

Unite members' fury

Unite the Union has been inundated with feedback from members who are outraged at Lloyds Banking Group's recent series of announcements on Pensions and Pay. Unite has told the Company that these are not acceptable to members and colleagues who are being placed under unprecedented pressure.

Unite recognises that these are unprecedented times for Lloyds Banking Group, as indeed it is for all of the finance industry and for the economy as a whole, but our members still deserve to be treated with dignity and respect. However for all the rhetoric and commitments by LBG, this is not happening.

Unite has reminded the Company of the goodwill and unwavering support and loyalty colleagues have shown over the past 18 months. In return colleagues have suffered:

- Massive restructuring programmes impacting on 50,000+ colleagues
- Job insecurity and massive job losses, now totalling 16,500 over the past 12 months
- Ongoing uncertainty for those colleagues whose business areas are for sale, eg Cheltenham & Gloucester, LTSB Scotland branch network, 250 branches in England and Wales and Intelligent Finance
- An unimpressive and subjective performance management framework where colleagues can meet their objectives and targets but still find themselves on a 'partially met' rating and/or on a performance improvement plan
- Target culture which doesn't appear to take cognisance of:
 - Reduction in competition – since the takeover, market share has increased and opportunities have significantly decreased
 - Reduction in opportunities due to the deep and lengthy recession
 - Brand reputational damage – customers and potential customers have lost confidence in the products and brands

- Public criticism that all bank workers are Fat Cats whereas we all know the truth that the vast majority of bank workers are on low pay and struggle to make ends meet.

Unite has been consistently calling on the Company to be a Good Employer during these bad times if they want colleagues' support to get them back into the good times – clearly this point is being ignored.

Pay 2010

Members and colleagues will be aware that Unite and Accord recently met LBG at ACAS. Again we reiterated our position on pay with particular emphasis on:

- Unite's survey result overwhelmingly rejected the Company's Pay offer
- Full 2% pay pot to be utilised in a transparent manner for the April Pay review
- No 0% awards

In response the Company decided to simply impose the pay matrix:

Not Met	Partially Met	Met	Exceeds	Outstanding
0%	0.5%	1.5%	2.5%	3.5%

Overleaf is a summary of the Company's unconvincing arguments and Unite's response.

Company Argument	Unite's Response
The offer was made on affordability and that the Company had posted heavy losses	This was due to bad decisions at a very high level and members should not be the victims of this
2% pay pot is market competitive and generous compared to some key competitors	As Unite negotiates with all key competitors we can inform you of settlements in the finance sector <ul style="list-style-type: none"> • RBS – 2%+ • Barclays – 2% • NAG (Yorkshire & Clydesdale Banks) – 2.5% • HSBC (settled when RPI was in deflation minus 1.5%) – 1% Hardly generous with only 1.6% being distributed in the April annual pay review!
Pay pot fell in line with LTSB 3 year deal (agreed by LTU but not Unite) of market movement plus 1%	This 3 year 'deal' was not agreed by all unions and yet was imposed on LTSB colleagues. The deal did not cover HBOS colleagues.. Also the 'deal' included a firm commitment to move colleagues through the pay zones in a 3 year period – a commitment that has now been withdrawn – so much for adhering to the so called "deal!". Furthermore there was no clear evidence presented to show that market movement is only 1%!
The Company believes that this will equate to a 1.6% pay distribution with the remaining 0.4% be distributed at managers discretion. The Company also confirmed that the proposed distributions method was in line with fair pay and performance principles.	Unite wholly believes that by keeping 20% of the pay pot back for managers discretion can and will encourage bad behaviours and leaves the Company exposed to further bad feeling, grievances and equal pay claims.

Bonus

Unite members were initially pleasantly surprised at the Company's recent announcement to award bonuses for 2009. However this was short-lived for a large number of colleagues who have encountered unfair distribution at local level.

Unite has received a significant number of queries regarding the distribution and particularly concerning is that colleagues have been threatened with disciplinary action if they discuss their award. This is a nonsense and if you, or know of any other colleagues have been threatened, please let Unite know as we will challenge this.

Colleagues may know that there is different heritage terms of awards, HBOS awards being higher than LTSB. Unite had raised concerns about the level of disparity and because many business areas and colleagues have integrated, warned that the Company were risking resentment locally and requested that LTSB colleagues receive similar awards as their HBOS counterparts. The Company reiterated that the different heritage terms will apply for 2009 which has indeed caused bad feeling and friction.

In addition, Unite members have been asking how their bonus has been calculated. Managers guidelines were issued and it would appear to have been disregarded.

Throughout 2009 Unite has been challenging the subjective performance management framework, which has resulted in many colleagues being appraised as 'partially met' and therefore receiving no bonus award. In other areas colleagues who are 'met' are querying their bonus as they are being significantly paid less than comparable colleagues.

If you are unhappy with your award please contact a Unite representative who will be happy to support, advise and represent you through the grievance procedure. Unite members are concerned that there appears to be an element of favouritism which is totally unacceptable.

Equal Pay

As the finance sector has reached a very high 54% gender pay gap, Unite has called for urgent equal pay reviews as follows:

- Pay audit
- Pay award audit
- Bonus award audit

Despite the Company's commitment to equal pay, Unite does not believe that any of last week's impositions did anything to address equal pay concerns and will only serve to widen the pay gap.

Again when the majority of colleagues are women and the majority of lower bands/ levels are women, Unite is insisting that joint audits take place to redress all imbalances.

Pensions

Unite met with the Company on Wednesday, 17 March to progress talks on the Terms and Conditions proposals.

