

C&G Offshoring: Service Quality Crisis

Members have been reporting a steady deterioration in the quality of service that C&G customers are receiving from the India Operation.

In fact, despite window dressing by senior management, it is clear that the confidence of staff in the service provided from India is hitting a new low.

But most alarming of all, rather than reigning back its Offshoring Policy in recognition of the damage it is inflicting on the business, senior management remains committed to:

- **Progressing the closure of Tachbrook Park later this year, with the transfer to India of 300 of these jobs.**
- **Establishing a second operation in the Indian city of Kolkata (aka Calcutta).** This is despite previous Bank findings that moving away from the main 'offshoring centres' in India - such as Bangalore, Delhi, Hyderabad and Mumbai - contributed to even lower service quality.

Concerns over deteriorating levels of service quality are, nevertheless, far less of an issue for senior management than the fact that Kolkata-based operations are reported to be 12-13% cheaper than Mumbai and 11% cheaper than Bangalore.

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Confidence At Rock Bottom

Of course, it is hardly surprising that the confidence of C&G Staff in the India operation is at rock bottom when:

- **Processing errors and delays are leading to high numbers of cases being dropped.**
- **Staff are reporting a very poor quality of work being produced from India, often littered with errors.**
- **Mortgage Specialists faced with very demanding - some say impossible - targets finding they no longer have the quality of support they could previously count upon.**

'Fiddling Whilst ~~Bangalore~~ Burns'

The extent of the 'quality issues' concerning C&G's Offshore Operation are at their most obvious when one examines what remedial action is being considered.

Measures being taken to improve the quality of service provided by C&G's India Operation include:

- **Introduction of a comprehension test for new recruits to ensure they can speak and understand English!**
- **Introduction of focus groups to understand why staff in India are failing to do their jobs without errors.**
- **Introduction of a board game, using UK films and television programmes, to help India-based staff understand more about UK culture.**

Quite frankly, if senior management need to resort to these sorts of measures to make offshoring work then it should be obvious to everyone that this is a failing policy. Tinkering in this way will do nothing to address the damage that offshoring is doing to C&G's reputation, to existing jobs in the UK or, most importantly, the damage it is inflicting on relations with customers (including the very important Intermediaries).

Of course it takes strong management to admit its wrong and reverse a failing policy ... just as the new Lloyds TSB Chairman - Sir Victor Blank - did when, faced with customer service concerns in India, he decided to reverse his previous company's (Great Universal Stores) offshoring policy and return work to the UK.

Offshoring & Intermediaries ... A Disaster In The Making

If there is one thing that almost all Intermediary Managers agree upon, it is that the transfer of processing work for intermediaries out of branches and to India will lead to a mass exodus of intermediary customers to other mortgage providers.

The intermediary work from 20 branches has already been relocated to Tachbrook Park ready to be Offshored to India in October and the Intermediary Internet site will be ready to take work out of branches by September.

Until now, one of C&G's greatest sales propositions to intermediary customers has been the reliable service provided by staff working in C&G branches.

It is quite possible that these intermediary customers might just have tolerated the transfer of work out of branches and into remote centres.

But there can be little doubt whatsoever that the transfer of this processing work to India - particular given the serious service quality issues there - will lead many intermediary customers to reconsider their relationship with C&G.

Only a top management team whose preoccupation is with cost-cutting rather than providing a quality service to customers, would fail to recognise the dangers of dealing with intermediary customers in this way.

Which C&G Jobs Are At Risk?

In addition to those staff at Segensworth who have already been made redundant because of offshoring - and those 300 staff in Tachbrook Park who will be losing their jobs later this year when work is transferred to India - almost all other C&G Staff will be affected either directly or indirectly by offshoring.

The effect upon staff is likely to be as follows:

- **Segensworth.** There is real concern that far more work will transfer to India.

The lease upon Lloyds TSB's nearby Whiteley premises comes to an end next year and it is common knowledge that the Bank is considering transferring its staff into the Segensworth site; something all the more possible if C&G jobs are transferred abroad to provide workspace.

- **Barnwood.** Many jobs at Barnwood could be at real risk of being offshored to India.

C&G Senior Management has made no attempt to disguise its wish to process increasing amounts of customer service and processing work in India. Meanwhile, other parts of the Lloyds TSB Group have been looking to transfer Head Office functions (such as finance, human resources, etc) to India.

- **Scunthorpe.** Since 2004, there have been fears that the Scunthorpe Operation could eventually close, with most if not all of its jobs being transferred to India. These fears first materialised when C&G started piloting the offshoring of some 50 Scunthorpe jobs.

- **Intermediary Managers.** Once Intermediary customers have to deal with the India

operation, the extent by which they vote with their feet and switch to other mortgage providers could have a significant impact upon Intermediary Managers. First, it would be far harder to meet performance targets. Second, the need to service a smaller customer base could lead eventually to cuts in staff numbers .

- **Mortgage Specialists.** There are already very clear indications that the targets set for Mortgage Specialists are unrealistic and that many face the prospect of being placed on Performance Improvement Plans (PIP's) and even dismissal. LTU will be examining this further in a forthcoming Newsletter.

Obviously, as customer service deteriorates because of the India Operation and cases are dropped, it becomes even more impossible for Mortgage Specialists to meet the demands placed upon them.

- **Branch-Based Staff.** The consequences of offshoring for branch-based staff are likely to be three-fold:

- (i) Routinely having to deal with customer complaints concerning the India Operation; something that Lloyds TSB branch staff have already become accustomed to.
- (ii) Redeployment on to other tasks - in particular sales activities - as other work is progressively moved out of branches and ultimately transferred to India.
- (iii) Possible job reductions for the reasons dealt with in (ii) above, since it is likely that less staff will be required.

No Time To Sit On The Fence!

Commenting and campaigning upon issues of concern to members is a key responsibility of any organisation purporting to represent staff.

So why - when hundreds of existing C&G jobs are already being lost because of offshoring - and many more are poised to follow - have both the Staff Association and Amicus 'sat on their thumbs' and remained silent on the issue of work being transferred to India?

Of course, the position is that the Staff Association is unable to object to these developments given its lack of independence from senior management. And Amicus is aware that it would lose its status as 'management's favourite union' and the assistance it receives from the Company with recruiting if it was in any way to offend the sensibilities of senior

management.

In other words, this leaves just LTU that is willing to campaign and fight for the protection of C&G jobs; especially where these are being lost for no other reason than because UK staff can be ditched and replaced by staff in India paid a fraction of their salary.

Many C&G Staff already realise that this is the very reason why C&G Top Management are making every possible attempt to shore up C&GSA and Amicus membership, so that it can guarantee itself an 'easy ride'. And this is precisely the reason why, each week, more and more C&G Staff decide that enough is enough and now is the time for them to join LTU.

Professional Support For C&G Staff

Whilst LTU is alone in campaigning against both the transfer of C&G jobs to India and the closure of Tachbrook Park, the Union's individual support for members extends far beyond this.

Other services provided by LTU to our C&G members include:

- **Professional, independent Advice and Support from LTU's highly experienced Advice Team. Each of our officials on the Advice Team are specially trained to assist members affected by reorganisations.**

And because it isn't always easy to phone from work, LTU's Advice Line is available

24 hours a day, 7 days a week on 01234 262868.

- **Regular Newsletters just for C&G Staff providing genuinely independent advice and information on staff rights, entitlements and developments within the company that affect staff.**
- **A host of superb discounts and benefits that save many members far more than the cost of their subscriptions.**

To find out more on any of LTU's services - or to join - staff can telephone the Union on 01234 262868.

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