

# Direct Channels: Harmonisation of Pay & Grading

In a communication issued to Direct Channels Staff today, the Bank has said it is reviewing its Pay and Grading arrangements across LTSB and HBOS Telephony sites, in order to bring staff from both heritages on to a single set of arrangements.

These plans - which the Bank is committed to negotiating with LTU - have been long anticipated, with LTU detailing some of our concerns in a previous Direct Channels Newsletter in January.

## Bad Omens!

There are worrying signs concerning what harmonisation of Pay and Grading might look like from another part of the Bank that has already announced its plans for telephone-based staff; Collections & Recoveries.

Here, rather than levelling-up the pay of HBOS staff to the same levels as LTSB staff, the Bank instead plans to drive down pay rates for LTSB staff. Unless the Bank amends its plans under pressure from LTU, this could mean that many LTSB staff face the prospect of many years of pay freezes or sub-inflation pay increases.

## New Adviser Salary Scales

LTU has been pressing the Bank for some time to come clean on its plans for harmonised Adviser Grades and Salary Scales within Direct Channels.

If the Bank is to compensate staff adequately for the loss of other benefits as a consequence of its new Terms and Conditions, it will need to make substantial increases in Pay Scales for Core Banking, Sales and Service Advisers.

Furthermore, the Bank has acknowledged that thousands of staff across the Group in Bands 7 and 8 are due to receive pay increases under its new proposals and it would be unfair if LTSB Direct Channels Staff were to lose out because they are managed under a separate grading and salary structure.

## Bonus Payments

For most Lloyds TSB heritage staff, one of the very few benefits of the Bank's proposed new arrangements is an increase in bonus entitlements.

For Lloyds TSB staff in Bands 8 to 6, average bonuses paid to staff would double in value.

However, in Direct Channels there is a reversal in this trend, with Bonus Payments that are linked to Perfect Quality reducing rather than increasing, because:

- **Direct Channels has acknowledged that it is going to be far harder for staff to receive 'Gold' ratings, which generate the highest bonus payments.**
- **For the majority of products actually sold, the new Rate Card announced by Direct Channels means that staff will either receive the same or a lower bonus payment for each sale.**

In other words, rather than doubling the bonus opportunity that would be available to the majority of LTSB-heritage staff under the new Terms and Conditions proposed by the Bank, many Direct Channels staff will either receive the same or lower bonuses than they have previously.

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