

# Bank Volte-Face Over Trade Services Outsourcing

**T**he Bank has announced that it is ditching plans to outsource its Trade Services processing operation to the Bank of Wachovia and that all staff expecting to leave on Redundancy Terms over the next 6-9 months will no longer be doing so.

**Obviously this will be a relief for some staff who will no longer need to look for jobs outside of Lloyds TSB. But it will also be very difficult news to digest for many others, who may have psychologically adjusted themselves to leaving the Bank with Redundancy Payments and perhaps made longer-term plans as a consequence.**

A total of 47 staff - 45 in Monument Building and 2 in Brindley Place - have been told they will no longer be leaving the Bank with a Redundancy Payment. Though the Bank says it will treat these staff sympathetically, it insists that proceeding with making Redundancy Payments will not be an option.

## Why The U-Turn?

The Bank has provided LTU with a number of reasons for its u-turn: ranging from cost overruns and technological problems, to changes in regulatory and compliance requirements. But perhaps the most important reason of all appears to be that the Bank is now far more risk averse than when it first announced its plans for Trade Services almost 2 years ago.

**However, none of these reasons address the key point - that since August 2006 the Bank has insisted that its Trade Services processing operation was inefficient, uncompetitive and effectively 'on the ropes' and had no future**

**without significant investment. At the time, LTU was told that Trade Services had no future at all unless the processing operation was outsourced to a third party.**

Senior Management have said that the other companies (in addition to Bank of Wachovia) that the Bank had originally considered outsourcing to are no longer viable fall-back options.

## What Next?

The bare minimum that Trade Services staff deserve is an indication that the Bank has a genuine vision for the future of Trade Services, rather than empty platitudes about 'growing the business' when in the past it derided the prospects of achieving this without outsourcing and job losses.

**The bottom line is that having first told staff that Trade Services had no future unless processing was outsourced to the Bank of Wachovia and many staff made redundant, staff now need to be convinced that they will not find themselves in a similar situation in merely a year or so's time.**

There are, of course, other considerations; not least the fact that the lease on Monument Building finishes at the end of this year and the Bank has said staff will have to be relocated elsewhere.

**These are all key issues that LTU will be addressing in our discussions with Senior Management over the next few weeks and the Union would welcome the views of staff on these and other related issues.**

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