



# RBS INSURANCE DIVISION 2000 JOB LOSSES ANNOUNCED

***On Monday 10 May RBS announced the intention to reduce headcount within the Insurance Division by 2000 from an existing population of circa 16,000 across the next 12 months. Included within the overall figure of 2,000 the bank have also confirmed that as many as 500 back office roles could be offshored as part of cost cutting measures.***

## Background to Announcement

The bank has pointed to an increasingly tough economic environment and competitive market place that has impacted the profitability of the Insurance Division, as the drivers behind the proposed headcount reductions. RBSI posted a small loss for the first quarter of 2010, compared with large annual profits for 2008 and a modest annual profit in 2009. This downwards trend in profitability is also a clear determinant in the bank's restructuring plans, which will occur in advance of the possible divestment of the Division.

## Impact of Changes

The bank has announced only broad details of their plans to reduce headcount by 2,000. Included within these plans is a stated intention to offshore around 500 back office jobs, probably to lower wage economies to cut costs. Also confirmed is an intention to undertake a review of the property portfolio within the Insurance Division and the outcome of such a review could result in some office closures or rationalisation. The bank also intends to explore other cost efficiencies, full details of which have not yet been articulated.

## Next Steps

As stated in the previous RBSI Newsletter in March re the election of the Employee Representative Bodies (ERBs), UNITE is not recognised for the purposes of collective bargaining in the majority of the Division. RBS intend to undertake consultations with the ERBs in respect of this announcement and the subsequent restructures; however the union will continue dialogue with the bank in terms of the impact upon UNITE members. UNITE will continue to press RBS to consult formally with the union on these changes, because as stated in the aforementioned newsletter, UNITE maintains concerns regarding the ERB's ability to challenge decisions or actions by the bank collectively or where appropriate through legal recourse.

ERB members that have sought to be UNITE supported candidates will receive full support and assistance through the consultation process to maximise their ability to represent members and staff through this process.

## UNITE Comment

This is another devastating blow for staff within the RBS Group who have grappled through 18 months of uncertainty and huge job loss announcements. Members within RBSI already face an uncertain future following the decision of the European Commission to order the divestment of the Insurance Division. Whilst it is fair to acknowledge that this decision was out of the hands of the bank and one reluctantly accepted by RBS, the bank are responsible for the conditions that gave rise to the E.C decision, i.e. massive state funding. As well as the spectre of divestment, members within RBSI have the additional anxiety of a major restructure over the next 12 months, one clearly designed to not only return the Division to profitability, but make the business more attractive to potential buyers.

UNITE also have grave concerns regarding the impact of such headcount reductions. The profit and loss position has been largely attributed to unprecedented levels of claims across the winter period and UNITE would question the ability to effectively reduce headcount from a business that has traditionally been held up as a shining example of a business with a low cost base and healthy cost:income ratio.

UNITE remains completely opposed to all Compulsory Redundancies (CRs) and will seek to do everything possible to ensure that members who wish to remain with the Group post re-organisation are given every opportunity and support to do so. UNITE also maintains a long-standing opposition to CRs resulting from Offshoring and will be seeking urgent discussions with the bank centrally on this issue from a Group perspective.

The bank highlights a significant turnover figure with the Insurance Division, as well as the 12 month restructure timetable as reasons to be confident that many of these reductions can be managed through voluntary means or attrition, but this confidence will be tested by the design and nature of the changes. The sheer numbers involved in this restructure does raise significant concerns over the ability to avoid CRs and UNITE will continue to bring RBS to task over this.

**If members have any concerns or queries regarding the announcements, these should be directed in the first instance to your line manager; however in the event that this proves unsatisfactory or the query remains unresolved, you can contact the union either by phone on 0870 241 4425 or e-mail [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org).**

## UNITE Representatives

UNITE is always seeking members to take on one of the four UNITE Representative Roles i.e. Workplace, Union Learning, Safety and Equality. It is particularly important within those areas earmarked for divestment and it is vital that union organisation is improved in advance of any change of ownership. Any UNITE members interested in finding out more about becoming a UNITE Representative, please contact the UNITE RBS Helpline or [rbsinfo@unitetheunion.org](mailto:rbsinfo@unitetheunion.org)

## NOT A MEMBER?

**Join Unite's two million members and have a voice in the workplace, as well as receiving support, advice and representation, for £10.96 per month for full time staff and £4.98 per month for part time staff working less than 20 hours a week.**

**Membership forms can be obtained by phoning 0845 850 4242**

**or you can join on line at [www.unitetheunion.org](http://www.unitetheunion.org)**