

Telephone Banking Pay Dispute - ACAS

Whilst in December many new Telephone Banking Advisers justifiably received significant pay increases, longer-serving and more experienced Telephone Banking Advisers have been left facing the prospect of many years with little or no pay increase at all!

This means substantial cuts in their standard of living over a period of time.

LTU's campaign on behalf of those Telephone Banking Advisers who lost out because of the new Salary Structure enters a new phase this coming Friday, when the Union and Bank have a conciliation meeting at ACAS.

At this ACAS meeting, LTU will be insisting that the value of salaries for longer-serving and more experienced Telephone Banking Advisers should be properly protected and preserved.

LTU's Key Pay Concerns

The key areas of dispute that LTU is seeking to resolve with the Bank at ACAS this Friday are:

- **The automatic downgrading of all Band 7 Advisers to Band 8, which took effect from 1st January 2008.**

The salaries of these staff will be protected for a period of three years under the Bank's *Protection of Pay & Allowances (PPA)* policy. However - and it is clear that many staff don't yet appreciate this - following the initial three years protection, many Advisers face the prospect of indefinite pay freezes as the value of their pay is progressively managed down to the new 'Market Rate'.

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- **Band 8 Advisers who are paid above the new 'Market Rates' for their Adviser Grades will typically also have their salaries managed downwards through the award of little or no pay increases at all for years on end.** In these cases, staff have been provided with no pay protection at all.

In fact, LTU has received reports already from many members in this category who have been told that they will receive little or no pay increase at all in April ... and certainly less than they would have been given if they had remained being managed on Effective Levels.

The biggest losers from these changes have been those staff allocated to 'Service Adviser' grade, where the 'Market Rate' is £1,020 below that for 'Core Banking'.

- **It is unacceptable that longer-serving and more experienced Telephone Banking Advisers are facing the prospect of years on end with little or no pay increases at all and LTU is proposing that the existing value of the salaries of these Advisers should be protected and preserved indefinitely.**

The New Salary Structure & Who Has Suffered Most

It is of course correct that there are many Telephone Banking Advisers who were 'winners' from the new Salary Structure that was introduced in December.

LTU views this as a major achievement in our long-standing campaign to secure significant increases in Starting Salaries and the Market Rate for Telephone Banking Adviser roles.

After all, LTU has been the only trade union to have been campaigning for better salaries in Telephone Banking - just as now, it is the only trade union campaigning to protect those Advisers who have been losers from the new Salary Structure!

But at the same time, LTU does not accept that other Advisers - and especially those who have been previously graded as Band 7 or who are now designated as 'Service Advisers' - should suffer long-term financial losses. This is why at ACAS later this week, LTU will be pressing for all Advisers to be permanently protected from any cuts in their real pay.

Understanding The New Salary Structure

The new Salary Structure introduced last December led to a number of fundamental changes in how the salaries of Telephone Banking Advisers are managed.

These included:

- **The Band 7 Advisor role was scrapped altogether, with all these staff told that they would be downgraded with immediate effect to Band 8.** The impact of this change has been temporarily delayed by the provision of three years' salary protection under the Bank's Protection of Pay & Allowances (PPA) Policy.

The PPA protection means that for a period of three years - in this case until April 2011 - Advisers will be temporarily shielded from real cuts in their pay. During this period of protection, Advisers will be guaranteed to

receive increases in their pay in line with the annual movement in the salary scale. Full details of this policy and how it affects staff can be found in the Bank's Staff Manual at PPP 1.20.

However, once this three years' salary protection has elapsed, many of these Advisers face the prospect of little or no pay increases for years on end until their salaries fall - in real terms - to around the new 'Market Rate'.

- **Whereas previously most Advisers had been guaranteed what was effectively a 'cost of living' pay increase each year - based on the amount by which the pay rate for their Effective Level increased - this is no longer the case.**

Instead, staff will now receive a pay increase (if any) that is based upon how their salary compares to the Market Rate for their Adviser Grade. These Market Rates are detailed below:

	New Salary Scales		
Adviser Status	Entry	Market Rate	Maximum
Core Banking	£13,329	£14,810	£17,772
Sales	£12,852	£14,280	£17,136
Service	£12,393	£13,770	£16,524

In simple terms, typically each year:

- *Advisers who are performing well but paid below the Market Rate can expect to receive a pay rise of at or around the Bank's published Pay Pot (3.8% this year);*
- *Advisers paid above the Market Rate but below the Scale Maximum - unless their performance is exceptional - can expect to receive a pay rise of less than inflation and quite possibly no increase at all;*
- *Advisers currently paid above the maximum should expect to receive no increase at all, irrespective of how well they have performed.*

Senior Management is therefore effectively pursuing a policy of homogenisation of pay where - with the exception of a very small number of staff who consistently receive 'Excellent' or 'Outstanding' Performance Ratings - the overwhelming majority of Telephone Banking Advisers will have their pay managed toward the 'Market Rate' for their roles.

