

## UBS Derivatives Scandal: Legal Storm Brewing

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**After UBS quietly offered goodwill payments to some clients burned by dollar derivatives, a much bigger battle is unfolding. A wave of legal action is now taking shape, with investors preparing lawsuits and prosecutors reviewing complaints, signaling that the controversy is far from over.**

On Tuesday, the [«Financial Times»](#) revealed that UBS had made goodwill payments to select clients who suffered heavy losses from dollar-based derivatives. But the issue is far from settled. According to a separate report by [«Neue Zürcher Zeitung»](#) (NZZ, *article behind paywall*), the Swiss bank still faces significant headwinds.

In Switzerland alone, several hundred clients are believed to be affected. Insider sources say negotiations for further goodwill payments are still ongoing, but tensions are rising as trust erodes.

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### Legal Action on the Horizon

Now, the dispute is heading into legal territory. The Zurich public prosecutor has received multiple criminal complaints alleging breaches of the Unfair Competition Act. Filed against unknown parties, these complaints are currently under preliminary review, a spokesperson confirmed to the «NZZ».

Simultaneously, three law firms are reportedly gearing up for civil litigation on behalf of disgruntled private investors, a clear sign that the fight is escalating.

### Matter Is Just Beginning

«The bank is acting as if the matter is nearly resolved, when in fact it is just beginning,» said **Dominik Elmiger** of the Geneva-based law firm Lalive. Elmiger represents several UBS clients and claims that most of the victims are elderly private investors now facing potentially devastating financial losses.

Some of these clients have seen paper losses soar into the millions, sums that would materialize upon selling the structured products. Many have received no settlement offers and fear they may be left holding the bag.

### Lawsuits as Leverage

This looming legal pressure, Elmiger suggests, could force UBS back to the table. «If UBS's negotiations with clients are not successful, the clients will have to pursue the matter in court,» he noted. Even the threat of court action may serve as critical leverage.

At the heart of the controversy is the allegation that UBS and its advisors failed to clearly communicate the risks associated with the complex financial products, particularly the threat of significant losses and margin calls.

### More Than a Financial Dispute

The fallout is rapidly evolving from a private financial loss into a potential legal and reputational crisis for Switzerland's largest bank. For affected clients, the battle is personal. For UBS, it may become a defining moment in its post-Credit Suisse integration era.