to complainants in all complaints (NIS)	Proportion of unjustified complaints to total complaints not classified as justified
Leumi	308	89	184,795	196,739	28.9 %
Hapoalim	368	117	324,188	365,434	31.8 %
Mizrahi-Tefahot	280	88	552,832	965,677	31.4 %
Discount	237	53	296,179	607,147	22.4 %
First International	92	35	30,611	181,006	38.0 %
Total	1,285	382	1,388,605	2,316,003	29.7 %

In 2012 the banking corporations showed greater willingness to solve disputes with their customers by acceding to their requests. The average proportion of such cases rose from 18 percent in 2010 and 25 percent in 2011 to 29.4 percent in 2012. At Bank Hapoalim, the proportion of complaints of this type increased from 25.5 percent in 2011 to 31.8 percent in 2012. At Mizrahi-Tefahot Bank, this proportion rose from 24.9 percent to 31.4 percent, and at First International Bank from 27.7 percent to 38 percent. This trend benefited the customers, and enabled disputes to be settled rapidly.

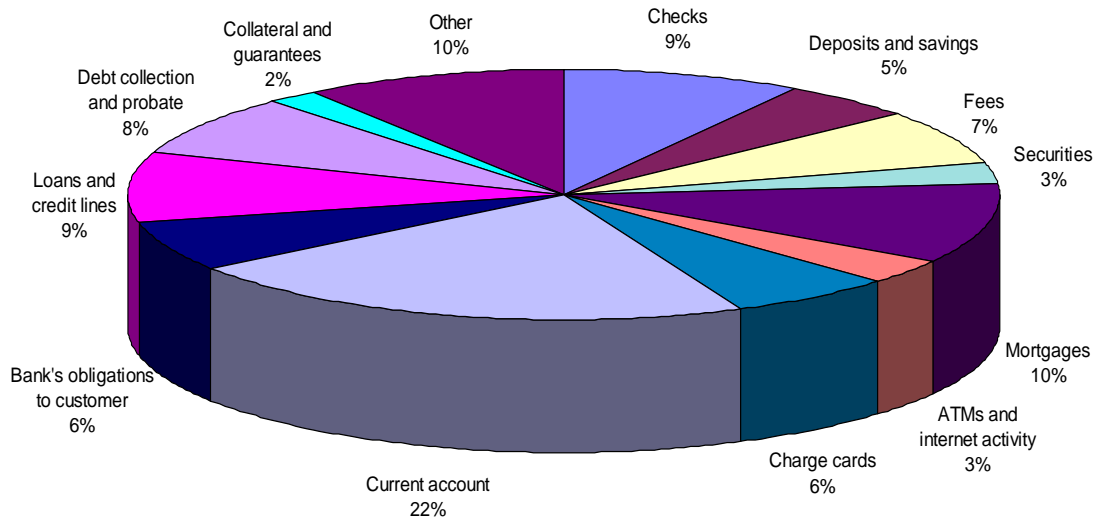
3.3 The subjects of complaints

The subject of most complaints was connected with a bank account (22 percent of all complaints). This is not surprising since numerous and diverse activities are conducted in a current account, which in itself can have diverse forms such as a joint account, a business account and a corporate account. Nevertheless, most complaints on the subject still concern the opening and closure of accounts.

In the 2011 report, a section was devoted to the subject of opening an account. The follow-up of action taken in this subject is described in Paragraph 4.10 below.

The proportion of complaints concerning mortgages declined, from 17 percent of total complaints in 2011 to 10 percent in 2012. The decrease is attributed to the Banking Supervision Department's extensive systemic activity in this matter, which includes the detection and correction of deficiencies, regulatory coverage and public relations. Most complaints regarding mortgages in 2012 concerned the refusal to grant a mortgage, insurance and early repayment.

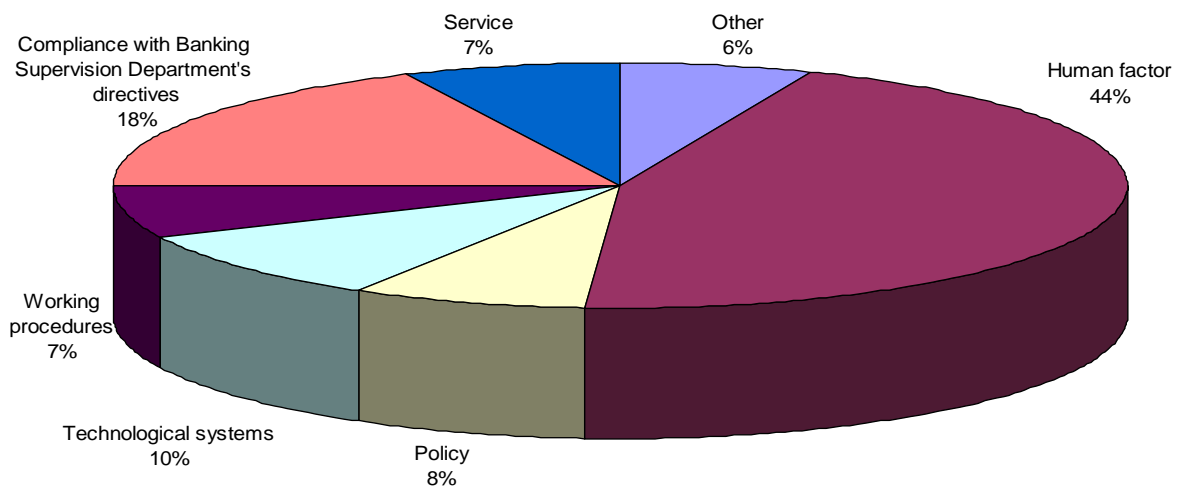
Figure 2
Distribution of complaints by subject, 2012



