



## Thomas Fedier: «We Need More Swiss 'Fingertip' Feeling»

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Thomas Fedier

**Banks have gotten used to mistreating their customers in a surprisingly short time. It isn't surprising that they are less than pleased about it. And it doesn't amount to a sustainable business model, says Thomas Fedier in an exclusive essay for *finews.first*.**

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**Customers without a Swiss fiscal domicile** aren't to be envied. They can just about withdraw some pocket money, but in really no cash worth speaking of. They also essentially can't execute payments. If at all, only after cumbersome and painstaking checks. They also have to provide tons of documents and naturally sign page after page at bottom right.

When they opened their bank account, that's hardly how they imagined the service-minded, unbureaucratic, efficient and discrete Switzerland. And they will take little

solace from the following, frequently used qualification: «Previously, there were no same-sex marriages either. Everything changes.»

It is undoubtedly true that conditions have changed in general – what with the big wave of regulation that swept across the continent. But the question remains whether the regulatory authorities are seriously looking for efficient solutions with the necessary intellectual effort.

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**«A multiplication of anything with zero always yields a zero.»**

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What we get from Bern nowadays displays a lack of maturity starting on the linguistic level. At any rate they don't measure up to the previous standard of submissions presented by well-versed top civil servants. They performed an important contribution to maintaining the quality of Switzerland's economy with their submissions, though-out and formulated to the point as they were.

The current trend to kick customers out prophylactically out of fear of the regulator and his ambiguous conditions or at least to systematically harass them cannot seriously be a sustainable business model for the Swiss financial market. A multiplication of anything with zero always yields a zero. A country cannot make a living out of a zero.

Wealth managers display a tendency to moan and to reminisce about better times, trapped as they are between fintech and regulator – and under the pressure of high costs.

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**«The better times won't come back.»**

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It has long been evident that the better times won't come back. But while banks are slightly offhanded in their way of mistreating their customers, convinced as they are that for assets there is no real alternative to Switzerland, wealth managers have to face the competition and have something to offer.

I'm convinced that we won't be measured by the amount of paperwork that we ask our customers to sign. I equally do not believe that customers wish a do-it-yourself instruction to wealth management. Fintech can go wrong, particularly in times of trade-driven markets such as the one we witness at the moment.

According to my estimates, customers want what the big institutes haven't been providing for quite some time, ever since they separated asset management and client relations. And also since salaries have been linked to revenue generated. They want

expertise and sophisticated partners with a vision and with a view of the world which distinguishes itself from the trivial level of daily news.

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***«The ability to learn at the big institutes is strictly limited – very much like in Bern.»***

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What it means to defend the past at all cost has been proven by the bumpy ride experienced in the handling of the dormant accounts. But the way in which the banking secrecy was done away with shows however that the ability to learn at the big institutes is strictly limited – very much like in Bern.

It is more important than ever to look ahead and to instill a long-term perspective. And it is no less important to generate a post-tax performance even in difficult circumstances. This means devoting more attention to the portfolio than many are used to. And it demands a keen tactical sense. As it has to be when markets remain without a clear direction with strong swings.

The times are over when it was enough to invest client assets in franc-denominated bonds or money-market instruments safe in the trust of a stable franc in an inflationary European environment.

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***«The big asset management clusters ought to provide excellent conditions.»***

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And those times aren't likely to return in the foreseeable future. Even the biggest teardrops wasted by the large banks over fees they have to pay to the central bank for their deposits instead of getting interest won't change that. It doesn't help and isn't a measure of a well-thought-out business strategy.

Looking forward entails taking stock with a critical eye. What are we good at? How good are we? (Not least in the category of holding hands as a great banker from Zurich once wanted to know from his staff.)

It is also necessary to evaluate what is possible. For instance a more intensive cooperation with depositories across the borders or the construction of an own platform for services required by asset managers.

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***«Intense competition generally leads to an excellent performance.»***

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The big asset management clusters in Geneva and Zurich – but also in Lugano – ought to provide excellent conditions to generate top performances at an internationally superior level.

Intense competition generally leads to an excellent performance. Building on this cluster would no doubt be in the interest of the country.

Currently a lot would be won if Bern was a little less ambitious in its quest to turn the Swiss Confederation into a Soviet Confederation. From the terrible language, which used to be the exclusive domain of communist party functionaries, to the show trials against presumed sinners as witnessed most recently.

It is time to display a better sense of proportion and a return to what in Switzerland is called «fingertip feeling», or an intuitive flair or instinct for the appropriate response.

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**Thomas Fedier** is partner and Chief Executive of *VT Wealth Management*, an independent wealth manager based in Zurich.

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*Previous contributions: Rudi Boggi, Adriano B. Lucatelli, Peter Kurer (twice), Oliver Berger, Rolf Banz, Dieter Ruloff, Samuel Gerber, Werner Vogt, Claude Baumann, Walter Wittmann, Albert Steck, Alfred Mettler, Peter Hody, Robert Holzach, Thorsten Polleit, Craig Murray, David Zollinger, Arthur Bolliger and Beat Kappeler, Chris Rowe, Stefan Gerlach, Marc Lussy, Samuel Gerber and Nuno Fernandes.*

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