

LTU Press Release



Lloyds TSB Staff Survey Exposes Major Offshoring Concerns

A Survey of Lloyds TSB branch managers and staff has exposed major concerns over the Bank's transfer of work to India.

The Survey was sent to 5,000 staff working in Lloyds TSB branches by the trade union representing 45,000 staff working for the Bank – Lloyds TSB Group Union (LTU). Its main findings are that:

- * **96% believe customers are not happy dealing with staff in India.**
- * **83% believe customers receive a worse service from India, with 63% reporting significantly more errors and mistakes being made by the India operation.**
- * **64% said offshoring made it more difficult to promote Lloyds TSB products and services; 85% said the Bank would lose many customers and; 86% were concerned that customers are more likely to switch to those other financial services companies committed to the UK (i.e. Halifax Bank of Scotland, Royal Bank of Scotland, NatWest and Alliance & Leicester)**
- * **Over half reported receiving complaints or adverse comments each and every day from customers about the India operation, with a further third reporting receiving these every week.**

But perhaps of as great a concern to the Bank as the high level of customer dissatisfaction to its offshoring of account handling to India, is the fact that senior management appear oblivious to the level of complaints. **That is because only 4.2% of staff said complaints were always – and 11% usually - reported beyond their immediate team.**

Lloyds TSB Ignoring Concerns

Despite customers and staff sharing clear concerns over the consequences of transferring back office processing and telephony operations to India, Lloyds TSB is continuing to drive through its strategy of transferring work to India.

Over recent months, announcements connected to the transfer of work to India by Lloyds TSB and its Scottish Widows and C&G subsidiaries, include:

- * **‘Offshoring By Proxy’, whereby offices serving business customers across the UK – and particularly in South Wales and the South West – are closing to allow work to be transferred to other sites where spare capacity has been created through the transfer of work to India**
- * **The transfer of 100 jobs from a C&G Investment Processing Unit near Fareham to other sites, also through a process of ‘Offshoring By Proxy’.**
- * **The transfer by Scottish Widows of a further 125 processing jobs from Edinburgh to India by the end of November.**

LTU believes as many as 10,000 Lloyds TSB jobs could eventually be transferred to India.

Based on past experience, the Union anticipates that over the coming weeks the Bank will make an announcement concerning how many jobs it intends to offshore to India during 2006.

Campaign Against Offshoring

Lloyds TSB’s closure plans have been condemned by the Union representing 45,000 of the Bank’s staff; Lloyds TSB Group Union (LTU).

Over the last two years, LTU has been vigorously campaigning to oppose the Bank’s transfer of work to India at the expense of existing jobs in the UK. It has been collecting signatures from customers across the UK for a petition in which customers insist that they want their financial arrangements handled in the United Kingdom. LTU has so far collected 400,000 of its target of half a million customer signatures.

Union Comments

In commenting on the Union’s campaign, Steve Tatlow, Assistant General Secretary at Lloyds TSB Group Union, has said:

“The survey confirms what we have known all along. That staff dealing with customers day in and day out are having to deal with considerable customer hostility at having their accounts handled abroad.

The results show that whatever Lloyds TSB might say about the customer service provided by its India operation, hordes of customers are complaining across the UK each and every day of the week.

Senior Management will have to make a choice. Either to continue with cost cutting in the teeth of customer opposition to its offshoring plans, or else refocus its strategy towards putting customers first. After all, ‘You First’ is the Bank’s current marketing slogan.

Any organisation that so obviously ignores the wishes of its customers does so at its peril. We fear that many customers may vote with their feet and transfer to those competitors that remain committed to the UK. This would inevitably put future profitability at risk.”

About Lloyds TSB Group Union (LTU)

Lloyds TSB Group Union (LTU) is the largest independent trade union representing staff working across the Lloyds TSB Group with over 45,000 members.

For More Information

If you would like more information on the Bank's plans to transfer jobs abroad or LTU's campaign to protect Lloyds TSB jobs, then contact Steve Tatlow on 07879 643130 or Peter O'Grady on 07880 747884.

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