3.4 Nature of the deficiencies detected in the processing of the public's complaints

An analysis of the data shows that most deficiencies still derive from human errors by employees of the bank (44 percent of all justified complaints). Although some decrease is apparent in complaints indicative of a failure to comply with the directives of the Banking Supervision Department and of incorrect internal working procedures, the question of whether a consistent trend of decline is involved needs to be examined in the future.

Figure 3
Distribution of justified complaints by nature of the deficiency, 2012



4. Examples of complaints processed in 2012

Examples of specific complaints processed at the Banking Supervision Department, which we wish to bring to the attention of the public, are set out below.

4.1 Debt forgiveness under an arrangement

The Banking Supervision Department received a complaint from a customer who had experienced financial problems in the past and had difficulty repaying a loan to the bank. The customer did not refute his obligation, and endeavored to repay the debt by asking the bank to extend the repayment period for the debt and by selling his apartment in order to cover a substantial part of the debt. Under the final arrangement reached, the bank agreed to waive a certain part of the debt, which derived mainly from the accrual of interest in respect of repayment arrears. According to the claimant, arrears interest should never have been accrued in view of the repayment extension which he was granted and the steps which he took to repay the debt. The arrangement document signed by the bank and the customer includes a mutual waiver of complaints and lawsuits.

After many years, the customer approached the bank in order to obtain a loan in accordance with the arrangement existing at his place of work—the receipt of subsidized loans via the same bank (subject of course to the agreement of the bank). The bank replied that according to its records, he owed the bank NIS 70,000, and that receipt of the service would be dependent on repayment of this amount. When the complaint was investigated, the bank failed to provide documentation of the alleged debt.

The Banking Supervision Department informed the bank that when it compiles an arrangement with a customer which implies the forgiveness of a debt, it cannot come back and demand repayment of the debt that was forgiven as a condition for the granting of additional services, unless otherwise stated in an agreement. The Banking Supervision Department also explained to the bank that it is required to retain documents as evidence of a debt for as long as a debt appears in its databases.

It should, however, be remembered that a service involving the granting of credit is always subject to the bank's business considerations. As a rule, a customer's failure to fulfill his obligations in the past is a legitimate business consideration for refusing to grant credit. But as a result of our intervention in this specific case, in view of the lack of disclosure and the customer's willingness to repay the debt in the past, the time that had passed, and the special nature of the loan, the bank agreed to grant the loan to the customer.

4.2 Credit card activity by a minor

The parents of a minor complained that a debt had accrued in their son's account from activity in a credit card which the bank had issued to him. The parents claimed that the debt arose because of the bank's negligence.

Special reference has to be made to minors' accounts due to their limited legal competence under the Legal Competence and Guardianship Law, 5722–1962. The Supervisor of Banks therefore issued special guidelines to the banks concerning the processing of minors' accounts. These guidelines are detailed in Proper Conduct of Banking Business Directive Number 416 concerning "Minors' Accounts". This Directive refers to a number of matters, including: opening a minor's account, an overdraft in a minor's account and the issue of a charge card to a minor.

As regards the issue of a charge card, the Directive stipulates that a banking corporation may not issue a credit card to a minor who has not reached the age of 16. A credit card will only be issued to a minor with the prior written consent of his representative. A bank is permitted to issue a charge card that is not a credit card to a child who works. Notwithstanding the above, a bank may issue to a minor who has reached the age of 14 a card permitting the withdrawal of cash only, providing that a credit balance exists in the account. The Directive also allows a banking corporation, with the consent of the minor's representative, to issue to the minor a restricted charge card for conducting transactions in Israel alone for immediate debiting, and this only if a credit balance exists in the account, providing that the amount of daily transactions does not exceed NIS 400. When a minor exceeds an approved line of credit, the banking corporation must cancel the charge card.

In the case in question, a credit card was issued to a minor, and in contravention of the Directive's requirement, only the minor was present when the card was ordered. The line of credit approved for the card was NIS 500. The minor conducted transactions at amounts of less than NIS 200 and by the end of the very first month from the date of the card's issue the total amount of transactions conducted by means of the card exceeded the line of credit approved for the card by NIS 200. Despite this, the bank did not cancel the card. By the following month, an excess of over NIS 5,000 from the line approved for the card had accrued in the account. Although the branch reported that the card had been blocked, due to a malfunction the minor was not prevented from continuing to use the card and by the following month the excess from the card's approved line of credit had increased to NIS 6,800.

As stated, the issue of a credit card and an overdraft in the account of a minor require the consent of the minor's parents, which had not been given in this case. The bank had violated the Directive, both from the aspect of issuing a card without the consent of the minor's parents, and from the aspect of failing to block the card in order to prevent an excess from the approved line of credit. For this reason, the bank was not justified vis-à-vis the minor or his parents in demanding repayment of the amount exceeding the agreed line of credit. As a result of our intervention, the bank forgave the debt that had accrued in the minor's account.