An Attack Both On Band 7's & On Experience

The change to which LTU is most fundamentally opposed is the scrapping altogether of Band 7 Advisers and the penalising of more experienced staff.

The Bank has argued that the contribution made by Band 7 Advisers - and those Advisers presently at the higher Effective Levels (i.e. 'Effective Level 3' and 'Expert') - is typically no greater than that of other Advisers who have been working for the Bank for only a few months!

LTU has responded by saying this is a preposterous suggestion that ignores the fact that it is the more experienced staff in Telephone Banking who are the bedrock of the business unit. Their experience is relied upon by those Advisers with far shorter service; particular given the fact that there are such high levels of staff turnover.

The Union has no doubt whatsoever that if Telephone Banking was no longer able to count on its more experienced and longer-serving staff, it would run into serious difficulties.

Senior Management are making a serious mistake in treating the value of these key staff with such little regard.

Real Cuts In Pay

It was wrong of the Bank - at the time these new arrangements were introduced - to try to obscure the fact that hundreds of Telephone Banking Advisers face real cuts in the value of their pay.

The fact is that Telephone Banking Advisers who are paid more than the Scale Maximum will receive no increase in their basic salary - irrespective of performance - and many who are paid above the Market Rate but below the Maximum can at best only expect nominal pay increases that are below the rate of inflation.

The closer staff are to the Scale Maximum, the lower the pay increase they can expect to receive - if any at all - each year; even if they are rated as being 'Excellent' or 'Outstanding' performers in their Balanced Scorecard.

The reality is that many staff will receive no pay increase for years on end ... and for some, that will start this April.

The Main 'Losers'

The main 'losers' from Telephone Banking's new Grading and Salary Structure are detailed below:

- **Band 7 Advisers at the West Midlands and Swansea Contact Centres.**

For Advisers who are currently paid at the Band 7 'Market Rate', the level at which their pay will be managed in future will be reduced by 7.9% in West Midlands and 4.8% in Swansea. This cut in pay rates will follow three years pay protection under the Bank's Protection of Pay & Allowances (PPA) policy.

- **Advisers at Southend and Brighton who are paid at, near or above the 'Market Rate'.**

For Band 7 Advisers, the Pay Rates for their jobs are being slashed by between 15.2% and 21.2%; and for Band 8 Advisers these Pay Rates are being cut by between 3.7% and 10.5%.

- **Solent is another site where Advisers are suffering substantial cuts in their Pay Rates.**

These will fall by 3.7% for Band 8 Advisers and 15.3% for Band 7 Advisers; and by more still for those Advisers who are now being classified as Service Advisers (see later).

- **Band 7 Advisers at Newport are having their Pay Rates cut by 15.9%; in Glasgow by up to 15.9%; and in Sunderland by 18.2%.**

LTU is also concerned that Personal Lending Decisions staff might at some stage also be transferred onto these new arrangements.

A chart detailing the full impact of the changes on roles in all Telephone Banking sites, can be found at www.ltu.co.uk/Newsletters.

ACAS & LTU's Proposals

LTU has produced a number of important proposals - which will be discussed further at our meeting with the Bank at ACAS this coming Friday - to protect the salaries of those Telephone Banking Advisers who face the prospect of seriously losing out as a direct result of the new Salary Structure.

These are that:

- **For Advisers who have been downgraded from Band 7 to Band 8, salaries should be protected at their present levels - with Advisers guaranteed to receive a cost of living' increase in line with the increase in the Market Rate - indefinitely ... not just for the three years planned by the Bank.**
- **Indefinite salary protection should also apply to Advisers who were already Band 8 before the new Salary Structure was introduced in December, but are paid above the 'Market Rate' for their Adviser**

Grade either because:

- ***They were at a higher Effective Level because of their past performance and experience, or***
- ***They have been allocated to a Service Adviser Grade, with a corresponding cut in their 'Market Rate'***
- **Salary supplements should be applied to 'float' on top of the 'Market Rates' for those roles that require additional competencies, skills or complexity to other typical roles for the same Adviser Grade.**

LTU believes these are all entirely reasonable and justifiable proposals that would ensure that the 'losers' from the new salary structure - and particularly longer serving and more experienced Advisers - are properly rewarded and protected.

LTU - Campaigning Alone For Telephone Banking Staff

Once more, LTU finds itself in the all too familiar position of being alone in campaigning for a fair deal and fair treatment for Telephone Banking Staff.

Whether it's Telephone Banking Pay, Sickness Absence Management, Quality Assurance and Variable Pay or campaigning to oppose the offshoring of jobs to India, it is always the same ... LTU campaigns vigorously on behalf of Telephone Banking Staff whilst Amicus Unite appears to do absolutely nothing.

The only surprise is that there are any remaining members of Amicus Unite in Telephone Banking!!!

Not Yet An LTU Member?

Wherever you work and whatever you do in Telephone Banking, LTU membership is important to you.

LTU represents the majority of staff across Telephone Banking, with around ten times as many members as Unite.

To join couldn't be easier. Just complete and return the Application Form overleaf ... we will even give you your first three months membership absolutely free.

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