

# Bank Confirms More 'Jobs To India'

**T**he Bank has made a number of announcements concerning its Offshoring plans for the next 12 months.

Despite the clear opposition to its policy from Customers, Staff and Politicians, the Bank remains committed to ignoring its corporate social responsibilities by instead stepping up its programme of transferring work to India.

The most recent developments concerning the Bank's Offshoring Strategy include:

- **The Newcastle Contact Centre is to finally close later this month with the loss of all 960 jobs.** Few staff have been found alternative jobs elsewhere in the Bank and many more have even missed out on Redundancy Payments because of the way the Bank has handled the closure. In other words, the Bank has been managing to get rid of jobs 'on the cheap'!
- **C&G has announced that an additional 250 jobs are to be transferred to India by the end of next year.** This will increase its Pilot Exercise to 300 staff. LTU is concerned that the Bank is laying the groundwork for thousands more C&G jobs to follow.
- **General Insurance has also said it currently intends to expand the number of jobs being transferred to India by a further 50 next year.** This will increase the total number of India staff on this pilot to 200; including 16 staff who have been training for several months in Bournemouth.

---

## Is The Bank Jeopardising It's Own Future Profitability?

## Offshoring Agreement Exposed As Meaningless

## Unifi's Policy Muddle

---

- **Telephony will only confirm that "there are no plans to close any of our remaining contact centres in 2005"**. Since experience from Newcastle is that it takes around 14 months to close a call centre, such a short-term commitment is meaningless.

**Much of the Bank's offshoring to date has involved Pilot Exercises. Members will know that the size of any Pilot is often a mere fraction of the scale of the eventual programme. These pilots are undoubtedly intended to lay the groundwork for many thousands more jobs to follow.**

LTU is concerned that the Bank could eventually offshore the jobs of 10,000 of its 25,000 staff working in call centres, service centres and other non-customer facing areas.

# Is The Bank Jeopardising Its Own Future Profitability?

LTU believes that Lloyds TSB's Offshoring strategy is not only bad for customers, staff and the UK economy, but could also jeopardise the Bank's longer-term profitability.

There are plenty of reasons to believe this might be the case.

## Massive Customer Opposition To Offshoring

Each week LTU is continuing to collect for our Petition the signatures of thousands of the Bank's customers who are opposed to the transfer of their banking arrangements to India.

The Union estimates that a massive 90% of customers approached outside branches willingly sign the Petition.

Furthermore, a survey carried out on behalf of LTU by MORI, the leading independent customer research organisation, found that 49% of Lloyds TSB customers are so strongly opposed to work connected with the management of their account being transferred to India that they would be "more likely to consider moving to another bank".

If the Bank continues with a strategy that is so fundamentally opposed by its customers then there is a danger that many could switch their accounts to those companies that are committed to operating from the UK.

## Leading Competitors Reject Offshoring

Many of the Bank's leading competitors have rejected Offshoring since they do not believe such a strategy is consistent with the needs and

wishes of their customers nor with their Corporate Social Responsibility.

These financial services companies include Royal Bank of Scotland, NatWest, Halifax Bank of Scotland, Nationwide Building Society, Alliance & Leicester and Co-operative Bank . . . to name but a few!

NatWest has even been marketing itself on the basis that it will keep operations in the UK.

## Research Points To Brand Damage From Offshoring

A report by the investment bank, JP Morgan, has also found that companies outsourcing their call centres and processing work to cheaper countries run the risk of damaging their brand and losing customers.

Focusing in particular on Insurance it stated that a consequence of offshoring could be to "damage an insurer's brand, in our view".

## Fall In Revenue Could Outweigh Cost Savings

Research by leading call centre analysts, ContactBabel, has found that for financial services companies the costs of offshoring work abroad could outweigh the savings.

Its research found that a 'typical UK High Street Bank' will save an estimated £9.26 million per year in operating costs by replacing UK staff with the same number in India. However, if only 0.343 per cent of customers defect in protest at this then the bank's revenues would fall by the same amount.

# Offshoring Agreement Exposed As Meaningless

The Bank and Unifi have repeatedly referred to the 'Offshoring Agreement' reached between both parties to deflect attention away from the Bank's Offshoring Strategy.

The key feature of this agreement is that all staff whose jobs are exported to India are guaranteed to be **offered** an alternative job.

Of course, there is a world of difference between being **offered** an alternative job and **actually** being redeployed into one that is suitable. This is particularly the case since the Bank has admitted that the job need neither be suitable nor within the same geographical area.

In other words, the small print exposes this agreement as a meaningless diversion, that if anything has given the Bank the 'green light' to export even more jobs abroad.

Experience during the closure of the Newcastle Contact Centre has shown just how ineffectual this agreement is. Of the 960 staff working in Newcastle when the Bank announced its closure plans:

- **Under 18% of staff have been found alternative jobs in the Bank** . . . the majority of these jobs being at the Sunderland Contact Centre which is itself at risk of closure.
- **Around 40% of staff have simply resigned. In other words, the Bank has 'got rid of them on the cheap'**. Because the Bank would only make a Redundancy Payment to those staff who remained working until the closure date - rather than allowing some to be paid for redundancy if they found an alternative job earlier - many staff who have been offered an alternative job could not risk missing out and facing unemployment in the run up to Christmas.

---

## Unifi's Policy Muddle

Unifi's policy on offshoring within Lloyds TSB has been exposed as increasingly muddled over recent months. In particular:

- **The 'Offshoring Agreement' that Unifi reached with the Bank has been shown to offer no protection to staff. To the contrary, the Bank has sought to use the agreement as a 'green light' to excuse its transfer of even more jobs to India.**
- **It is clear that Amicus - which recently took over Unifi - has grave misgivings over the 'Offshoring Agreement' that Unifi reached with the Bank.**

- **Senior Representatives within Unifi are known to have resigned because they believe that Unifi's policies on offshoring in Lloyds TSB are ineffectual.**
- **Despite criticising LTU's strategy within Lloyds TSB, LTU has noticed that Unifi has begun copying LTU's strategy within other companies such as HSBC.** So why is a strident policy of opposition to offshoring appropriate in HSBC but not in Lloyds TSB?

It should be clear to all staff working in Lloyds TSB that if they are opposed to jobs being exported to India then they should be members of LTU.

**IAN PARTRIDGE**  
General Secretary