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Lloyds Banking Group slashes contractor rates, offshores jobs to India

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Following restructuring within the new Lloyds Banking Group, over 2,000 more people are set to lose their jobs, and IT contractor rates have been slashed by 15%. Simultaneously, the bank has offshored record number of jobs to India.

The controversial merger of two banking giants - Lloyds TSB and HBOS - has led to an long-expected announcement of further job losses.

This time, 2,100 positions are to go - with the group operations and payment services divisions particularly badly hit. Over 700 workers in the group operations department are set to lose their jobs over the next three years (many of them IT contractors).

From 18th July 2009, all IT contractor rates will be cut by 15%.

The total number of job losses at the consolidated Group has passed the 7500 mark since the beginning of the year.

Offshoring to India

It has also been revealed, that just as the bank slashes permanent jobs and contractor rates in the UK, Lloyds Banking Group has been rapidly transferring jobs to India

According to the [Lloyds TSB Group Union](#):

"Over the past 12 months, the Lloyds Banking Group has not only increased to over 5,000 the number of jobs it has now transferred to India - in the process, replacing existing UK-based staff - but it has also been flying in to the UK hundreds of workers from India who have replaced existing UK-based IT staff and contributed to forcing down pay levels of IT Contractor staff."

Reflecting the feelings of many people in the country, Steve Tatlow, Assistant General Secretary at LTU said:

"It is wholly unacceptable that Lloyds should insist on maintaining over 5,000 jobs in India at the same time as it is making tens of thousands of its own staff in the UK redundant"

Earlier this month, we reported that IT contractors recently laid off by BT have also been [replaced by Indian nationals](#), transferred via a loophole in the work permit system, by virtue of BT's 31% stake in an Indian technology firm.

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