The Company reiterated their justification for slashing the final salary scheme pension benefits. This included affordability and market comparisons. It was clear they were not interested in further debate and declared their intention to impose the changes from 2 April 2010.

This means that colleagues will have their full pay award as pensionable pay for 2010. For those who are lucky enough to receive an additional pay rise throughout 2010 through manager's discretion, regrading /restructuring or even promotion, this will be subject to the 2% cap on pensionable pay...and remember the cap will be lower than 2% if RPI is lower!

Unite members are outraged at this imposition particularly when the recent ballot overwhelmingly rejected this proposal. For an employer to consult with the unions, to hold their own focus groups on the Terms and Conditions proposals, to hold 'Have your Say' surveys and then to totally disregard the consistent feedback that members and colleagues did not agree with the pensions proposals is contemptible.

Company Trading Statement

Following two very demoralising days resulting in pay and pension imposition, members were incensed to read the Company's unexpected trading statement outlining the expectation that the Company would return to profit in 2010. Whilst all colleagues genuinely wish to see LBG being successful it makes a nonsense of the Company's stated reasons for the impositions and clearly demonstrates the contempt the Company has for its workers.

Next Steps

Following the imposition of pay and pensions, Unite met with the UKFI, the largest shareholder in LBG, and in no uncertain terms outlined that the attitude and behaviours of LBG demonstrated their disregard for colleagues and that industrial unrest was a very strong possibility.

A Company gets success through its dedicated and hard-working staff. LBG are relying on your goodwill and professionalism to turn this Company around – something that Unite supports – but it should not be at the expense of those same dedicated and hard-working staff's terms and conditions.

Unite senior reps met recently to discuss next steps – newsletters will follow. We are also interested in your views on how you can support Unite to make LBG sit up and listen to their most valuable asset – its colleagues.

Unite has and will continue to work closely with Accord and GMB so that trade union members have a strong voice. We continue to call on LTU to work with us so that your voice will be even stronger.

Please pass this newsletter or the website link to as many colleagues as possible and encourage them to join our campaign.

Job Insecurity and Uncertainty

At the same time as the whole terms and conditions situation is emerging, many colleagues are going through the uncertainty of integration restructuring. The integration project has another two years to run and Unite believes that this will result in many more job loss announcements.

Unite is calling on the Company to rethink its job loss strategy further in light of its optimistic view of recovery and indeed to

ensure that any future job losses are genuine. Currently there is the deplorable situation that Group IT have gone through a major job loss exercise to reduce the project manager and business analyst population only to find that in a matter of weeks there is a need to significantly recruit. Not only that, but many of those who were made redundant have now returned to their old job as contractors. This is wrong and makes a mockery of the Company's ability to properly plan for the future, but to date, Lloyds Banking Group has continued to ignore members' protests. Another demonstration of how colleagues are valued in this organisation.

REMEMBER:

- **Unite is the only union recognised in all areas of Lloyds TSB**
- **Unite is the only union recognised in both Lloyds TSB and HBOS**
- **LTU is not recognised in any part of HBOS**
- **Unite has a network of 150 MPs and has broad political and media influence**
- **Unite has a workplace reps structure of 170+ to ensure your voice is heard at negotiations**

To find out who your Unite rep is go to www.unitetheunion.org/lloyds or email LBG.Support@unitetheunion.org. Alternatively call Unite's helpline on 08081449595.

Here is a small sample of the anger and frustration members have fed back to Unite.

I cannot believe the pension announcements today - why did they bring out proposals if they are just going to implement them no matter what the staff think and feel. Is there any point in them having discussions with the Union if they are just going to do what they want regardless.

Having given 20 years' service to the bank, I feel that these changes show nothing more than cynical contempt on behalf of the company for my past loyalty. I never thought I'd get rich working for the Bank, but I never thought that I'd end up biting off the postman's hand when he appears with my Winter Fuel Allowance either. The 2/3rds Final Salary Pension I was looking forward to is expected to be worth only 1/3 of my final salary when I retire. The perverse aspect of this situation is that my pension will be worth more in 20 years' time if I left the company and became a deferred member. How can this possibly be morally justifiable?

Thanks - feelings are running high at work, we are all disgusted.

Well, if that's their attitude they can just stop spending money on all this 'Value Colleagues' stuff, as it obviously doesn't mean a thing in real terms.

It is in poor taste by the Bank to propose this in the first instance never mind implement it without agreement. While I accept that pension is now fixed to current salary I find this unacceptable but the 2% cap will be ridiculous if we move into high inflation.

Sorry if it seems negative, but to my mind LBG are sending out a strong message here 'we sent you out T & C's and were going to enforce them regardless' and they are doing just that.

Reading one of our objectives it states that People are core to our business. The pensions announcement does not reflect this and does nothing for morale and makes a mockery of LBG wanting its staff to champion it as a great place to work. It isn't and we won't.

As expected LBG have ignored any non positive feedback and imposed what they feel they can get away with in the current low interest rate, low rpi environment. Utterly disgusted at the spin, rhetoric and blinkered communication put forward by LBG.

Just wanted to say I am thoroughly disgusted (although not surprised given they have history) with the company imposing both the 2010 and Pension changes, despite the unions rejecting the terms on members behalf and to announce it with very little notice.

LBG have sat politely and listened to the arguments put forward then thumbed their noses at the Unions and did exactly what they wanted anyway. Unless drastic action is taken now to show LBG that you mean business then it's all just 'smoke & mirrors'.

I just like to say a big "Thank You" to LBG for doing its level best to ruin any plans I may have for my retirement as I'll be too poor to do anything other than live on the breadline. Terrific!