

28TH MAY 2004

ALL MEMBERS NEWSLETTER

Shareholders Sign LTU Petition Against 'Jobs to India'

Most shareholders attending 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 Lloyds TSB Board also got a rough ride from shareholders, with eight different shareholders asking critical questions about the Bank's strategy.

Four questions were asked on behalf of LTU, these being:

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

LTU's lobbying of the AGM attracted media coverage from the Guardian and Independent newspapers, the Press Association and Reuters.

Bank Counts On Unifi Support

The Bank used its agreement with Unifi in an attempt to deflect criticism of its 'Jobs to India' plans. This guarantees that all staff whose jobs are transferred to India will be offered an alternative job; though this is rendered meaningless because the job does not have to be 'suitable' and it could be anywhere in the UK.

Interestingly, despite the fact that Unifi is to be taken over by another union - Amicus - in July, representatives from Amicus who have some members working for Scottish Widows in Edinburgh also condemned as meaningless . . .

Whilst ignoring Lloyds TSB's plans to transfer thousands of jobs abroad, representatives of Unifi chose instead to ask a question at the AGM concerning the suppliers of the Bank's vending machines.

Bank Clutching At Straws

The Bank is clutching at straws in its attempts to show customers are happy to have their accounts managed from abroad.

It points to a survey carried out in 2003 on behalf of the Gauteng Economic Development Agency. This found that two-thirds of British people say that when contacting a company by telephone, they don't mind where in the world their call is handled so long as it is *handled quickly and professionally*.

An examination of this survey shows the poverty of the Bank's position since:

- * The Gauteng Economic Development Agency is responsible for promoting inward investment into South Africa and therefore has a vested interest in encouraging the export of jobs from the United Kingdom. No surprise there then!
- * Presumably the fact that two-thirds of customers would be happy to deal with overseas call centres so long as their calls are handled "*quickly and professionally*", means

the other third are not.

- * Independent research has found that the experience of those companies that have already transferred to India has been that calls are often not handled "*quickly or professionally*".

One of the key findings of research by leading analysts, ContactBabel, found that "*whilst Indian agents work longer hours (6 more a week), those working in Call Centres in the UK deal with 25% more calls an hour and resolve 17% more first time*".

Of course, LTU reported in its last Newsletter that ICICI-Onesource had lost a contract with another UK company, ShopDirect as a result - according to press reports at the time - "*of poor service and that the level of service to customers was not up to the required standard*".

By seeking to count on such flimsy findings to give the impression the Bank has the support of customers for transferring work abroad is, quite frankly, ludicrous.

Alliance & Leicester Survey Supports LTU Findings

A survey carried out by another independent research organisation, YouGov, for Alliance & Leicester has confirmed LTU's own findings.

The survey found that 87% of those surveyed would not be happy to have their bank account or other financial products serviced by staff based in an overseas call centre. A mere 5% of those surveyed said they were satisfied with this.

According to the survey the main areas of concern were loss of UK jobs (82%), communication

problems (78%), security of personal information (51%) and lower quality of service (47%).

This Alliance & Leicester survey closely matches LTU's own experience, where around 90% of customers approached outside Lloyds TSB branches agree to sign our petition stating that they do not want their account handled in India. Of course a smaller but nevertheless very significant proportion - 49% - feel so strongly that, according to the MORI survey, they would actually consider moving to another bank.

Bank-Unifi Agreement - Cutting Through The Spin

LTU has rejected as 'meaningless spin' an agreement reached between the Bank and Unifi on the transfer of work to India. This agreement effectively means Unifi has given the 'green light' to the Bank's plans.

LTU predicts that as many as 10,000 Lloyds TSB jobs are at risk of being transferred abroad.

This 'agreement' is little more than a promise by the Bank that the current Job Security Policy will apply should any jobs be transferred to an overseas location. The Job Security Policy was negotiated by LTU and has been in place since 1997.

What Has Changed?

So, once again, the question needs to be asked: "what has changed?" On an examination of the facts the answer is "effectively nothing".

Q. Does the Bank still plan to transferr work to India?

A. Yes. This 'agreement' does not alter the Bank's plans to outsource work to India. If anything, it signals Unifi's acquiescence to even more jobs transferring abroad.

There has been no announcement or agreement limiting the number of jobs that might be transferred from then on.

Q. Has the Bank guaranteed that all staff affected by the transfer of work overseas will be offered a suitable alternative job in Lloyds TSB?

A. No. The devil is in the detail. The Bank merely commits to offer an 'alternative job'. It acknowledges that *such job offers "may be in another region within the UK or outside your immediate locality"*.

Since most staff do not qualify for relocation assistance, then a move of house would be at the member of staff's own expense. For most this rules out this option altogether.

In other words, this centrepiece of the Unifi-Bank agreement is effectively worthless.

Q. Will all staff leaving be entitled to the training allowance of up to £2,000?

A. Apparently not. The agreement indicates that the training bond applies only to "those staff who leaves the Group on redundancy as a result of their job transferring overseas". So it appears staff finding an alternative job before being made redundant may not qualify!

Q. But surely the Bank's commitment to consult is a useful development?

A. No. Nothing has changed - this has always been the case. It has a legal responsibility to do so.

Q. So what has Unifi actually achieved?

A. Nothing meaningful, other than it may now be able to represent staff in India. Surely this provides a conflict of interest for Unifi! But perhaps Unifi believes it will have a better chance of building membership in the Bank's India operations rather than those in the UK, where its membership in Lloyds TSB is down to just 3,000 staff, many of whom pay no subscriptions.

IAN PARTRIDGE
General Secretary