



Every day we campaign for **Security of Employment, Fair Reward** and **Dignity at Work.**

01/2011

April 2011

Update for Members in Retail

Independent Commission on Banking publishes interim report

The Independent Commission on Banking (ICB) published its long awaited interim report yesterday.

Some media commentators have focussed on the proposed recommendation that the Lloyds Banking Group be forced to sell more of its branches than is required by the Competition Commission of the European Union.

Whilst the Bank was quick to reassure staff about the status of the ICB and its report, no doubt the renewed speculation will be unsettling for employees throughout the Lloyds Banking Group – many of whom are already uncertain about their futures.

Accord, of course, supports the desire to bring greater stability to the banking sector and to improve consumer choice and protection but employees are stakeholders too and their interests do not seem to have been given any consideration.

Around 27,000 roles have been removed from the Lloyds Banking Group since HBOS was taken over by Lloyds TSB in January 2009. Many thousands more employees could be impacted by the current proposal (Project Verde) which involves the sale of around 600 branches (predominantly LTSB Scotland, LTSB and Cheltenham & Gloucester) and the Intelligent Finance business.

The implications for staff transferring to new employers needs to be addressed but this can only be done when a buyer comes forward. Any widening of the proposed sale could not only add to the numbers but also delay the whole process further which means that any certainty for employees who are worried about their futures will be even further away.

Accord will be considering how best to contribute to the ongoing debate both inside and outside LBG with a view to ensuring that employees interests are given the appropriate consideration.

In the meantime, any queries or comments should be referred to ged.nichols@AccordHQ.org

Divisional Issues

Long Service Awards – Good News!

It's great to be starting this newsletter with some good news! As you'll know from the newsletter issued in February, Accord has been pressing the Retail Division to confirm that it will continue the protection for heritage HBOS staff to receive a gift of up to £550 when they reach the 25 years milestone, as opposed to a gift for up to £250, which had been proposed. Thank you to all of those members who sent in their views (and there were lots of you!). We're pleased to report that the Retail Division has listened and agreed that all colleagues who reach the 25 years milestone will be entitled to the heritage HBOS amount of £550. Of course we expect the heritage policies to be reviewed at some point in the future to harmonise arrangements across the Group, but for now this is a small win for Accord and its' long serving members in Retail Division.

Calling all Manager Members – Your Union Needs You!

Accord has a group of active manager members who get together regularly to help the union respond to business initiatives, provide a managerial perspective to industrial and employee relations issues and input into national level discussions. If you're a manager, want to get more involved and have a real say in shaping the future then please get in touch.

Send an email to info@accordhq.org for more information. Please mark your email 'Managers' Advisory Committee'.

Community Banks

ICS

We've had emails from lots of members who are concerned about the new integrated counter system, not least of all because of its impact on queues, complaints, NPS, working hours and the increase in aggressive customer behaviour. There's an article in the next 'My Accord' magazine due to land on members' door mats around 13th April. If you've got comments or concerns that you'd like the union to put to the bank on your behalf, please email info@accordhq.org. Head your email : ICS.

We're particularly interested to hear from BoS colleagues who have additional issues to deal with regarding business cash and Scottish note issuing and retaining.

Branch Incentive Scheme

We've had a fair bit of feedback since the launch of the new incentive scheme. One concern that we raised on behalf of members is that the scheme could promote product pushing since points are only awarded if existing customers change to a fee paying account, rather than to the Reward Account – even if it's in the best interest of the customer to switch to the Reward Account. The bank responded as follows:

"We are very clear that all product sales are made to customer need not to meet individual targets. When a BA is speaking to a customer they must use Customer Review 2 to get a strong understanding of the customer's circumstances and then let the customer make an informed choice about how they proceed. If this choice is to take an URCA the BA will receive credit.

For new to Bank accounts BAs are rewarded if they open any new quality account, this does not need to be fee paying. Any existing customer that holds a basic current account can be redesignated to a Reward account as a service to the customer but this is not rewarded. There are many types of these service activities that BAs are expected to complete to meet individual customer needs and support our ongoing focus to improve NPS.

We are very clear that a colleague should never move a customer to a product that does not meet their needs'.

Other concerns that we've raised include:

Where part time BAs have asked to work additional hours to try to meet their targets, they have been told they can but we've had reports that the additional hours have been worked for no additional pay or time off in lieu; (we've asked for a comparison between full time and part time BAs to see whether there are a disproportionate number of part time meeting their target).

The scheme is causing friction between team members since some are being told that unless they all reach 100% of target then they will all be put on performance plans. The bank has asked us to let them have details of specific cases where this message has been delivered to our members. If you're one of them, please email info@accordhq.org marking your email 'branch incentive scheme issues'.

Branch & Banking Adviser Q2 Targets & Incentives

The bank recently sent the union details of the Q2 targets and branch and BA bonus schemes. Members will have seen the detail by now. We put forward the following initial queries and received the replies detailed below:

1. If BAs have 'constrained capacity' will the branch have any target adjustments for the same period to reflect the non availability of BAs?

Yes - the adjustments to national plan have worked to both branch and seller to reflect the lost time to training.

2. In mortgages what does the 'significant P4L' target increase look like?

This is due to the fact that P4L launched mid-quarter in Q1. Q2 is the first quarter with a full target and will also see some of the Q1 pipeline coming through. Q1 P4L performance has been strong at 150% of target and despite the increase in target in Q2, we would anticipate a level of over-performance to continue.

3. We are concerned at the relatively low percentage of colleagues hitting targets now, particularly with the prospect of customers being further squeezed and less likely to invest as inflation continues to rise. Has the bank

considered this and, if so, what is its view?

