

One big bank: concentration, competition and the domestic market

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The reform debate has concentrated on UBS as a global bank. For many Swiss companies, households and pension funds, however, the more immediate consequence of the Credit Suisse collapse was the disappearance of a domestic competitor. The legal integration proceeded quickly. UBS AG and Credit Suisse AG merged on 31 May 2024. On 1 July 2024 UBS Switzerland AG absorbed Credit Suisse (Schweiz) AG, the domestic bank that had been discussed for a time as a candidate for a spin-off or a separate listing. Clients of the Swiss bank became clients of UBS Switzerland AG, with the migration of most Swiss client relationships to UBS platforms planned for 2025.¹

The competition authorities were not able to review the merger in the usual way. Under the Cartel Act, FINMA can take the place of the Competition Commission (COMCO, German WEKO) in the case of bank mergers that are necessary for reasons of creditor protection. The Competition Commission merely delivers an opinion. In its opinion of 25 September 2023, the commission identified indications of competitive concerns in several markets: retail banking in Switzerland, the mortgage market in the canton of Geneva, private banking, asset management including institutional services and global custody, and corporate banking, in particular lending to large companies and companies with specific requirements. It recommended a thorough examination and, where necessary, conditions to protect competition.²

On 19 June 2024 FINMA concluded that the merger did not hinder effective competition in any market segment and that conditions would therefore be disproportionate. Responsibility for monitoring prices, fees and margins in the banking sector returned to the Competition Commission. FINMA added that competition could be strengthened by facilitating the market entry of foreign banks.³ The business federation

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economiesuisse welcomed the decision and pointed out that international banks were already expanding their presence in Switzerland to fill the gap left by Credit Suisse, while describing the finding as a snapshot that would need to be revisited if competition faltered.⁴

The Federal Council returned to the question in a report of 12 December 2025, answering a postulate of the Economic Affairs and Taxation Committee of the National Council of April 2023. It found no widespread negative effects on competition. It acknowledged, however, that some companies and pension funds had reported higher prices and restricted availability in corporate lending, syndicated financing and global custody. The Federal Council considered the existing instruments of competition policy to be generally effective. It proposed targeted adjustments to the procedure for merger control where FINMA replaces the Competition Commission and rejected the introduction of sector investigations.⁵

The domestic structure of Swiss banking softens the effects of concentration. The cantonal banks, led in Zurich by the Zürcher Kantonalbank, the Raiffeisen group, PostFinance, regional banks and a large number of private and foreign banks together account for a substantial share of the Swiss market. In its report on the merger, the Federal Council found that competition had remained strong after the merger, in particular the competition exerted by the cantonal banks, the Raiffeisen group, PostFinance and foreign banks.⁶ Companies that had banked with both UBS and Credit Suisse lost one of their two relationships at a stroke, which gave other banks an opportunity to win mandates. For large companies with international needs, the situation is different. In syndicated lending, trade finance, capital-markets services and global custody, UBS now has no Swiss competitor of comparable size. Foreign banks, cantonal banks and specialised institutions have entered or expanded in these segments, but the loss of a second Swiss bank with a global network is felt.

For the reform, the one-big-bank structure has a double significance. It explains why the capital debate is so intense: the rules apply in practice to a single institution whose owners, managers and employees have a direct interest in the outcome. It also explains why the authorities regard the stakes as so high: if the one remaining global bank were to fail, there would be no domestic buyer and no scope for a merger solution. The reforms therefore aim at a bank that can be resolved, or better still recover, without the state. Whether that aim is realistic for a bank of the size of UBS remains the underlying question of the whole debate.

The debate also touches the question of what the Zurich financial centre should be. One vision sees Zurich as the home of a global champion whose scale and reach give the centre international relevance, justify its infrastructure and attract talent. Another vision sees Zurich as a diverse centre of wealth management, insurance, asset management, cantonal banking and fintech, for which the presence of a global investment bank is useful without being indispensable. The reforms after Credit Suisse do not decide between these visions. They set the price at which the first remains possible.

1 Notes

1. UBS, “UBS completes merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG”, 1 July 2024, <https://www.ubs.com/global/en/media/display-page-ndp/en-20240701-sbm.html>. ↩
2. Competition Commission (WEKO), opinion to FINMA on the UBS/Credit Suisse merger, 25 September 2023, published version hosted by FINMA, <https://www.finma.ch/de/~media/finma/dokumente/dokumentencenter/8news/medienmitteilungen/2024/06/20240619-stellungnahme-an-die-finma-publikationsversion.pdf>. The opinion was issued under Article 10(3) of the Cartel Act. ↩
3. SRF, “Übernahme der CS durch die UBS – Finma: Keine Auflagen für die UBS nötig”, 19 June 2024, <https://www.srf.ch/news/wirtschaft/uebernahme-der-cs-durch-die-ubs-finma-keine-auflagen-fuer-die-ubs-noetig>. ↩
4. economiesuisse, “FINMA-Bericht: Der Wettbewerb funktioniert”, 2024, <https://www.economiesuisse.ch/de/artikel/finma-bericht-der-wettbewerb-funktioniert>. ↩
5. Federal Council, press release “Zusammenschluss von UBS und CS: Bericht zur volkswirtschaftlichen und wettbewerbsrechtlichen Bedeutung”, 12 December 2025, https://www.admin.ch/de/newnsb/csSoRw4ueJl6oR_qGwosl. The report answers postulate 23.3444. ↩

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6. Federal Council, “Fusion UBS-CS. Évaluation de l’importance du point de vue du droit de la concurrence et de l’économie nationale”, report in response to postulate 23.3444 of 12 December 2025, French version,
<https://cdbf.ch/wp-content/uploads/2025/12/beilage01berichtzusammenchlussvonubsundcsbeurteilungderwettbewerbsrechtlichenundvolkswirtschaftlichenbedeutung-fr.pdf>, summary: “la concurrence est restée forte après la fusion, en particulier celle qui est exercée par les banques cantonales, le groupe Raiffeisen, PostFinance ou encore les banques étrangères.” ↩

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