4.3 Lawyer's warning letter

A customer claimed that the warning letters which he received from a bank's lawyer were letters in a standard format and were not signed by the lawyer whose name appears on them. The bank against which the complaint was made charges a fee of NIS 147 for letters of this type. In the complainant's opinion, these letters were actually sent without the lawyer's

knowledge and since they are of a standard format, charging such a large fee for them is unjustified.

An investigation of the complaint did indeed show that the lawyer's signatures does not appear on all of the lawyers' warning letters which the bank sends and for which it charges the fee, but only on some of them, in accordance with criteria determined by the bank.

We explained to the bank that a letter known as a "lawyer's warning letter" must be signed by the lawyer who sent the letter. This is whether the letter was sent by a lawyer who is an employee of the bank or by an external lawyer hired for the purpose, or if it was written specially or printed in a structured format that is issued by computer. By signing such a letter, the lawyer confirms that he has perused it and is responsible for its content, and that all aspects of its content conform to the provisions of every law.

The bank accepted our position, and changed the manner in which the letters are sent. The fees charged for the dispatch of lawyer's warning letters that were not signed by the lawyer were returned to the complainant. The Banking Supervision Department is monitoring the remedial action taken, and is examining whether the case has additional implications.

4.4 Check "to the beneficiary only"

The complainant purchased beds for his children from the E. Furniture and Design company¹⁰ by drawing a check "to the beneficiary only" in the amount of NIS 6,000 payable to the company. Because of financial difficulties, the company sent the check to its subsidiary, the E. Furniture and Processing Company, which deposited the check in its account. The complainant's bank honored the check, and refused the complainant's request to return the debit by claiming that the same supplier was involved.

A check bearing the wording "to the beneficiary only" can only be deposited in an account whose name exactly matches the name of the beneficiary appearing on the check. In the case in question, the bank mistakenly approved honoring the check at the subsidiary, apparently due to the similarity in the companies' names. Despite the similarity, two separate companies are involved. As a result of this complaint to the Public Enquiries Unit, the bank was required to credit the complainant with the amount of NIS 6,000 plus interest and indexation as required by law.

4.5 Loss or theft of a cashier's check

The customer purchased a cashier's check written "to the beneficiary only", in the amount of NIS 150,000 in order to use it to pay the seller of an apartment.

Because the customer lost the check, he asked the bank to cancel it and to repay him the amount of NIS 150,000 which he paid for it. The bank required that the entire amount of the

¹⁰ For reasons of confidentiality, the company's real name is not being used.

check remain with the bank for 7 years, until the lapse of the period in which the bank could be required by a court to pay the check.

A cashier's check is issued by a bank after the customer has paid the entire amount for it. From the time when the check is given to the customer, the bank is not responsible for the loss, theft or spoilage of the check. If a tradable check (a check not "to the beneficiary only") is involved, a risk exists that a lost or stolen check could be endorsed to a third party and even in the case of a check written "to the beneficiary only", there is some risk that it could be forged or presented to the bank by an imposter. Because of these risks, the banks follow the practice of requiring that the proceeds in respect of the check remain with them until the lapse of the period in which the bank is exposed to risk (usually 7 years).

Here is the place to warn customers that a cashier's check should be kept safely due to its being the equivalent of cash.

Despite the said risks, the Banking Supervision Department's position is that the bank cannot demand that it hold the entire amount of the proceeds, or a surety for the full amount, unreservedly, but must employ due discretion and adjust its requirements regarding both the amount and the period, to the extent of the risk and to the probability of its materialization.

In this case, in view of the fact that a check written "to the beneficiary only" was involved, the absence of negative information on the parties involved and other circumstances, the Banking Supervision Department required the bank to cancel the check without freezing the funds, and stipulated that it must make do with the beneficiary's letter of indemnity. A letter of indemnity is an obligation signed by the customer to pay the bank for any damage that will be caused to it as a result of the event. The beneficiary of the check was also required to confirm in writing that he had not received the check. The Banking Supervision Department's requirement is based on a bank's special obligations towards the customer in view of its nature as an organization serving the public and the principle of proportionality deriving from this.

4.6 Errors by a bank

The Banking Supervision Department has often been asked what should happen in the case of errors made by a bank. Is the bank permitted to correct them unilaterally? Is the customer entitled to benefit from them? We present below examples of cases that were submitted to us in the reporting year, which can answer some of these questions:

4.6.1 Redemption of a check in contravention of a cancellation instruction

The customer paid NIS 15,000 by check for furniture which he purchased from a supplier. He complained to the Banking Supervision Department that his bank honored the check even though he had given an instruction in good time to cancel it. After the bank had honored the check, the customer asked the bank to credit his account with the amount of the check. However, the bank decided not to accede to his request since it gained the impression that the customer had received goods in respect of the check.

This complaint was found to be justified because the bank was not entitled to honor the check and should have returned the check for the reason that "a cancellation instruction had been given" as instructed by the customer. Even if the check had been honored by mistake, the bank should have credited the customer following his initial request in the matter. It is not the role of the bank to provide an opinion on the question of whether or not the customer received proceeds for the check, in order to justify redemption of the check.

