

LTU Demands Bank Publish Terms & Conditions Offer

When the takeover of HBoS by Lloyds TSB was announced we made our position on terms and conditions very clear. The Union's job was to protect the long term interests of staff by ensuring that they were not hurt in the rush to squeeze the maximum out of the takeover.

LTU and the Group recently began negotiations on a new set of terms and conditions, covering reward, employment policies, pensions and performance management, for all staff in the Lloyds Banking Group. **The proposed new terms and conditions we have seen are so completely unacceptable that no independent Trade Union, worthy of that title, could ever accept them. LTU will not accept terms that are so fundamentally detrimental to the long-term interest of our members and their families.**

Moreover, we will not be complicit in an agreement which could undermine the viability of the takeover. One of the main reasons why many takeovers fail, and most of them do, is because the integration of the two organisations is mismanaged, with one part feeling they that it has lost out in terms of appointments or benefits. That soon leads to resentment which becomes corrosive and destabilising. We don't want this to happen but that will be the result if the proposed new terms and conditions are implemented.

LTU is not in a position to publish the proposals because of our agreement with the Bank on confidentiality which requires both parties to agree to publication. However, we have written to the Group and demanded it publishes its proposals now and lets staff in Lloyds TSB and HBoS determine the acceptability of the new terms and conditions.

We can sometimes forget in the cacophony of noise surrounding the Group's participation in the Government's Asset Protection Scheme or the impending rights issue and the threats coming out of Europe, that the Lloyds Banking Group is not a failed Bank. It is forecasting savings of £1.5 billion by the end of 2011 and on its own predictions will become significantly more profitable in the medium term following the integration of the HBoS businesses.

There is no case for using the merger as a smokescreen under which staff pay and conditions are cut to shreds.

We will be keeping members informed on the progress of our discussions and whatever proposals eventually emerge from our negotiations will be |

Mark V Brown
Assistant General Secretary

allot.