

# Bank Announces 1,850 More Job Losses

The Bank has announced a new wave of job losses, with the axe this time falling most heavily on its HBOS-heritage operations. These 1,850 job losses will increase to 18,000 the total number of jobs being made redundant by the Bank since the merger of Lloyds TSB and HBOS early last year.

**Most significant will be the complete closure of two HBOS operations in Chester (Direct Channels) and Nottingham (Insurance).** The scope for avoiding large scale compulsory redundancies in Nottingham in particular will be severely limited given that there aren't other large operations nearby for staff to redeploy into.

## Areas Affected By Job Losses

The areas most affected by these job losses are:

### ● **Retail Direct Channels: 471 Jobs (FTE) Redundant**

The biggest job losses (450 Staff / 402 FTE) will come from the closure of HBOS's Contact Centre in Chester. Other significant redundancies are due to be made from the merging of the South East Service and Cardiff/Solent Sales Regions into a single South Sales Region (31 jobs) and slashing by 32 FTE the number of Band 6 roles at Bridgend, as the Bank aims to increase average spans of control to 1 Team Manager for every 11 Advisers.

### ● **Insurance Division: 469 Jobs (FTE) Redundant**

The most significant development within Insurance Division is the closure of the HBOS General Insurance site in Nottingham. The Bank has admitted that there will be only limited scope for redeployment for the 235 staff whose jobs are being made redundant. Other staff will be affected by the switching of work between Insurance sites (94 jobs); cuts in Strategic Change & IT (SC&IT)(47 jobs); and the loss of 77 jobs in the Finance function of Life, Pensions & Investments.

### ● **Group Operations: 526 Jobs (FTE) Redundant**

Banking Operations will contribute a significant proportion (300 FTE) of these job losses, with the biggest impact being on its Customer Relations function, where it will exit some sites altogether.

Group Property is intending to outsource its Reception Services operation to one of two service providers, depending upon site: either Arena 21 or VSG. 30 staff will be forced to transfer under the provisions of what is known as TUPE legislation [the Transfer of Undertakings (Protection of Employment) Regulations].

### ● **Halifax Community Bank: 158 Jobs (FTE) Redundant**

Over 158 jobs are due to be lost in Halifax Community Bank from closures of its independent Agencies and Branches.

### ● **Other Affected Retail Business Units**

The Mortgages business unit is planning 82 (FTE) further job losses, affecting its Sales, Commercial and Collections & Recoveries teams.

A further 91 redundancies are planned for Brighton, when the Retail Division finally exits Brighton before the middle of next year.

The work of a further 126 Retail Head Office jobs will be transferred out of Chester and into alternative sites.

Well over a hundred staff face the prospect of being downgraded in Retail Fraud as a consequence of a new operational structure.

**The Bank is not expected to announce any further waves of job reductions until after the summer.**

# Key Issues For Staff

For many staff affected by this latest wave of job reductions and reorganisations, there will be a number of particularly important issues:

## Compulsory Redundancies

Ensuring that all possible steps are taken to avoid staff being made compulsorily redundant is clearly LTU's leading priority.

As the Bank pulls out of increasing numbers of sites, this is becoming an ever-important issue.

The Union is insisting that measures to avoid compulsory redundancies must include seeking volunteers for redundancies in other areas of the Bank unconnected to reorganisations, in order to create vacancies for staff to move into, using a process known as 'bumping'.

This creates a 'win, win' situation both for those staff wishing to remain working for the Bank and those who would like to leave if offered Voluntary Severance Terms.

## 'Forced Redeployment'

**An issue for many staff that is almost as emotive as compulsory redundancy arises when people are forced to redeploy into alternative roles that they may not wish to accept (perhaps preferring Voluntary Severance) or consider unsuitable.**

This is an important issue for those who may be at risk of being forced to move work locations, to accept roles that they might consider unsuitable either in respect of job content or working hours, or which may result in them being downgraded.

In fact, this may be a particular issue during this wave of job reductions and reorganisation, since whilst in some areas there will be job reductions, in others new roles will be created as work is transferred between sites. This means that in many cases the Bank will want to fill new vacancies with surplus staff; either asking staff to move into different types of role, change their working patterns or transfer work locations. Whilst this may be good news for some staff seeking suitable redeployment, for others it may not.