At the end of the investigation, the bank was ordered to credit the customer with the amount of the check plus interest and indexation as required by law. The Banking Supervision Department's position in cases such as this is that the bank must credit the customer but the bank is entitled to take action, including legal action, vis-à-vis the customer and the beneficiary of the check in order to determine who is obliged to repay the duplicate payment to the bank: If the customer did indeed receive proceeds for the check, the cancellation instruction cannot be construed as detracting from his obligation to pay the check, and he will have to repay the money to the bank. If the check was cancelled due to a failure regarding the proceeds, then the supplier will have to repay the amount of the check to the bank. The Banking Supervision Department's position is intended to prevent the customer from being out of pocket in the interim stage, until a decision is made as to which of the parties is obliged to pay the amount involved.

4.6.2 Error in an agreement to the detriment of the bank

The customer was extended a loan of NIS 320,000. According to the bank, a low rate of interest was erroneously recorded on the loan extension form—prime plus 1.65 percent—when an interest rate of prime plus 3 percent had actually been agreed upon. When a month had passed, the bank changed the interest rate to prime plus 3 percent. Despite the customer's request to do so, the bank refused to adjust the interest rate to the level stated in the agreement, claiming that the correct interest rate had been mentioned when the loan had been discussed and that the complainant knew a mistake was involved.

Following a complaint by the customer, the Banking Supervision Department determined that the bank is not entitled in such a case to unilaterally change the terms specified in the agreement. The written agreement summarizes and fully delineates the agreements between the parties and just as a bank is entitled to rely on terms that were embodied in writing, so can a customer rely on what is stated in an agreement. A party claiming that a mistake has been made in an agreement must present supporting evidence. In any event, the bank cannot act unilaterally unless this is with the agreement of the customer or the result of a court ruling.

In this case, adequate evidence was not presented for supporting the bank's claim that an interest rate of prime plus 3 percent had been agreed upon. Moreover, the bank acted unilaterally without any prior contact with the customer.

The bank was ordered to repay the customer the entire amount of the differentials, as if from the outset the loan had been extended at an interest rate of prime plus 1.65 percent.

The Banking Supervision Department's position is not to be construed as preventing the bank from petitioning a court of law and proving there that a mistake was involved.

4.6.3 Undercharging a customer due to an error

A customer complained that the bank charged his account NIS 633 more than the amount which he should have paid for a monthly loan repayment. Investigation of the complaint showed that because of a mistake made by the bank several years ago, the customer was not charged the amount of NIS 284. The bank stated that the previously mentioned amount charged consisted of principal plus interest accrued from the date of the error.

When a debt derives from an error by the bank, the Banking Supervision Department's position is that the bank cannot charge the customer with interest on the debt, and can only demand from the customer the principal of the debt plus indexation (until the time when it contacted the customer and gave him a detailed explanation of the debt). In addition, the bank can only charge the account after sending a detailed notification and showing due regard for the customer. The bank was ordered to credit the customer with the amount of interest that had been charged. Because of the mistake on its part, the bank decided in this case to credit the customer with the entire amount, including the principal of the debt.

4.7 Transfer of information to a company operating under the Credit Data Service Law

The Banking Supervision Department received a complaint from a customer who claimed that his bank sent negative information regarding the existence of a debt to companies that had received an information collection license¹¹, in violation of the Credit Data Service Law, 5762–2002. The provisions of the law specify that a bank may only transfer information regarding the existence of a debt after 60 days have elapsed from the date when a warning letter was sent concerning the intention to take action, and this only if during those 60 days the debt had not been repaid or a debt repayment arrangement had not been compiled. In this case, the customer had actually covered the debt within 22 days from the date of dispatch of the warning letter. The customer's complaint was found to be justified because the bank had transferred information on the existence of a debt in violation of the provisions of the law. Following the investigation, the bank corrected the mistaken item of information that was transferred, and was ordered to compensate the customer for the damage caused to him as a result of the transfer of mistaken information.

4.8 Delay in opening an account

The Banking Supervision Department received a complaint from a customer who claimed that the bank was delaying the adding of his fiancée as a partner in an account because the fiancée had an account at the parent bank in the same banking group, and the bank needed to obtain the parent bank's approval to open the account. Investigation showed that the complainant was

¹¹ BDI and D&B.

correct, and the bank did indeed delay the fiancée's addition on to the account until the receipt of approval as stated.

Following the complaint, the bank added the fiancée to the account immediately. In addition, the Banking Supervision Department explained to the bank its position that the bank is not entitled to send any kind of details on a customer to another bank, not even within the same banking group. Moreover, the banking group was ordered to refrain from any activity implying delay or any kind of hindrance to the transfer of activity between banks, due to concern that hindrances of this type could harm competition.

4.9 Conversion of a regular credit card to a revolving credit card

The Banking Supervision Department received a complaint from a customer that her husband had a regular charge card which, following a telephone conversation with the credit card company, was converted to a revolving credit card.¹² According to the complainant, her husband did not understand the nature of the change that had been made and the fact that he would be charged for "revolving credit" at an interest rate higher than that on most other credit alternatives. In her letter, the complainant described their difficult economic situation and the health problems from which her husband suffers.

