

SW Passage To India Meets Political Opposition

The decision by the newly appointed Senior Management team at Scottish Widows to contemplate the outsourcing of jobs to India has been met with opposition from staff, local and national politicians and, most importantly, customers. Scottish Widows has said that a pilot was being set up, which would involve up to 50 jobs, in India to see what work could be transferred.

Scottish Widows said it expected that there would be no job losses as a result of this pilot. However, Eric Daniels, the Group Chief Executive, of Lloyds TSB has been a little bit more candid. In a response to a letter from Annabelle Ewing (SNP), MP for Perth, he said that ".....the pilot **does not currently** have any impact on jobs within Scottish Widows.". The clear implication of that statement is that the pilot, presumably once it's been deemed a success, will have a direct impact on jobs within Scottish Widows. The question which he doesn't answer is how many SW jobs will go to India.

The Group itself has acknowledged that around 25,000 UK staff work in the type of operations that could potentially be transferred abroad. One business unit has gone further and said that it would expect to have a 40:60 split between jobs retained in the UK and those transferred abroad.

Staff in Scottish Widows need to be in no doubt that if the Group do not drop this policy, there will be no stopping the exodus of work to India, or any country that can answer calls and process work for a fraction of what it would cost to do in the UK. But that cost advantage, if it exists at all, comes at a price. The Group has said that it is committed to offering the highest levels of customer service but recent research shows that UK call centres are more productive than similar operations in India. Research by the Call Centre Analysts ContactBabel showed that workers in UK call centres answered 25% more calls per hour than Indian employees and resolved 17% more of those calls first time. More importantly given the Group's arguments about staff turnover, UK call centre employees tended to stay with their company for more than 3 years compared to just 11 months for Indian workers.

LTU is the only Union representing staff in Lloyds TSB that is actively opposing the transfer of jobs abroad. Our campaign has won considerable support from customers, local and national politicians, from the media and from staff. Overleaf is a letter we sent to Scottish SMP's, MP's and local Councillors before Christmas asking them to support our campaign to stop Scottish Widows exporting Scottish jobs overseas. We've received an excellent response. We will be sending a similar letter to MP's and local Councillors in Chatham.

Members with any questions about our campaign can contact the Union's Bedford office on 01234 262868 or they can e-mail me at Mark.Brown@ltu.co.uk.

SCOTTISH WIDOWS PLANS TO TRANSFER SCOTTISH JOBS TO INDIA

"Dear Sir

You recently received a letter from my colleague Steve Tatlow regarding the press announcements by two of the UK's leading banks - HSBC and Lloyds TSB - to transfer work to countries where they can obtain lower cost staff.

In the case of Lloyds TSB - where my trade union has 45,000 members and represents the overwhelming majority of staff - we said the Bank had announced its intention to transfer 1,500 jobs abroad by the end of 2004. That was followed on 31st October by Lloyds TSB announcing that its Call Centre in Newcastle is to close with the loss of 960 jobs. This is one of six large Lloyds TSB Call Centres, all of which must now be at serious risk of closure in the future.

Scottish Widows, which is part of the Lloyds TSB Group, has announced that it is undertaking a pilot exercise in 2004 involving up to 50 roles being carried out in India. We believe that this is only the start and that thousands of jobs in Scottish Widows could be lost over the next few years.

Scotland At Risk Of Massive Job Losses?

Over 3,500 staff employed by the Lloyds TSB Group in Scotland work in the type of operations the Bank is looking to transfer to India. Atlantic Quay in Glasgow has 970 staff; Scottish Widows in Edinburgh has 2,400 staff (out of a total staff there of 3,300) and 400 work in other LTSB back office operations.

Of course, the trend toward 'off-shoring' work abroad will be a particular concern to Scottish jobs and the Scottish economy, since Scotland has over recent years so successfully benefited from the growth of the call centre and back office processing sectors. Adecco has estimated that UK companies will create 100,000 call centre jobs in India by 2008 whilst other analysts have predicted losses of 200,000 jobs across the finance industry. The risk to those areas that have concentrations of these types of jobs is clear.

Once some major companies - such as Lloyds TSB - export work abroad to save costs (estimated as 39% by Deloitte Consulting), then many others may well decide that they have no option but to follow. The result: massive cuts in the jobs upon which Edinburgh and Glasgow, in particular, have become reliant over recent years.

Campaigning For UK Jobs

My union is vigorously campaigning against the transfer of Lloyds TSB jobs abroad. The centrepiece of our strategy is to exert pressure on the Bank to drop its plans through engaging its customers - business and personal - in our campaign.

This is being carried out by teams of our staff who are visiting Lloyds TSB branches across the UK and asking customers to sign a petition opposing work being transferred abroad. We intend to collect over half a million signatures. Our campaign has won magnificent support from customers visiting Lloyds TSB branches in Scotland.

Banks are sensitive to adverse customer feedback and media attention and Lloyds TSB is no different. So engaging the Scottish community - MP's, SMP's, councils, business organisations, and customers - behind a campaign to pressurise Lloyds TSB to drop any plans it may have to export Scottish jobs abroad would have a real chance of success.

Can You Help?

Lloyds TSB's plans have major implications for Scottish jobs and the Scottish economy.

It would help considerably if you could assist our campaign in several important ways, including:

1. Writing to the Bank's Chief Executive, Eric Daniels, Lloyds TSB Bank Plc, 25 Gresham Street, London, EC2V 7HN to oppose the export of jobs abroad and demanding an assurance that none of Lloyds TSB's operations in Scotland will be threatened with either closure or 'down-sizing' as a consequence of work being transferred abroad.
2. Assist in raising the profile of the Union's campaign, perhaps even joining our staff in petitioning customers outside Scottish branches.
3. Using your local media contacts to ensure that our campaign to save jobs in Scotland attracts the widest possible attention.
4. Drawing in as many local stakeholders (local businesses, development agencies, etc) to put pressure on Lloyds TSB to reconsider transferring work abroad because of the impact it would have on the Scottish economy.

I would also welcome the opportunity to meet with you, and perhaps some of your colleagues representing Edinburgh and Glasgow, to discuss how maximum pressure can be brought to bear on the Bank to drop any plans it may have to close operations or cut jobs in Scotland as part of its programme of transferring work to India.

I have attached a Briefing Paper providing more details on the consequences of 'off-shoring' work to lower-cost countries.

If you can help, or would like more information on the Bank's plans or how you can contribute to the Union's campaign, then please do not hesitate to contact me."

Yours sincerely

Mark V Brown
Assistant General Secretary

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