**Staff can only be forced to transfer into different roles so long as the positions they are asked to accept meet the definition of 'Suitable Alternative Employment', this being:**

- *A position at the same Band or level of seniority*
- *Within the skills, competencies and experiences of an individual, subject to adequate training*
- *A 'proper job' rather than one of only a short-term nature*
- *With the same working patterns*
- *Within recognised mobility parameters.*

An individual's personal and domestic circumstances may also be relevant.

As we explain in the next section, LTU's experience has been that this level of Job Security Protection is far less robust in HBOS than in Lloyds TSB.

Where staff are judged to unreasonably decline a role that the Bank considers meets the definition of 'Suitable Alternative Employment', staff may forfeit their right to Redundancy Pay.

## Downgradings

One of the ways that the Bank is cutting costs is through transferring staff into lower graded roles.

This will, for example, be a particular issue in respect of the Fraud Risk Management reorganisation, where over a hundred staff face the prospect of being required to accept lower graded roles, even though there is no overall reduction in staff numbers.

Whilst staff cannot be downgraded by more than two grades, or for Lloyds TSB Staff across a Benefit Break (i.e. from Band 3 to 4, Band 4 to 5, or Band 5 to 6), they can be downgraded from, say, Band 6 to Band 7.

In these circumstances, Lloyds TSB Staff receive three years pay protection when their Pay continues to increase in line with the scale movement for their 'old grade', following which their pay could be frozen for perhaps many years until it falls into line with the pay scale for their 'new grade'. Many therefore face the prospect of real cuts in pay.

# HBOS Staff Left Exposed

Since LTU began representing HBOS Staff, the Union has been surprised by the lack of robust, effective protection for staff provided by HBOS's Job Security Policy.

**Whereas Lloyds TSB Staff have a clearly defined description of what constitutes 'suitable alternative employment' - that is the types of roles that they could be forced into accepting if their own jobs are lost - within HBOS, staff have far more limited rights.**

As a consequence:

- Whilst Lloyds TSB Staff cannot be downgraded across status and benefit levels - that is from Senior Manager to Manager (Band 3 to Band 4), from Manager to Assistant Manager (Band 4 to Band 5) or from Assistant Manager to Clerical (Band 5 to Band 6) - HBOS staff have no such clear protection against forced downgradings.
- Whereas Lloyds TSB Staff can refuse to transfer offices where involves journeys of more than 25 miles or 1 hour 15 minutes by public transport,

or if they have reasons relating to personal or domestic circumstances to refuse, HBOS staff can be forced to incur journeys of up to 30 miles each way.

- LTU has also been representing HBOS members who have been told that they must either change their working patterns or leave the Bank without compensation, despite the fact that they have personal or domestic circumstances that would make it difficult, if not impossible, to accept these roles.

**In all these circumstances, LTU believes HBOS Staff have not only been poorly supported in the past, but that HBOS's Job Security Policy has been tolerated despite the fact that it falls short of providing the protection provided by employment law.**

Any HBOS members who are told they must accept alternative jobs that they do not consider suitable should contact LTU's 24 Hour Advice Line Service straightaway on 01234 262868.

---

## Professional Support From LTU

Within the Lloyds Banking Group, LTU is alone in providing staff whose jobs are affected by redundancies and reorganisations with the highest quality advice, information and representation.

With LTU, members can count upon:

- Regular meeting between LTU's Senior Officials and Senior Management within each business unit, where LTU ensures that the needs, concerns and interests of staff are effectively represented.
- High quality, informative Newsletters and information guides that ensure our members are fully informed of their legal and contractual rights when faced with job security concerns. This includes LTU's excellent 40 page Job Security Guide that members can read on our website at [www.ltu.co.uk/representation/job-security-guide](http://www.ltu.co.uk/representation/job-security-guide).

- Our free Curriculum Vitae Design & Preparation Service that members can use to obtain high quality CV's to help them successfully find jobs both inside and outside of the Bank.
- Regular visits to all offices by our experienced local officials, who work and are paid directly by LTU and are specially trained to support members on matters concerning their job security.
- Our excellent 24 Hour Advice Line Service that members can call at anytime call to speak direct to an experienced LTU Official on 01234 262868.
- Individual representation at Job Security Appeals and Grievances that is provided *exclusively* by experienced Union Officials, unlike the other unions operating within Lloyds Banking Group.

**STEVE TATLOW**  
Assistant General Secretary

To join call 01234 262868... today!