The investigation, which included listening to a recording of the conversation between a representative of the company and the complainant's husband, showed that in this telephone conversation, the company's representative did not inform the customer of the specific rate of interest at which he would be charged for revolving credit, as he should have done.

At the end of the investigation, in view of the mistake made by the company's representative and the customer's personal circumstances, the credit card company credited the customer with the amount of interest payable that had accrued (NIS 2,800) and actually wrote-off for him half of the principal of the debt to the company (NIS 3,700).

4.10 Opening a current account

As stated in the previous report, during 2011 the Banking Supervision Department took action to implement principles of proper behavior on the part of the banking system in the opening of a current account with a credit balance, and to reduce the number of complaints on the subject. In its systemic processing of the matter, the Banking Supervision Department explained its position with respect to a variety of reasons for refusing to open an account, and brought its position to the attention of the general public in the report for 2011.

Most complaints concerning the refusal to open an account at a branch are processed in a suitable manner by the banks themselves. When problems occur at the branches, as sometimes

¹² With a revolving credit card, the customer is not automatically charged at the monthly debit date with the full amount of the transactions which he conducted, but only with a partial amount. The amount to be debited in the card can be determined in several ways. For example, the customer can choose a fixed monthly amount for payment or can call the company each month and say what amount should be charged in the card. In any event, the remaining balance of the amount is placed in a "basket" that is "rolled over" to the following month and accrues interest.

happens, customers are referred to the customer complaints departments at the banks' head offices in order for their complaints to be examined and a decision made. The Banking Supervision Department is now generally less involved than in the past.

However, we still receive complaints on the account-opening process and especially on the requirements which the banks present as a condition for opening an account, such as requirements deriving from the need for identifying the customer, declaration of beneficiary and questions which the bank asks as part of the Know Your Customer (KYC) process. Customers regard these requirements as troublesome and as intruding on their privacy.

These complaints are mostly found to be unjustified, and the Banking Supervision Department has to explain to the public that the requirements derive from directives relating to the prohibition on money laundering. Under these directives, stricter requirements have been imposed on the banks themselves with respect to the identification of customers and obtaining information from customers on the nature of the activity in an account.

5. Systemic issues

Complaints and enquiries help to detect and remedy systemic deficiencies in the banking system. The information obtained from complaints or from systemic deficiencies that were detected can be used to identify matters requiring regulatory coverage by the Banking Supervision Department and matters that need to be explained to the general public.

In 2012, investigations were made into 63 events in which a systemic deficiency was suspected. The Banking Supervision Department ordered the banks and the credit card companies to take such measures as: specifying or amending working procedures, improving processes or service, improving technological systems, and repaying money to groups of customers. The Banking Supervision Department monitors the action taken to remedy the deficiencies, and ascertains that all of its requirements are fulfilled.

Examples of systemic deficiencies that were processed are set out below:

5.1 Early repayment of a mortgage

Following the processing of numerous deficiencies that were detected at Mizrahi-Tefahot Bank concerning early repayment of a mortgage, which were reported in the report for 2011, the bank took a series of measures that were aimed at preventing a recurrence of similar failings in the future. These measures included: amending working procedures, updating systems and adjusting them to the requirements of the Banking Supervision Department, improvement of work processes at the branch, amendment of documents and forms, monitoring the charging of fees, and employee instruction. The bank was also required to detect customers' accounts in which damage may have been caused due to violation of the Banking Supervision Department's directives, and to compensate for any such damage caused. The Banking Supervision Department is monitoring the completion of this process.

Due to the deficiencies that were detected in the processing of customers' complaints, an audit on early repayment was conducted at the bank. As a result of this audit, the bank repaid customers a total amount of NIS 177,000 for damages caused by faulty settlement.¹³

The number of justified complaints on this subject decreased considerably during 2012, due *inter alia* to these processes and as detailed in Paragraph 2 below.

5.2 Failure to grant benefits to soldiers and those in national service due to a technological system malfunction

Investigation of complaints against Bank Hapoalim showed that due to a limitation in the bank's systems, accounts of soldiers and those in national service were not identified as accounts that are eligible to "soldier" benefits. As a result, the bank charged these accounts with higher than necessary fees and interest rates. The bank is locating accounts in which such benefits were not granted, and will then credit these accounts with the appropriate amounts. The Banking Supervision Department is monitoring the completion of the process of locating the accounts.

5.3 Debiting of an account opened solely for the purpose of issuing a bank guarantee with current account fees

Investigation of a complaint against Bank Leumi showed that the bank charged current account fees on an account that was opened for the purpose of placing a deposit used for the issue of a bank guarantee as surety in the transfer of a mortgage. No activity was conducted in the current account in question. The bank acted in contravention of the Banking Supervision Department's directives stipulating that an account in which no activity is carried out and whose purpose is management of a loan or deposit only is to be defined as a "proceeds" account—an account that is not charged with current account fees. The bank is in the process of locating accounts that were opened for the purpose of issuing a guarantee as stated, and will then credit these accounts with the amounts of the fees that were charged. The Banking Supervision Department is monitoring the completion of the process.

