



## **in the Financial Services Sector**

Issue 21 – 19<sup>th</sup> October 2004

### **Amicus warns of UK job crisis as Royal & SunAlliance offshore 1,100 jobs**

Amicus and UNIFI have argued that there is a very real threat that offshoring posed by to the UK economy as Royal & SunAlliance shows the full extent of their offshoring hand by announcing the transfer 1,100 jobs to India over the next two years.

Amicus National Secretary David Fleming said; *“This announcement clearly shows that offshoring presents an unprecedented threat to UK jobs and the economy. Over 8000 job losses have been announced over the last few weeks. The Government needs to make raising skills a priority. Policies to enable to UK to compete need to be actioned with urgency to reverse employer under investment in training and development which will hamstringing the UK service sector if it is allowed to continue”.*

Amicus & UNIFI are working to ensure that as far as possible the reduction in UK jobs will be managed through natural turnover and redeployment. RSA has consulted the unions and will continue to do so over the next few years.

Despite the emphasis on natural wastage and voluntary redundancies Norwich Union and Royal & Sun Alliance combined means 8000 fewer financial services jobs in the UK, announced within the space of a few weeks.

### **NEW- Amicus Finance Sector launches equal pay campaign materials**

As part of the joint campaign with UNIFI and the Equal Opportunities Commission, to close the gender pay gap Amicus finance sector has now launched a new information booklet. This practical guide gives information on one of the main causes of the gender pay gap in the financial services sector – occupational segregation.

This resource can be downloaded from:

<http://www.amicustheunion.org/main.asp?page=547>

### **Amicus has success at AXA**

Amicus were able to announce a successful outcome in a long running saga that goes back as far as the 2003 pay deal. As a result of continued work from Amicus Reps eleven staff have received backdated pay awards totalling £18,151!

### **India must take action to protect call centre security**

The US has warned Indian counterparts that the continued success of their offshore services is dependent on their ability to maintain data security. As US companies

increasingly offshore work to India there is concern that there is a threat of possible cyber-crime and cyber-terrorism. Only this week NASSCOM, the Indian software body, held its first annual conference with its US counterpart on cyber-security in New Delhi.

Kenneth Juster, US undersecretary of commerce, said: "As the US and India expand economic interaction, each must have confidence that the other will protect privacy of personal and financial data, protect the rights of intellectual property holders, and not permit the diversion of sensitive goods and technologies to unauthorised destinations or inappropriate users."

### **Admiral offshore**

Admiral is looking to expand its offshore operations in South Africa. Admiral currently employs 70 people in India and 35 people in Cape Town handling renewal and customer service calls outside UK working hours.

### **Allianz Cornhill increase offshoring**

It was reported in the Insurance Times this week that Allianz Cornhill has opened its second facility in India. The company currently has 175 employees in India, but could increase to 400 in 2005.

### **Legal and General wins Amicus 'Best Boss' award**

Legal and General employees nominated the insurance giant for the 'Best Boss' award. L&G, which has pledged not to offshore jobs abroad and to maintain a generous final salary pension scheme, was a clear favourite to win the award. The award was designed to promote best practice in employee relations. Amicus believes that L&G is a prime example of good partnership in action.

Derek Simpson, Amicus General Secretary said; "*L&G exceeded all the nomination requirements, they involve staff reps in business decisions, they have an active equal pay policy, they invest in the skills of their people, they have a good pension scheme, won't offshore their call centres to the Far East and they make a profit. It doesn't sound much when you say it out loud but it was more than most employers can manage*".

### **Amicus launches stress attack in AXA Insurance**

Stress is a major issue in all finance sector companies. Amicus is working with AXA's H&S department to identify the sources of stress and deal with them. The union was fully involved in a pilot stress questionnaire in two sites, Bolton and Birmingham.

