

C&G Announces 'Jobs To India' Plans

C&G Senior Management has announced the first phase of its plans for the transfer of jobs to India.

At this stage 50 jobs are to be transferred to India, though LTU expects that this Pilot will be laying the groundwork for a substantially bigger transfer of work to India beyond 2004; eventually affecting many hundreds, if not thousands, of C&G staff.

The operations affected by this pilot are as follows:

- * **Redemption Statements**
- * **Indexing new lending correspondence in the AWD process**
- * **New lending completions**
- * **General Enquiries & Customer Change**
- * **Pre-offer further advance processing**

Though LTU understands that the Scunthorpe Mortgage Unit will be impacted upon most by the pilot, Barnwood, Fareham and Tachbrook Park will also be affected.

Management has said the roll-out of the pilot is due to take place over a period of five months, beginning in October 2004

The pilot is to be run by an Indian company, ICICI-OneSource. Interestingly, it was this company that

"... the pilot will be laying the groundwork for a substantially bigger transfer of work to India beyond 2004"

was operating the ShopDirect (formerly known as GUS or Great Universal Stores) operation in India with 250 staff, until that company was reported in the media to be moving jobs *"back to the UK as a result of poor service and that the level of service to customers was not up to the required standard"*.

Leaving aside concerns over customer service, LTU doesn't doubt that by replacing UK staff with workers in India on one-tenth of the pay the transfer of work to India would deliver substantial cost savings to C&G.

LTU believes that C&G's plans will be against the wishes of the overwhelming majority of its customers, many of whom have signed LTU's petition opposing the transfer of work to India. It will obviously also be against the best interests of staff and the UK economy from which it makes most of its profits.

'Jobs To India' Unjustified

Senior Management would have staff believe it has no option but to transfer jobs abroad if it is to remain competitive. Perhaps more cynically, it has pointed to the benefits of its plans to the Indian economy despite the fact that these are an incidental consequence of its policy.

The real reason for transferring work abroad is, of course, quite simple: To slash costs by ditching existing staff in the UK and replacing them with workers in India who are paid as little as one-tenth of the salary.

In the words of the ContactBabel, the leading independent analysts on 'offshoring', commenting upon the transfer of call centres to India:

"If people are saying they're moving Call Centres to India for anything other than cost then they're bloody liars".

The same obviously also applies to all other back office processing operations.

Other Banks Rejecting 'Offshoring'

Though Senior Management point to other financial services companies having already exported jobs abroad, the fact is that many others have said they will not.

Royal Bank of Scotland (which includes NatWest), Halifax Bank of Scotland, Alliance & Leicester and Nationwide - themselves all leading mortgage lenders - have said that they will remain committed to operating from the UK where (like Lloyds TSB) they make most of their income.

A statement by RBS best sums up the position of these other mortgage lenders when it says

"We have concluded that the best outcome for our staff, our shareholders and customers is to continue to employ in countries in which we operate".

Meanwhile, Nationwide's chief executive, Philip Williamson, acknowledged

"... some commentators' concerns that some countries may not have the same level of data protection for consumers that exists in the UK"

There is no reason whatsoever why Senior Management cannot show the same degree of Corporate Social Responsibility to its customers, staff and the UK economy.

Furthermore, experience of customer reaction to 'offshoring' clearly shows that the unpopularity of this policy could if anything put at risk future customer expansion.

Customer Service Better in the UK

Independent research has also indicated that the quality of customer service provided by UK staff exceeds that of those workers in India.

In an exhaustive study by leading analysts, ContactBabel, whose results were widely published in the media, 290 UK and 44 Indian Call Centres were analysed. One of its key findings was that "whilst Indian agents work longer hours (6 more a week), those working in Call Centres in the UK deal with 25% more calls an hour and resolve 17% more first time".

The same undoubtedly applies to other back office operations.

Compulsory Redundancies?

The Bank has said that no staff will be made redundant as a direct consequence of the Pilot.

However, the purpose of Pilots such as this are typically to lay the foundations for far bigger programmes to follow.

The Bank itself has pointed to the example of HSBC, where more than 50% of its mortgage processing activities have been transferred abroad. The Union has also previously quoted from a source within C&G management who had suggested that a 40:60 split between work handled in the UK and abroad could be possible.

Therefore, looking to 2005 and beyond when the pilot has 'bedded down' there is a real risk that many hundreds of C&G jobs at its operations in Scunthorpe, Barnwood, Fareham and Tachbrook Park could eventually follow.

C&G Senior Management has said that it cannot give a guarantee that there will be no compulsory redundancies beyond the initial pilot as a result of work being transferred to India.

LTU's Campaign To Save UK Jobs

LTU is the only union within the Lloyds TSB Group with the resources and commitment to campaign effectively against the Bank's plans to export jobs to India.

The Union has been running an extremely effective campaign to put pressure upon Senior Management to drop plans to ditch its UK staff and replace them with workers paid a mere fraction of the salary abroad. Our campaign has involved:

- * **Engaging customers in supporting our campaign through petitioning customers outside Lloyds TSB branches. Around 90% of customers approached sign to say they are opposed to their account**

arrangements being handled abroad, with LTU being more than half way toward its target of collecting 500,000 signatures.

- * **Involving politicians in supporting our campaign. MP's, Councillors and other Elected Representatives have offered considerable support, with the Bank's plans condemned in two debates in the House of Commons and two Early Day Motions winning widespread support from MP's opposed to the Bank's plans.**
- * **Attracting considerable media coverage; especially on local television, radio and in the newspapers.**

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