5.4 Charging of a fee for lawyer's warning letter

Investigation of a complaint showed that Bank Hapoalim charged a fee for a lawyer's warning letter before the letter had been sent. This was in accordance with a working procedure that was supported by the bank's systems, whereby the charge was made before dispatch of the letter. From complaints which we received it transpired that the customer was sometimes debited with a fee even though the letter had not been sent at all. The bank amended the procedure and its technological systems. As from January 1, 2013, the fee was charged only after a letter had been sent. In addition, the bank was ordered to locate accounts in which a fee may have been charged in contravention of the position of the Banking Supervision Department, and to ensure that these accounts were credited accordingly.

¹³ The audit was conducted by the Banking Supervision Department's On-Site Division.

5.5 Charging a conversion fee in Internet transactions with a business located in Israel

Last year a number of complaints were received from customers holding a charge card issued by Cal (Cartisey Ashari Le'Yisrael)–Israel Credit Cards, who alleged that the company debited their accounts with a currency conversion fee for a transaction that was conducted in local currency via the Internet with a business located in Israel.

Following an examination of the matter in the Banking Supervision Department, a decision was made that the banks will not be permitted to charge a currency conversion fee in these circumstances. This position was expressed by an amendment to the Banking Regulations (Customer Service) (Fees), 5768–2008, which governs the list of services for which the banks are permitted to charge a fee from their customers.¹⁴ The reason for the amendment was concern that a customer who orders a product via the Internet from a business located in Israel may not be aware that apart from the amount of the transaction, his account might be charged with a conversion fee as well, such as would be charged were he to conduct a transaction abroad. In view of the large amount of transactions of this type, the need arose to increase the transparency of the terms for conducting such transactions.

5.6 Disclosure of interest benefits in a deposit placed via the Internet

Following a number of complaints against Bank Discount, it was found that when a deposit is placed via the bank's website, the interest rate on the deposit is not presented in the deposit document separately from the benefit rate, and only interest tables are presented. As the result of intervention by the Banking Supervision Department, the bank will adjust the Internet site in order to conform to the Banking Supervision Department's requirement that the benefit rate be presented separately in the deposit document.

5.7 Mistaken calculation of interest on an overnight deposit placed via the Internet

A customer of Israel Discount Bank who had placed money in an overnight deposit via the bank's website due to an offer of an interest rate benefit for deposits of this type, found that he did not receive the interest benefit. The mistake derived from a failure in the bank's systems, which classified the deposit not as one that was made via the Internet, but as a deposit made at a branch. After the mistake was revealed as a result of the processing of the complaint, the bank adjusted its systems, located the deposits affected by the malfunction and credited customers with differentials totaling NIS 29,000. The Banking Supervision Department is continuing to deal with the additional implications of the malfunction and is monitoring the action taken to remedy it.

5.8 Overcharging of a fee for a deposit or payment of a coupon via a service box

Investigation of the complaint showed that Israel Discount Bank charged a customer with a fee for a transaction conducted by a teller, when a deposit was actually placed or a coupon paid via a service box, instead of charging a lower fee for a customer-executed transaction as required under the Banking Regulations (Customer Service) (Fees), 5768–2008. The bank paid a rebate

¹⁴ An amendment that went into effect on 1.1.2013 stipulated that a currency conversion fee cannot be charged for a transaction conducted in local currency with a business located in Israel.

totaling NIS 9,500 to customers who had been overcharged in this respect. The Banking Supervision Department is continuing to monitor the remedial action taken.

5.9 Issue of a credit card not requested by the customer

A complaint revealed that a branch of Mizrahi-Tefahot Bank specializing in services for purchase groups issued credit cards to members of a group without their agreement and when the cards had not been requested, in contravention of the Banking Supervision Department's directives. The bank attributed the fault to the fact that since the members of the purchase group are not in constant contact with the bank, the bank has no other opportunity to offer them its services. Notwithstanding this explanation, the bank was ordered to comply with the directives and to issue charge cards to customers only after receiving an explicit request from them.

5.10 Attachment of bank accounts of senior citizens and Holocaust survivors

At a meeting of the Knesset Economics Committee in July 2011, representatives of the Ministry of Senior Citizens Affairs claimed that they had been informed of cases of attachment or offset of money deposited in bank accounts that were protected under the law from attachment or offset, including restitutions for those persecuted by the Nazis.

Even though we were not informed of specific cases of the attachment of restitutions deposits in contravention of the law, in view of the importance of the matter the Banking Supervision Department contacted the banks in order to ascertain that they are acting in accordance with all the laws providing protection from attachment and offset of restitutions and allowances transferred to the bank accounts of those eligible.

The banks confirmed to the Banking Supervision Department that they ensure their activity is carried out in accordance with the relevant laws. At some of the banks, procedures were revised or updated in order to include in them all the provisions of the relevant laws.

During 2012 the Banking Supervision Department did not receive justified complaints concerning the illegal attachment or offset of allowances or restitutions for those persecuted by the Nazis.

5.11 Exemption from exchange rate differentials fee for restitutions recipients

On September 18, 2011, Israel Discount Bank announced that it intends to confer an exemption from an exchange rate differentials fee on foreign currency cash withdrawals from an account in which restitutions paid as compensation from the German government or the Claims Council are deposited. Investigation of a complaint showed that despite its announcement, the bank had charged recipients of restitutions for those persecuted by the Nazis with this fee because its systems had not been updated with the conferral of the exemption. The bank paid a rebate totaling NIS 27,500 to customers who were overcharged up to the time when the bank's systems were adjusted on October 25, 2011.

