

# HSBC THE WORLD'S STRONGEST BANK SLASHES 2,900 UK JOBS

**HSBC met with Unite and the National Council of Managers during the week commencing 9 March, where details of significant job losses were provided in advance of the announcement on 25 March.**

Whilst in the current recessionary climate it is not surprising HSBC have been looking at its cost base, we were appalled to learn that the Bank which claims to be the world's strongest and which increased its UK profits last year by 23%, has plans to cut 2,900 jobs across a wide range of functions.

Whilst HSBC believes natural wastage and redeployment opportunities will take some of the strain, it is still likely that up to 1,300 staff could still face compulsory redundancy.

Apart from the high numbers involved Unite has serious concerns about a number of aspects, not least the fact that this is being dealt with at great speed, leaving little time for detailed meaningful consultation about the business rationale and ways to mitigate the effects of the Bank's plans on individual staff members.

## **HSBC refuses Unite's call for voluntary redundancy**

Unite has a clear policy of demanding that redundancies in any industry should be by voluntary means as far as possible. Indeed the Government's conciliation service (ACAS) recommends as best practise that employers should explore Voluntary Redundancy (VR) before considering Compulsory redundancy.

All other major UK financial institutions where Unite has bargaining rights, have agreed with us that VR is the first avenue to explore and this has led to the vast majority of finance sector job losses in recent years being by voluntary not compulsory means.

Against this background, HSBC has again turned down Unite's call for the job losses to be dealt with by voluntary means

wherever possible, which sets them apart and compares very badly against most other employers not only within the finance sector.

We also believe that the company is in breach of the spirit of their own Security of Employment Policy by completely ruling out VR.

Unite intends to campaign strongly to reverse this policy in HSBC and persuade them to treat the staff facing the loss of their jobs with dignity and respect.

## **More offshoring**

Unite is dismayed to learn of plans to offshore a further 500 jobs at a time when there is so much pressure on jobs in the UK and bearing in mind that HSBC is still a massively profitable organisation in the scale of things. Unite will continue to oppose such unnecessary offshoring especially when it leads to the direct loss of UK jobs and compulsory redundancy.

In addition the plans mean that only the wealthy customers with Premier/plus accounts will have direct access to locally based UK staff. Calls from customers on lower income with basic Bank or standard current accounts will be handled offshore. This is not a criticism of our colleagues in the Global centres who do a great job, but it highlights the banks policy of creating a divide between different types of customers.

The way this is being handled and the refusal to consider VR means the Bank has effectively torn up the agreement we signed with them in 2004 on Global Resourcing and Unite has therefore written to the CEO claiming a breach of the agreement and seeking an urgent meeting.

**John Nolan, National Secretary**

## Closing Centres

Unite has strongly criticised the proposal to close centres in

- Warwick (Leamington Spa) (278 jobs)
- Newport (96 jobs)

In both cases the opportunity for redeployment is severely limited. In the case of Warwick (Leamington Spa) specialised jobs are moving to Southampton with little chance that staff will be able or willing to relocate, and travel to other HSBC sites for any redeployment opportunities will probably prove impractical.

In the case of Newport we were told that the closure was due to a drop in call volumes since 2007 yet it was only last summer that the Bank announced expansion plans to create over 400 new Call Centre Jobs to be based in Newport again this is a further blow to the local community and economy in South East Wales. 69 out of the 96 staff affected are not legally entitled to any redundancy pay but we have been able to work with the Bank and welcome the fact that they will help those concerned by making a payment equal to 6 weeks pay.

Nevertheless, this decision will have a devastating and damaging effect on the local communities and their economies which have already faced significant job losses over recent months due to the current financial climate.

The company has announced they will create 500 new jobs, Unite welcomes this announcement. A large number of the jobs will be located in the new centre of excellence in Southampton where the work from Warwick is being transferred to.

## What happens now?

Unite will continue to strongly challenge the Bank's stance on compulsory redundancy and will communicate specifically with those directly affected.

No-one can afford to be without the protection of union membership at a time like this.

All staff, including Managers, are entitled to Union membership and to secure the individual representation rights the union can provide.

Individual members seeking help or advice should contact the Unite HSBC helpline on 0207 253 9642. The helpline can also provide information about joining Unite or join on line at [www.unitetheunion.com](http://www.unitetheunion.com)