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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

July 22, 2025

Robin Vince
Chief Executive Officer
Bank of New York Mellon
240 Greenwich Street
New York, NY 10286

Dear Mr. Vince:

I am writing regarding recent reports that the Bank of New York Mellon Corp. (“BNY”) is considering an acquisition of one of its primary competitors, Northern Trust.¹ A combination of this scale appears to be “presumptively illegal,” raising serious antitrust concerns and presenting risks to financial stability given the firms’ dominance in important markets that serve as the plumbing of the financial system.² This transaction would supercharge existing financial stability risks by merging one bona fide Too-Big-To-Fail (“TBTF”) bank with a borderline TBTF bank. The combined bank would have a stunning \$70 trillion in assets under custody and administration (“AUC/A”), \$3 trillion in assets under management, and annual payments volume of more than \$320 trillion.³ I urge you to refrain from pursuing what appears to be a facially unlawful transaction.

Both BNY and Northern Trust are significant providers of asset custody and administration services that endowments, pensions, mutual funds, and other institutions rely on to safeguard assets, execute and settle trades, collect income, and process payments, among other crucial functions. These activities are critical infrastructure to the financial system. BNY, already the world’s largest custodian bank, would tower over its nearest competitor State Street by over \$20

¹ Wall Street Journal, “Bank of New York Mellon Approached Northern Trust to Discuss Potential Merger,” Lauren Thomas and Justin Baer, June 22, 2025, <https://www.wsj.com/finance/banking/bank-of-new-york-mellon-approached-northern-trust-to-discuss-potential-merger-7017f4eb>.

² U.S. Department of Justice and Federal Trade Commission, “Merger Guidelines,” December 18, 2023, p. 6, <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf>.

³ Pensions & Investments, “Bank of New York Mellon, Northern Trust would have \$70 trillion in assets under custody,” Larry Rothman, June 30, 2025 <https://www.pionline.com/2025/06/30/bank-of-new-york-mellon-northern-trust-would-have-70-trillion-in-assets-under-custody/>; Forbes, “BNY Eyes \$3 Trillion Powerhouse With Northern Trust Deal,” June 25, 2025, <https://www.forbes.com/sites/greatspeculations/2025/06/25/bny-eyes-3-trillion-powerhouse-with-northern-trust-deal>; Northern Trust, Form FR Y-15, March 31, 2025, Federal Financial Institutions Examination Council; Bank of New York Mellon, Form FR Y-15, March 31, 2025; Bank of New York Mellon, Form 10-K, February 27, 2025, U.S. Securities and Exchange Commission; Northern Trust, Form 10-K, February 24, 2025, U.S. Securities and Exchange Commission.

trillion in AUC/A by gobbling up its next closest competitor, Northern Trust.⁴ Should this potential merger move forward, the combined entity's estimated custodial services market share would exceed 30 percent, and would appear to significantly increase consolidation in this market, as measured by the Herfindahl-Hirschman Index ("HHI"), by roughly 400 points.⁵ A merger that creates a firm with a market share over 30 percent and increases HHI by more than 100 points is presumptively illegal under antitrust law.⁶ Further entrenching its already-dominant market position would enable BNY to hike fees and increase prices, undermine its incentives to innovate, erode its customer service, and reduce the already-limited choices available for institutional clients looking for custodial services. In addition, BNY is already considered a global systemically important bank.⁷ Its distress or failure, at its current scale, could severely harm the day-to-day functioning of the financial system and broader economy. Pursuing a merger that drastically consolidates a key market while supercharging the firm's risk profile and systemic importance is irresponsible and may also violate federal banking laws.⁸

BNY has also been subject to several enforcement actions over the past year. In August 2024, the Commodities Futures Trading Commission ("CFTC") slapped a \$5 million fine on BNY for failing to accurately report at least 5 million swap transactions from 2018-2023 in violation of a prior CFTC order against the firm.⁹ Swaps reporting is a core pillar of post-2008 financial crisis reforms, providing transparency and enabling regulators to oversee the market. That same month, the Securities and Exchange Commission charged the firm for rampant off-channel communication violations, which breached securities laws that help protect investors, and prevent insider trading and other market manipulation.¹⁰ Expanding its dominant position by tens of trillions of additional assets is reckless, and BNY's recent regulatory violations demonstrate that the firm should focus on remediating its existing problems rather than expanding its empire.

⁴ Bank of New York Mellon, Form 10-K, December 31, 2024, U.S. Securities and Exchange Commission; Northern Trust, Form 10-K, December 31, 2024, U.S. Securities and Exchange Commission.

⁵ Custody services market share and HHI change are calculated from AUC/A found on the 2024 Forms 10-K and Q4 2024 FR-Y15 for Categories 1-4 domestic banks and Categories 1-3 foreign banks. These estimates are likely conservative, since the appropriate market for a competitive effects analysis under the federal antitrust laws may include more narrowly defined markets.

⁶ U.S. Department of Justice and Federal Trade Commission, "Merger Guidelines," December 18, 2023, p. 6, <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf>.

⁷ Financial Stability Board, "2024 List of Global Systemically Important Banks (G-SIBs)," November 26, 2024, <https://www.fsb.org/2024/11/2024-list-of-global-systemically-important-banks-g-sibs/>.

⁸ For example, the transaction may violate the Bank Merger Act and Bank Holding Company Act.

⁹ Commodity Futures Trading Commission, "CFTC Orders The Bank of New York Mellon to Pay \$5 Million for Swap Reporting and Supervision Failures and Violation of a Prior CFTC Order," press release, August 26, 2024, <https://www.cftc.gov/PressRoom/PressReleases/8951-24>.

¹⁰ U.S. Securities and Exchange Commission, "Twenty-Six Firms to Pay More Than \$390 Million Combined to Settle SEC's Charges for Widespread Recordkeeping Failures," press release, August 14, 2024, <https://www.sec.gov/newsroom/press-releases/2024-98>.

I strongly urge you to reconsider pursuing this presumptively illegal merger. This anticompetitive transaction would substantially increase financial stability risks and fail to serve the interests of BNY's customers and the broader public. Thus, I request that BNY brief the U.S. Senate Committee on Banking, Housing, and Urban Affairs on the current status of discussions between BNY and Northern Trust, as well as its interactions with regulators on this matter.

Sincerely,

A handwritten signature in blue ink, reading "Elizabeth Warren", is positioned above a horizontal line.

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs