

Shareholders Sign LTU Petition Against 'Jobs to India'

A majority of shareholders at the Bank's Annual General Meeting in Glasgow showed their opposition to the Bank's 'Jobs to India' policy by signing LTU's petition.

Inside the AGM the Board also got a rough ride from shareholders, with a significant number of those who spoke making absolutely clear their objection to the Bank's 'offshoring' strategy.

Concerns raised by shareholders included:

- * Why the Board had omitted any mention of its plans to transfer of work to India in its Annual Review and 'forward looking statement'?
- * The quality of service customers would receive from the India operation.
- * Given overwhelming customer opposition to 'offshoring', whether there would be any level of customer attrition or adverse reaction at which point the Bank would drop its plans?
- * Why the Bank was effectively ditching its Corporate Social Responsibility policy?

LTU's lobbying of the AGM attracted coverage from the local and national media

Bank Counts On Unifi Support

The Bank attempted to use its agreement with Unifi to deflect criticism of its 'Jobs to India'

"If we were to offshore and it were not to the satisfaction of our customers, we would have a problem"

**Maarten van den Bergh, Lloyds TSB
Chairman at the Bank's AGM**

**Over 360,000 customers -
90% of those approached
- have so far signed LTU's
petition opposing offshoring**

**Mori Survey finds 49%
of LTSB customers would
consider moving bank rather
than have their accounts
managed in India**

plans. This states that all staff whose jobs are transferred to India will be **offered** an alternative job; but is made meaningless because the job does not have to be 'suitable' and it could be anywhere in the UK. This is unlikely to significantly reduce the number of jobs made redundant by exporting jobs to India.

A speaker on behalf of Unifi chose to ignore the 'Jobs to India' issue altogether, instead asking a question at the AGM concerning the suppliers of coffee to the Bank's vending machines!

Financial Services Industry Backlash Against Offshoring

The number of financial services companies rejecting offshoring is growing each week, as cost cutting is rejected in favour of customer satisfaction and customer service.

This contradicts claims by the Bank it needs to export jobs abroad if it is to remain competitive.

Those companies who have said they will put the wishes of their customers and staff first now include:

- * **Royal Bank of Scotland (incl. Nat West):** *"the best outcome for our staff, shareholders and customers is to continue to employ in countries in which we operate".*
- * **Halifax Bank of Scotland:** *"As a UK-based operation, our call centres are all based in the UK, we have no plans to change that".*
- * **Alliance & Leicester:** *"customers want to speak to staff based in Britain. People in this country are not happy to have their bank account or other financial needs serviced from an overseas call centre".*
- * **Nationwide BS:** *"(we have) strong links to the communities in which we operate, and we have no plans to desert these local communities in favour of overseas call centres . . . we are aware of some commentators' concerns that some countries may not have the same level of data protection for customers that exists in the UK".*
- * **Co-operative Bank:** *"when a customer contacts us . . . they should be dealing with one of our staff, trained and managed by us and with a dedicated focus on our customers' needs and our products and services. So whilst others are happy to use call centres in India and other overseas locations, we intend*

not to".

- * **Swinton Insurance:** *"The British public is losing faith in the service from offshore call centres"*
- * **Northern Rock BS:** *"For us, the cost savings of moving to India would be relatively modest compared with the risk of not being able to control these operations".*
- * **Chelsea BS:** *"keeping our call centre in the UK was vital for customer confidence".*

With so many other financial services companies deciding to put the needs and wishes of their customers first, Lloyds TSB is at real risk of losing many customers if it continues to ignore opposition to offshoring.

And this could damage profits. Research by leading analysts, ContactBabel, has found that if a typical high street bank lost just 0.343% of customers for every 1,000 jobs transferred overseas, the cost savings from offshoring would be wiped out by the drop in revenue.

More Research Challenges Offshoring

Yet more research has been published over recent weeks which weakens further the case for offshoring.

A report by ContactBabel, based on research by ICM Research, found that 74% of UK customers who have experienced offshore call centres personally feel more negatively towards the company they are buying from than before and 7.3% of people changed suppliers because of offshoring.

Meanwhile, Intervoice interviewed 92 senior managers and found that more than three-quarters had a negative perception about the quality of service provided by offshore call centres.

LTU Responds To Feedback From Bank's Customers

LTU has been receiving a superb response to its petition from customers outside Lloyds TSB branches.

The petition, which is being carried out outside branches across the UK, asks customers to sign in support of the following statement:

"I am a customer of Lloyds TSB and I object to any aspect of the management of my account(s) being transferred to India or any other overseas location. To do so would be bad for Customers, Staff and the UK Economy".

Around 90% of all customers approached agree to sign the petition; more than 360,000 have so far done so.

Many customers at the same time sign a letter to the Chief Executive, Eric Daniels, insisting that

all work concerning their accounts be carried out in the UK and that data concerning their accounts should not be viewed or transferred outside of the European Community.

Despite this clear instruction, many customers have complained of being 'fobbed off' and that the Bank is 'turning a deaf ear' to their concerns. This is leaving customers adamantly opposed to moving jobs with no realistic option other than to consider account closure.

After listening to this customer feedback, LTU has prepared a new letter for customers to sign, which will leave the Bank under no illusion just how seriously customers object to the transfer of their banking arrangements abroad.

Lloyds TSB needs to listen to listen to, and take action on, the clear wishes of its customers!

Data Protection Challenge

LTU's Solicitors are supporting a Lloyds TSB customer in a challenge against the transfer of work abroad on the grounds that doing so does not meet the stringent data protection requirements operating across the European Community.

The customer has accounts with a Bank Branch, Scottish Widows and Cheltenham & Gloucester, and objects to data being accessible in India where the same standards of data protection are not available. The customer has demanded that no sensitive personal data - as defined by the Data

Protection Act 1998 - should be transferred outside the European Economic Area.

The case is being referred to the government appointed Information Commissioner to establish whether Lloyds TSB is meeting its statutory Data Protection obligations.

IAN PARTRIDGE
General Secretary