

# T&C Negotiations - The Dangling Conversations

When announcing its 2009 results the Bank said **"We are a business based on building deep and lasting relationships with our customers through the efforts of our people. Colleagues are our most valuable resource, as it is our colleagues who will build these relationships. Creating a great place to work is a core priority to enable the Group to achieve its vision of being the best financial services organisation and be recognised as the best organisation to work for."**

If the Bank's Executive Committee really believed that statement then they would think again about introducing the proposed new terms and conditions of employment. They have been rejected by 99% of staff who participated in LTU's ballot.

LTU has told the Bank that if it persists with its current proposed changes to the pension schemes, regardless of whatever minor changes it makes to the other terms and conditions proposals, those will not be acceptable to LTU and will be rejected. It is not a question of not wanting to compromise; it is a question of principle. The risks to the pension schemes have been capped, it's been quantified from an actuarial perspective and is affordable in the medium and long terms.

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## Wealth Management Redundancies, Bonuses, Life Event Leave

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LTU has published the results of its feedback but the Bank hasn't published anything yet. We know from members that thousands of staff registered their views on the Bank's proposals and the results of that consultation process should be published.

LTU's Executive Committee will be meeting shortly to review all options in the event that agreement can't be reached. In the meantime, we will be writing to all members shortly to confirm that we have got the correct date on which they joined the Bank. This will enable us to identify all members of the final salary pension schemes. Members with any questions on this Newsletter can contact the Union's Bedford Office on 01234 262868 or they can email me at Mark.Brown@ltu.co.uk.

**Mark V Brown**  
Assistant General Secretary

# Wealth Management Redundancies

Recently Wealth Management announced changes to the segmentation arrangements between the LTSB and HBOS Retail Banks and UK Private Banking which will result in 229 job losses. Details of the jobs being lost are set out in the table opposite.

The biggest change is in the current segmentation arrangements that operate in Lloyds TSB and HBOS. From the 1st July segmentation across LTSB, Bank of Scotland and HBOS will operate as follows:

- **Customers with investable assets of less than £250k and/or income of less than £100k will now be served exclusively by Bancassurance Advisers in the LTSB and HBOS Branch Networks.**
- **To enable Bancassurance Advisers across both networks to maximise the new opportunities a new client proposition will be unveiled as part of the 'L' day programme.**
- **Wealth Management across both networks will now look after clients with investable assets of between £250K and £2 million or with income of between £100k and £500k. High Net Worth will serve clients who have between £2 million and £5 million to invest.**

There are currently 713 staff covered by this reorganisation, 310 in HBOS and 403 in Lloyds TSB, and the number of job losses are detailed below.

- **There are currently 450 Wealth Management Advisers Personal across both networks and that number will reduce to 290.**
- **The number of sales management positions will reduce from 63 to 40; the number of advisory support staff, which will be 4 Adviser staff per 1 support staff, will also reduce from 147 to 112.**

Members with any questions or comments on the reorganisation can either contact the Union's Bedford Office on 01234 262868 or they can email me at [Mark.Brown@ltu.co.uk](mailto:Mark.Brown@ltu.co.uk).

## Bonuses - Angry Reaction From LTSB Staff

The Bank has confirmed that heritage bonus policies will apply regardless of the fact that for all of 2009 both heritage populations were, to use the Bank's phrase, "One Bank". The actual bonuses achieved, which the Bank will be communicating to individuals over the next few days, achieved are based on target performance and there are significant differences between those earned for the two heritage groups. We told the Bank that decision will inevitably fuel the anger amongst many heritage LTSB staff about the way in which the merger has been handled from the beginning.

	Now	Future	Reduction
Director Personal Wealth Management	2	1	1
LTSB SWPM's	275	145	130
HBOS Wealth Advisors	175	145	30
Senior Managers	63	40	23
Heads of Wealth Management	8	6	2
Wealth Coach	16	10	6
Channel Support Teams	7	5	2
Advisory Support	167	132	35
	<b>713</b>	<b>484</b>	<b>229</b>

HBOS staff should not be penalised for the fact that the organisation they previously worked for had been run into the ground by people who didn't know the first thing about banking. They are fully entitled to their bonus awards and deserve every penny. However, the Bank has had plenty of time to try and bridge the gap between the two systems for 2009, particularly given that this was always going to be an exceptional year. **If the Bank wanted to it could quite easily have increased the size of the bonus pot for heritage Lloyds TSB staff to ensure that all staff regardless of heritage were entitled to at least the same on target awards.** It chose not to do that.

The bonus awards will be paid using the following principles:

- **All staff earning up to £39k who are entitled to bonuses of less than £2k will be allowed to take cash in the normal way. If bonuses are worth more than £2k then staff will get the first £2k in cash and the rest will be deferred until March 2011 and March 2012.**
- **All staff earning more than £39k will have all their bonuses paid in shares. 50% will be paid in June 2010, 25% in March 2011 and the remaining 25% in March 2012.**

The guidance matrices used to distribute the two pots, which are based on staff achieving on target awards, are set out in the tables below.

LTSB Guidance Grid

Band	Not Met	Part Met	Met	Exceeds	Outstanding	On Target
2	0%	0-8%	16-22%	22-30%	36-40%	25%
3	0%	0-6%	12-16%	16-22%	27-30%	15%
4 to 8	0%	0-1%	2-2.75%	2.75-3.75%	4.5-5%	2.5%

HBOS Guidance Grid

Level	Not Met	Part Met	Met	Exceeds	Outstanding	On Target
6	0%	0-10%	20-27%	27-37%	45-50%	25%
5	0%	0-7%	14-19%	19-26%	30-35%	17.5%
4 to 1	0%	0-4%	8-11%	11-15%	18-20%	10%

## Join LTU's eForum Now

Since LTU launched its eForum online at [www.ltu.co.uk/eforum](http://www.ltu.co.uk/eforum) more than 10,500 members have registered and regularly read the views of their colleagues on a range of topics from the Chief Executive's encounter with a BBC camera crew, to a debate on the meaning of negative goodwill in the context of the HBOS takeover, to more topical subjects such as the proposed new T&C's, staffing levels and bonuses. **To register for LTU Online simply go to [www.ltu.co.uk/register](http://www.ltu.co.uk/register) and follow the instructions to register for your LTU Online account, it couldn't be easier.**

## Life Event Leave - Book It Now!

Life Event Leave refers to a one off week long period of paid leave, which can be taken at any time during your career. The reason for taking this leave is entirely personal and does not need to be justified to your Line Manager. The Bank is proposing to remove this period of leave entitlement and LTU is advising all LTSB staff who have yet to book their Life Event Leave, to do so by the end of March 2010. The cut-off date for all applications to take Life Event Leave is March 2011.

The only conditions of acceptance are that any staff member must have completed at least 2 years continual service prior to requesting leave, and the week must be taken in a single block.