

Bank Announces Closure of Mumbai Call Centre & Return Of Jobs To The UK

The Bank has announced today that it is to close its Call Centre in Mumbai and return work to the UK.

This major reversal of the Bank's Offshoring Strategy is to commence immediately, with the Mumbai Call Centre ceasing to operational by the end of this month. The Bank has been unable to confirm whether it will be recruiting more or less than 500 additional staff in the UK to replace those in India, though we know extra recruitment had already begun earlier this year.

Saving Face

In an effort to save face over this significant reversal of policy, the Bank is seeking to argue that the closure is the result of the success of its new Interactive Voice Recognition (IVR) technology, where customers are able to resolve basic queries without speaking direct to a member of staff.

However, though a convenient excuse, the facts are that: (i) it will have to recruit hundreds more staff in the UK to replace those in India; (ii) it is only now, with the benefit of hindsight, that the Bank is claiming the Mumbai call centre was only supposed to handle the overspill of calls from the UK; (iii) customer dissatisfaction with the Bank's India Call Centre has damaged its market share, and; (iv) savings in India have been partly cancelled by

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increased footfall in branches, as customers want to ensure they can speak to someone they understand.

Major LTU Success

Members will be fully aware that, ever since the Bank first announced it was transferring work to India, LTU has been carrying out a very high profile, effective campaign to mobilise customer pressure against Senior Management's Offshoring Strategy.

As part of this campaign, LTU has collected the signatures of more than 400,000 of the Bank's customers for a petition opposing the transfer of work to India.

The Union will now be focussing its attention on exposing to customers the fact that the Bank is also transferring back office work to India that would otherwise be invisible to them; for the closure of Peterborough Service Centre to be called off and; for remaining jobs in India to also be returned to the UK.

A Failed Strategy

Senior Management's strategy of transferring Telephony jobs to India has been a disaster for the Bank ... just as LTU has always said it would be.

As well as having to shoulder the cost of having recruit additional staff to replace those the Bank made redundant in Newcastle in 2004, the use of the Bank's Call Centre in Mumbai has resulted in:

- **Considerable customer dissatisfaction and damage to the 'Lloyds TSB brand'.**

Customers have always been completely opposed to having to deal with the Call Centre in India, where they have regularly had difficulty understanding, and being understood by, the staff based in India. In fact, over 400,000 have so far signed LTU's petition insisting that their accounts should be handled in the UK.

The difference between then and now is that Senior Management had previously turned a 'blind eye' to customer hostility, vainly hoping it would eventually evaporate. It hasn't.

- **Account attrition, as many customers have**

voted with their feet and chosen to bank with those Lloyds TSB financial services competitors that have said they remain committed to operating only from the UK.

The Bank acknowledged early last year that it had lost to RBS its status as having the most customer accounts in the UK, after it had started transferring work to India.

- **Additional costs piled on to the branch network, in particular as customers in sheer frustration have been visiting branches in order to avoid risking having to deal with the India Call Centre.**

Branches had also given customers their direct numbers - and sellers given their mobile numbers - to avoid their customers continuing to receive a shoddy service from India that might damage their sales and service performance.

In fact, it is likely that these and many other hidden costs will have largely cancelled out the predicted savings for the Bank from running its Mumbai Call Centre.

Attention Switches To 'Invisible Offshoring'

With the Bank now having dropped what was the centre-piece of its Offshoring Strategy - the Mumbai Call Centre - its attention will now be switching to 'invisible offshoring'.

This will involve transfer to India of back office and processing work that senior management hopes customers will not be aware of.

This year alone, the Bank has announced the transfer to India of a further 400 Group Operations and 94 Scottish Widows jobs, as well as further jobs from General Insurance,

Human Resources and C&G. It has said as many as 1,000 more jobs will be transferred to India for each of the following three years.

In fact, by the end of this year the Bank has indicated that the number of jobs, excluding Telephony, based in India will have increased to around 3,200.

With the jobs of so many staff working in these types of roles still at serious risk, the Union will be elevating its campaign against offshoring of jobs from these areas to India and ensuring customers remain fully aware that their financial arrangements are still being handled from abroad.

Peterborough Closure

LTU's campaign against the closure of the Bank's Service Centre in Peterborough and the loss of all 243 jobs through a process known of 'Offshoring By Proxy', illustrates how LTU has been able to build the sort of customer and public pressure that has convinced the Bank to return call centre work to the UK.

Since the announcement was made, LTU has already collected thousands of signatures from the local Peterborough Community, insisting that the Bank reverses its closure decision. Signatories have included the local MP (a previous LTU member), the Council Leader and the Chief Executive of the local Chamber of Commerce. Petitions have been collected from outside Lloyds

TSB branches and even at a football match.

In fact, the local MP also this week submitted a motion to Parliament condemning the closure and congratulating LTU for its "professional and measured advocacy".

LTU has also ensured that the closure receives the maximum possible public attention; with the main local newspaper running articles on the closure every day since the announcement and the Union's Officials being regularly interviewed by local TV and radio.

It is only through this sort of concerted pressure on top management that it can be successfully pressurised to stop offshoring work to India for fear of further damaging its reputation.

Amicus

The single biggest indication that Amicus has 'lost the plot' within Lloyds TSB has been its outright refusal to campaign against the offshoring of Lloyds TSB jobs to India and its open opposition to LTU's campaign.

Amicus signed a meaningless 'Offshoring Agreement' with the Bank at the time the Newcastle Call Centre closed, that has since been widely discredited for providing no protection against jobs being offshored to India. For Amicus to just last week admit in a Newsletter that this agreement "is not perfect" not only amounts to a serious understatement, but is also a little late in the day!

In fact, it has been argued that this Offshoring Agreement between the Bank and Amicus - who in any case represent less than 3,000 Lloyds TSB Staff - has served to give Senior Management the 'green light' to offshore even more jobs to India.

Contributing Nothing

Rather than following LTU's lead by campaigning to protect UK jobs against the export of work

to India, Amicus has chosen instead to snipe at the considerable effort and resources LTU has been deploying on behalf of staff.

As recently as last week, Amicus chose to criticise LTU's customer petition, in which LTU has collected the signatures of more than 400,000 customers who have said they are opposed to having their financial arrangements handled abroad.

Yet it is precisely this, and LTU's success in exposing in the media the Bank's Offshoring Policy that has contributed to persuading the Bank to make the decision it has announced today to close its Mumbai Call Centre and return work to the UK.

Amicus needs to understand that, if it is too weak to campaign against the loss of Lloyds TSB jobs in the UK and the transfer of work to India for fear of offending senior management, it should keep quiet and not try to obstruct the only independent Union in the Bank - LTU.

STEVE TATLOW
Assistant General Secretary