



# JOB SECURITY AGREEMENT

**There is little doubt that the much publicised credit crunch is making its mark throughout the finance sector, including HBOS. Unite members and colleagues are seeing the effect of recent events in their working life; whether it's a real change in emphasis from sales to deposits, tighter lending or the shock of job losses within the High Value area of Corporate Division.**

As members and colleagues will be aware, HBOS are undertaking a review of the full business and operating model; the markets they are involved in and the current operating constraints. The Company have given assurances that any changes made will be for medium to long-term sustainability and that the review is not a knee-jerk reaction to recent events such as the dramatic fall in share price and the £4bn rights issue to bolster its capital base.

As a result of these developments, the Company have sought to review the current Job Security Agreement with the unions to jointly ensure it is fit for purpose. Most importantly, Unite has ensured that HBOS reaffirm their commitment to avoiding compulsory redundancies wherever possible.

Unite has secured that:

- Any proposed changes must go through the proper and agreed consultation process and Company will not deviate from that commitment.
- When there are potential job losses, the Company will engage the unions at the earliest opportunity.
- Processes have been agreed to maximise redeployment opportunities in each situation.
- Volunteers for redundancy will be sought from impacted business areas to endeavour to avoid compulsory redundancies.
- HBOS will consider 'bumping' when there is a down-sizing of a business area – this would be implemented with the agreement of the unions. This is a legal concept which means that if there is not enough volunteers in the impacted business, the area can be

widened to allow others who have not been affected to volunteer for redundancy. This initiative may allow those who find themselves potentially at risk of redundancy, to secure suitable alternative roles, whilst allowing others to volunteer to leave the business.

- The terms of the Agreement to apply till 2012.
- All members and colleagues must be treated with respect and dignity.

Other notable changes in the new Job Security Agreement is the move from the terminology of 'displaced' to 'potentially redundant'. Those members and colleagues who find themselves in this situation will now normally have three months to find suitable alternative employment.

However there was considerable pressure to reduce the amount of redundancy payments that colleagues who exit the business will receive and the Company initially sought a cap of £100,000, including pension costs for those who are 50 and above. After much debate, agreement was eventually reached that a cap of £150,000 which will be index linked be introduced. The cap will in effect impact on longer serving colleagues who typically earn over £48,000 and are eligible for early retirement.

**Whilst Unite did reluctantly agree to this cap, this was not done lightly and much discussion has taken place.**

As HBOS is and will continue to change and adapt to market conditions, Unite will be there ensuring that HBOS adhere to their strong commitments and procedures to treat all members with dignity, respect and fairness in any change or initiative they undertake.

**Unite will regularly update members on any major change initiatives on our website:**

**[www.amicustheunion.org/hbos](http://www.amicustheunion.org/hbos)**

**Unite has and will continue to support, advise and represent members. To find out who your workplace rep is, please log on to [www.amicustheunion.org](http://www.amicustheunion.org) – we are waiting to hear from you.**

**REMEMBER – AT A TIME OF UNCERTAINTY, UNITE IS YOUR VOICE IN HBOS. UNITE IS THERE FOR MEMBERS. IF YOU KNOW OF ANY COLLEAGUES WHO ARE NOT UNION MEMBERS, ENCOURAGE THEM TO JOIN.**

**WORKING FOR YOU IN HBOS**

**Gwyn Bates & Wendy Dunsmore National Secretaries, Unite the Union**