Appendix A – Explanation of the system for rating the banking corporations

Since 2010, the Public Enquiries Unit in the Bank–Customer Relations Division of the Banking Supervision Department has rated the five largest banks in Israel and the five banking groups on the manner in which they treat their customers.

The principle purpose of the rating system is to evaluate the quality of the treatment of customers and their complaints, as reflected in the enquiries and the complaints processed by the Banking Supervision Department, from the aspects of service, compliance with consumer regulations, the Supervisor of Banks' directives and the assimilation of standards of fairness which form the basis for proper bank-customer relations.

Banks are rated with respect to their treatment of customers by weighting four criteria:

- a. The proportion of justified complaints within the total number of complaints against a bank on which a position was taken.
- b. The ratio between the bank's share of justified complaints and its share in the banking system.
- c. The proportion of enquiries and complaints dealt with in a satisfactory manner by the bank within the total number of enquiries and complaints submitted to the bank by the Unit;
- d. The proportion of enquiries and complaints in which the bank accepted the customer's claim even though these were not classified as justified by the Unit.

Until 2010, the Banking Supervision Department evaluated the banks solely on the basis of the proportion of justified complaints (criterion a.). Following a re-examination of the matter, it was decided to base the evaluation on other relevant data as well.

A brief explanation of each of the criteria and the manner in which the evaluation is made is set out below:

a. Proportion of justified complaints within the total number of complaints against the bank on which a position was taken

The weighting of this criterion in the overall evaluation is 30 percent.

Calculation of the criterion: The number of complaints against the bank in question found to be justified in 2010, divided by the total number of complaints against that bank on which a position was taken (either justified or unjustified).

M = number of complaints against the bank the processing of which was completed in the reporting year and that were found to be justified.

E = number of complaints against that bank the processing of which was completed in the reporting year and on which a position was taken (either justified or unjustified).

$$P1 = M / E$$

b. The ratio of the bank's share of total justified complaints to its share in the banking system

The weighting of this criterion in the overall evaluation is 30 percent.

Calculation of the criterion: The ratio of the number of complaints against the bank in question, the processing of which was completed in the reporting year and that were found to be justified, to the total number of complaints against all the banks found to be justified in the reporting year, divided by the ratio of the bank's total assets (minus business credit)¹⁵ to the banking system's total assets (minus business credit).

M = number of complaints against that bank, the processing of which was completed in the reporting year and that were found to be justified.

ΣM = total complaints against all the banks, the processing of which was completed in the reporting year and that were found to be justified.

A = Total assets of the bank minus business credit as at the end of the reporting year.

ΣA = Total assets of the banking system minus business credit as at the end of the reporting year.

$$P2 = (M/\Sigma M) / (A/\Sigma A)$$

A ratio of less than 1 implies that the bank's share of total justified complaints (against all the banks) is lower than its share in the banking system (retail and commercial banking).

- c. **Proportion of complaints and enquiries processed satisfactorily by the bank within the total number of complaints and enquiries regarding which the bank was contacted by the Public Enquiries Unit at the Banking Supervision Department.**

The weighting of this criterion in the overall evaluation is 20 percent.

Calculation of the criterion: Number of complaints and enquiries, the processing of which was completed in the reporting year in a satisfactory manner by the bank in question¹⁶, divided by the total complaints and enquiries, the processing of which was completed in the reporting year and regarding which the bank was contacted by the Unit.

T = number of complaints and enquiries, the processing of which was completed in the reporting year in a satisfactory manner by the bank in question.

B = Number of complaints and enquiries, the processing of which was completed in the reporting year and regarding which the bank was contacted by the Unit.

$$P3 = T / B$$

- d. **The proportion of complaints and enquiries in which the bank acted in the customer's favor even though the Unit did not classify them as justified**

The weighting of this criterion in the overall evaluation is 20 percent.

In view of the nature of this criterion (which reflects an act of good will), the scores "needs improvement" or "deficient" were not used in the evaluation.

¹⁵ Business credit is credit to business corporations and, for the purpose of this calculation, it is deducted from the total assets of the bank (and the banking system) because this segment of activity is less relevant for evaluating the bank's processing of the vast majority of its customers and for the purpose of evaluating the processing of the public's complaints. The data were taken from reports published at the end of the third quarter of 2012.

¹⁶ As distinct from complaints and enquiries which the bank in question processed in an unsatisfactory manner.

Calculation of the criterion: Number of complaints and enquiries, the processing of which was completed in the reporting year and in respect of which the bank acted in the customer's favor even though the Unit did not classify them as justified, divided by total complaints and enquiries, the processing of which was completed in the reporting year, regarding which the Unit contacted the bank, minus complaints that were found to be justified.

L = Number of complaints and enquiries, the processing of which was completed in the reporting year and in respect of which the bank acted in the customer's favor even though the Unit did not classify them as justified.

B = Number of complaints and enquiries, the processing of which was completed in the reporting year and regarding which the bank was contacted by the Unit.

M = Number of complaints against that bank, the processing of which was completed in the reporting year and which were found to be justified.

$$P4 = L / (B - M)$$

Each criterion (P1, P2, P3 and P4) was assigned a numerical score on the basis of an evaluation scale determined by the Banking Supervision Department.