Amicus Seconded Rep Steve Gooden stated: "*The results were not really surprising to either union or management, but gave us a scientific basis on which to categorically state what the problem areas are and then allow us to tackle them.*"

The next stage of the pilot is to set up working parties of staff, managers and union members to concentrate on specific problems and attempt to come up with some solutions.

AXA Local Union Reps will be taking part in the *National Inspection Day*, completing a health and safety questionnaire, the results of which we will be taking to the AXAI national health and safety forum with issues identified and demands for action.

### **Request for information – Information and Consultation**

Amicus Finance Sector is looking for examples of positive developments across the insurance sector with regard to the Information and Consultation Regulations.

If you have experiences or examples of where a company has taken good action or is working well with the union please could you contact:

[Saba.Mozakka@amicustheunion.org](mailto:Saba.Mozakka@amicustheunion.org)

### **NFU Mutual launches training academy**

The NFU Mutual plans to set up a purpose built training academy for its 3000 staff, agents and broker staff. Amicus welcomed the move and senior representative Trevor Honychurch said, *"This underlines the importance that the NFU Mutual attach to professionalism and staff development."*

### **Financial Sector Skills Council to set up new branches**

The FSSC is to open further offices in Scotland, Wales Northern Ireland. The council was created to develop professionalism and boost skills in the sector is an independent organisation. Amicus works closely with the sector skills council and Digby Jacks, Amicus Finance Sector Secretary is a board member.

### **‘Skills for Business’**

The Sector Skills Development Agency (SSDA) has just launched a new campaign to raise awareness of its work. The campaign is symbolised by four influential business leaders - Philip Williamson, Chief Executive of Nationwide Building Society; Sahar Hashemi, co-founder of Coffee Republic, Roger Putnam, Chairman of the Ford Motor Company and Tim How, Chief Executive of Majestic Wines.

To find out more about the SSDA and this campaign go to:

[www.skillsforbusiness.org.uk](http://www.skillsforbusiness.org.uk)

### **Nationwide Building Society aims for the top**

The company has launched a £2m advertising campaign to highlight its car insurance price promise, guaranteeing if policyholders buy car insurance from Nationwide and find a better-priced quote, the difference will be refunded.

Nationwide has 44,000 policies and is seeking to raise this to 100,000. A spokesman said, “We are currently a top ten provider of household insurance and we want to be a

top ten provider of motor. We are trying to reaffirm our good value and are happy to go against any product in the marketplace to prove this.”

**AXA will replace lost market volume**

AXA UK has predicted that it will replace the personal lines volume it lost through the sale of AXA Direct with broker and affinity business. It was reported in the E-Bulletin (Issue 19) that AXA has sold the new business rights to their personal lines direct insurance business to the RAC.

Personal distribution director Paul Bridge has said: “The game plan is to do more volume with two channels (intermediated and corporate partnerships) than we did with three.” Although he would not be drawn on a time frame, Mr Bridge stressed that, despite the coverage of the direct-arm sale, it has been quietly winning volume through business-to-business channels.

**Scott Tod** has secured a GBP 10m banking facility from Lloyds TSB to fund the expansion of its cash-in-transit business.

**National Australia Bank** is to consider selling its operations on both sides of the Irish border, including Northern Bank and National Irish Bank.

**The Northern Ireland Office** is to shed up to 2,300 civil service jobs and redeploy a further 3,500, as part of the government's spending plans for the next three years.

**Cazenove**, the investment bank, has agreed to sell a 50% stake to JP Morgan of the US for GBP 100m, and about 50 JP Morgan staff would transfer to the joint venture.

**HSBC** is planning to recruit 130 business bankers next year, as part of a GBP 1.4bn five-year investment that has seen the creation of 214 commercial centers in its branches.

This bulletin has been produced by **Saba Mozakka**, Finance Sector Research Officer.

**For more information on any of the items featured, or if you have any comments please contact me at:**

**[Saba.Mozakka@amicustheunion.org](mailto:Saba.Mozakka@amicustheunion.org)**

**Tel: 020 7939 7071**