

# Bank Accused of Robbing Widows

In the next few weeks Lloyds TSB will announce that in 2004 it produced pre-tax profits of approximately £3.5billion. Whilst not the most successful Retail Bank it is still one of the most profitable organisations in the UK.

Despite this level of profits, in September last year the Bank decided, without any discussions with LTU, to abandon its policy of making payments to widows of Bank pensioners in the Lloyds TSB Number 1 Pension Scheme. The widows of those pensioner members of the Lloyds No 1 Scheme who joined the Bank before 1996, and who died five or more years after retirement, were previously awarded a tax-free payment equal to two months pension. The payments were made by Central HR and not the Pension Fund

According to the Bank the payments were originally introduced to ensure that widows didn't suffer any financial hardship whilst the widows' pension was being set up. Furthermore, the Bank said that because the setting up of spouses' pensions was now done very promptly the reason for providing the benefit to widows' pensions no longer exists. **But we know that for many years there has been no real changes to the processes for setting up widows' pensions, so why have the Bank decided to withdraw the benefit now? Regardless of the original reason for the benefit, many pensioners now treat it as a form of life cover and many of them have used it, and planned to use it in the future, for the payment of funeral costs.**

## Shameless

Despite what the Bank says publicly, the real reason for withdrawing this valuable benefit now is its desire to cut costs. The fact that this is at the expense of some of the most vulnerable members of our society is something of which the Bank's Senior Management should be ashamed. The Bank has withdrawn this benefit without any discussions whatsoever and has so far not even bothered to tell the pensioner staff affected. **Widows who have just buried their loved ones will only find out that this benefit has been withdrawn when they contact the Bank's Pensions Department to discuss their widows' pension and the payment of the two month pension gratuity.** This type of corporate arrogance is unworthy of Lloyds TSB.

In its last Annual Report and Accounts the Bank says that "... business success should go hand-in-hand with corporate citizenship.". It goes on to say that "... our commitment also involves the day-to-day business of listening to and serving all our stakeholders, because good corporate citizenship is an essential part of building a successful business.". Surely a measure of being a good corporate citizen is looking after those staff who have helped build up the successful business in the first place.

**We have told the Bank that this is a cut too far and the benefit should be reinstated before pensioners lose out.**

## Contacting LTU

Members with any questions or comments can contact the Union's Bedford Office as follows:

 <p>01234 262868 24 hour advice line</p>	 <p>24hours@ltu.co.uk</p>	 <p>Fax No: 01234 262821</p>
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**Mark V Brown**  
Assistant General Secretary