The overall rating was calculated as follows:

$$G = 0.3*P1 + 0.3*P2 + 0.2*P3 + 0.2*P4$$

A verbal evaluation was determined for each numerical score as follows: particularly good, good, adequate, needs improvement, needs significant improvement and deficient. The overall evaluation of the bank from the aspect of customer relations, as reflected from investigation of the public's complaints, is published in a verbal format only.

Appendix B – Data on the entire banking system

Table 5

Number of complaints and proportion of justified complaints in the banking system¹⁷, 2012

Banking corporation	Complaints out of total complaints	Complaints on which a position was taken	Number of justified complaints	Proportion of justified complaints to those on which a position was taken
Bank Yahav	43	32	9	
Bank Leumi Le-Israel	178	122	22	18.0 %
Israel Discount Bank	194	155	31	20.0 %
Bank Hapoalim	275	207	55	26.6 %
Union Bank of Israel	32	24	5	
Bank Otsar Hahayal	43	27	3	
Mercantile Discount Bank	28	15	5	
Mizrahi-Tefahot Bank	207	154	31	20.1 %
U-Bank	0	0	0	None
First International Bank of Israel	63	48	8	16.7 %
Arab Israel Bank	6	5	2	
Bank Massad	8	3	1	
Cal (Cartisey Ashari Le'Yisrael)-Israel Credit Cards	33	22	4	
Bank Poalei Agudat Israel	11	8	1	
Bank of Jerusalem	20	14	5	
Leumi Mortgage Bank	30	21	3	
Leumi Card	12	8	1	
Isracard	34	27	7	
Diners Club Israel	2	2	0	
Total	1,253	898	193	21.5 %

¹⁷ The proportion of justified complaints against banking corporations against where the number of complaints was less than 40 was not detailed in the report. The same applies to the other tables in Appendix B.

Table 6
Proportion of requests and complaints that were processed satisfactorily by the bank, 2012

Banking corporation	Number of complaints referred to corporation	Number of complaints processed satisfactorily	Number of complaints processed particularly well	Number of complaints processed unsatisfactorily	Proportion of complaints processed satisfactorily and particularly well
Bank Yahav	80	53	19	8	90.0 %
Bank Leumi Le-Israel	329	247	81	1	99.7 %
Israel Discount Bank	268	214	47	7	97.4 %
Bank Hapoalim	422	329	84	9	97.9 %
Union Bank of Israel	41	33	8	0	100.0 %
Bank Otsar Hahayal	66	55	11	0	100.0 %
Mercantile Discount Bank	56	38	18	0	100.0 %
Mizrahi-Tefahot Bank	311	243	62	6	98.1 %
U-Bank	1	1	0	0	
First International Bank of Israel	100	74	22	4	96.0 %
Arab Israel Bank	18	9	5	4	
Bank Massad	15	9	4	2	
Cal (Cartisey Ashari Le'Yisrael)-Israel Credit Cards	46	45	1	0	100.0 %
Bank Poalei Agudat Israel	16	14	2	0	
Bank of Jerusalem	33	22	2	9	
Leumi Mortgage Bank	48	36	10	2	95.8 %
Leumi Card	19	17	1	1	
Isracard	51	47	1	3	94.1 %
Diners Club Israel	2	1	1	0	
General – no bank affiliation	1	1	0	0	
Total	1923	1488	379	56	97.1 %

Table 7

Proportion of requests and complaints that were processed *ex gratia* even though they were not classified as justified, 2012

Banking corporation	Total complaints not classified as justified and referred to corporation	Complaints where corporation acted in customer's favor even though not classified as justified (unjustified complains)	Total rebate to customers with unjustified complaints (NIS)	Total rebate to all complainants (NIS)	Proportion of complaints processed <i>ex gratia</i> to total complaints referred to bank and not classified as justified
Bank Yahav	71	24	11,850	12,277	33.8 %
Bank Leumi Le-Israel	308	89	184,795	196,739	28.9 %
Israel Discount Bank	237	53	296,179	607,147	22.4 %
Bank Hapoalim	368	117	324,188	365,434	31.8 %
Union Bank of Israel	36	10	2,494	2,817	27.8 %
Bank Otsar Hahayal	63	10	225	16,922	15.9 %
Mercantile Discount Bank	51	22	8,200	9,827	43.1 %
Mizrahi-Tefahot Bank	280	88	552,832	965,677	31.4 %
U-Bank	1	0	-	-	0.0 %
First International Bank of Israel	92	35	30,611	181,006	38.0 %
Arab Israel Bank	16	5	-	-	31.3 %
Bank Massad	14	5	-	-	35.7 %
Cal (Cartisey Ashari Le'Yisrael)-Israel Credit ards	42	16	13,742	14,306	38.1 %
Bank Poalei Agudat Israel	15	2	200	200	13.3 %
Bank of Jerusalem	28	6	-	8,754	21.4 %
Leumi Mortgage Bank	45	9	60,734	61,644	20.0 %
Leumi Card	18	3	4,077	4,077	16.7 %
Isracard	44	15	1,970	2,061	34.1 %
Diners Club Israel	2	1	300	300	50.0 %
Total	1732	510	1,492,397	2,449,188	29.4 %