

## LTU Press Release



# C&G Announces Closure Of Office Near Warwick & Transfer Of 300 More Jobs To India

**Cheltenham & Gloucester, which is owned by the Lloyds TSB Group, has today announced it is to close its Mortgage Application Centre near Warwick and that – of the 400 jobs based there - 300 jobs will be transferred to India.** The remaining jobs will be transferred to other operations in Gloucester and Scunthorpe.

**The Company has admitted that “redundancies will be necessary”.**

The work is to transfer to Mumbai, where C&G can employ staff on less than one-sixth of the pay received by UK staff. The operation at Tachbrook Park – positioned near Leamington and Warwick – is to close during the final months of 2006.

The closure is part of a wider programme of transferring work to India by the Lloyds TSB Group. Almost 2,500 jobs have already been transferred to India following the closure of a call centre in Newcastle with the loss of 960 jobs and the transfer of work from other, smaller operations that are closing.

This announcement comes less than a month after it was leaked that Abbey, which has over 1,000 jobs in India - was planning to return work from India to the UK. Insiders had described Abbey's Indian operation as “a costly failure” and that the service had not met required standards. This makes it all the more surprising that C&G is pressing ahead with offshoring despite the clear opposition of customers.

### **Management Makes Empty Commitments**

C&G management have provided empty promises in an effort to divert attention from the consequences of the closure:

- \* It implies most staff will be redeployed. This is misleading. Almost all of the jobs are being transferred to India and the only other redeployment opportunities in the UK would be at Gloucester (49 miles away) and Scunthorpe (126 miles away)!
- \* Management also offered a Training Bond to staff when it closed its Newcastle Call Centre with the loss of 960 staff. However, stringent conditions meant many staff were disqualified from claiming.
- \* It is inevitable that there will be hundreds of compulsory redundancies.

## **Campaign Against Offshoring**

C&G'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 closure, Steve Tatlow, Assistant General Secretary at Lloyds TSB Group Union, has said:

*"This is completely unacceptable. C&G jobs in the UK are to be ditched merely because existing staff can be replaced by staff in India paid a fraction of their salary.*

*Staff are devastated by this announcement. In the last edition of C&G's staff magazine – celebrating the tenth anniversary of the Mortgage Application Centre – senior management.*

*The results of surveys show that whatever senior management 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.*

*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.

## **Media Opportunity**

Representatives of Lloyds TSB Group Union will be handing out literature to staff at C&G staff as they leave Tachbrook Park this afternoon (from 4.30 p.m.) and Thursday morning. The Union will also be petitioning outside C&G branches in Warwick and Leamington on Thursday - between 10.00 a.m. and 1.30 p.m. – asking for customer support for our campaign to oppose the closure.

## **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.

### **Steve Tatlow**

Assistant General Secretary  
Lloyds TSB Group Union