

May 29, 2022

Our firm represented Mercantile Discount Bank in a class-action application claiming that the Bank unlawfully requires its borrowers to make a cash deposit as collateral for a loan, using a "fictitious procedure" and conditioning this service with additional services provided by the bank.

News

Our firm represented **Mercantile Discount Bank** in a class-action application filed in the District Court arguing claiming that the Bank requires its borrowers of loans that were given as part of small- and medium-sized business loans (guaranteed by the State of Israel) to provide a cash deposit as collateral for these loans, using a "fictitious procedure" and conditioning this service with additional services provided by the bank. **The court accepted the Bank's position and rejected the class action application** since the applicant did not provide any evidentiary basis to support its claims. It was further determined that since the loans are approved by a credit committee, the majority of whose members are representatives of the State of Israel, no claims can be made against the Bank regarding conditioning its service with additional services of the bank.

Mercantile Discount Bank was represented by Partner **Maya Sabari**, together with Associate **Shir Besser** and Intern **Almog Alush**.

Key Contacts



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