The BA Participation rates are actually higher than budgeted in Q1. An on-target scheme would produce a c55% participation rate. The integration overlays we have applied to Banking Adviser product lines will benefit all colleagues who are rewarded for those products. The reduction has been applied at a national level therefore anyone who has an element of this target in their incentive scheme will be rewarded against this lower target. Savings performance is very strong currently at 150% and continued product/pricing support is planned for Q2. Inflation does not appear to be constraining our ability to attract Savings balances.

4. A major concern going forward is that very few Branches and Areas have achieved anything like the WPI Basket target meaning a 25% reduction in Branch Manager bonuses in a very large number of branches and a negative impact on BA/FA/MSF Bonuses to a lesser extent.

We think consideration should be given to reducing the WPI and Protection Targets given that in general they have not been achieved across the country. Further, given that WPI and Protection focus appears to be remaining very high, isn't the bank at risk of the same issue in Q2?

WPI and Protection targets have been subject to review and will be brought significantly down for Q2. Further review of the Bancassurance targets has resulted in the Q2 WPI target being reduced by 20% and 28% vs Q1 for HCB and BOS respectively.

The Halifax/BOS P4L target increases 131% from Q1 to Q2 to reflect:

1) Cross-sales from mortgages and further advances take time to pull through as the pipeline completes over a 6-month period. As P4L sales only started in Feb, the volume builds through the year.

2) A phased increase in Take Up Rate through H1 as colleagues become more familiar with the product and sales process.

If you're affected by the targets and incentive schemes and have something to say, please email your views to info@accordhq.org. Head your email

'Targets and Incentives'. We have another meeting with business leaders and employee relations managers on 28th April so get your comments to us by then if you want them fed into the discussions.

Banking & Savings Migration – CAs & FAs Selling Savings Products

You'll have been advised of some changes to Customer and Financial Adviser roles which impact how savings accounts are sold after the Banking and Savings Migration in July 2011:

Financial and Customer Advisers that currently sell savings products will not be able to do so after July this year.

Post July Customer Advisers will 'hand off' enquiries previously undertaken on savings account sales to a Banking Adviser.

CAs have said they see the removal of selling savings products as a retrograde step and BAs have said they're already stretched and could do without the additional work. A further concern is that customer service / waiting times will suffer as a result.

If you want to comment on these changes, please send an email to info@accordhq.org marking it 'CAs & FAs Selling Savings Products'.

NPS

We had some complaints from members in respect of the £250 one-off payment made to CAs and CMs in branches where either:

Branch NPS at 31 December 2010 was 60 or better, or the branch had delivered its 2010 NPS improvement target as at 31 December 2010.

We put members' views to the bank and received the following response:

"Conceptually, most of our tactical incentives will target one population rather than another so this is not unusual in that respect. For example, Bancassurance incentives tend to focus on FA's only. The rationale for the NPS payments is that we wanted to reward those colleague populations who do the most to directly influence the NPS scores. Given that 75% of NPS calls relate to service received in the queue or at the counter, the link/rationale for paying the CA/CM populations is very strong. The fact that these populations tend to not benefit from the tactical sales or management incentives

through the year added even more weight to the rationale for selecting this population.”

Branch Network to Close for Royal Wedding

The bank has confirmed that all branches will be closed on 29th April – the day when the Royal Wedding will take place. We’re sure members will welcome this news. Enjoy whatever you do on the day!

New Banking Hall Surveillance System

Members have been expressing concern at a new banking hall surveillance system that’s being installed in branches with seemingly no explanation for why it’s there and what it’s recording. We asked the bank to explain:-

“Lloyds Banking Group is committed to ensuring our customers have a safe and secure place to undertake their banking business and our colleagues a safe place to work. The Group are investing heavily in security technology to ensure branch security systems are ‘world-class’ to deter and detect criminal activity.

The new HD quality CCTV systems recently installed within 250 Halifax and Bank of Scotland branches are the first of these systems which will continue to be rolled out across all brands during 2011 and beyond.

These new CCTV systems introduce for the first time camera surveillance of all Bulk Cash handling and storage areas, including bulk cash safes, ATMs, drop safes, etc. These cameras are deployed to help protect colleagues working with bulk cash, unfortunately the focus of most high impact robberies, not as feared by some colleagues to record / monitor colleague activity. Additionally, in branches with open plan counters, CCTV cameras are deployed behind cashiers’ positions as this provides the optimal location for capturing the customer’s identities and activity at counter positions; this is once again for ‘security’ and ‘fraud detection’ reasons, not colleague monitoring. It should be noted that if a colleague commits a criminal act, these systems may be used to provide evidence to support any prosecutions.”

We went on to ask:

Can the bank confirm who has access to the camera footage and clarify what happens should these systems fail?

“2/3 users within each branch have been provided with log-ins for their system (these are unique to an individual and full audit trails are provided).

These systems are supported by fully comprehensive maintenance contracts, currently supported by the Group’s security partner Niscayah.”

If you’ve got any queries or concerns about the new surveillance system, email info@accordhq.org heading your email “New CCTV System”.

Bancassurance

Bank offers 2.5%

Accord Bancassurance members are being consulted on the bank’s improved pay offer of 2.5%. The initial proposal was for 2% with the bank expressing the view that the increase in October 2010 (around 8%) needed to be taken into account. The unions rejected the initial offer and has secured an increase that matches the level of the overall Group offer.

If you’re a Bancassurance member impacted by the pay offer and haven’t yet had your say, please email your views to john.dickinson@accordhq.org.

Other issues affecting Bancassurance members include targeting, the re-tiering exercise and the SFA role. For more information on the discussions that we’re having on your behalf go to our website www.accord-myunion.org and download copies of our Bancassurance Newsletters. (Click on Accord Communications in the left hand panel).

Mortgage Sales Force

Are you happy with YOUR targets?

The bank has recently issued the Q2 targets to the MSF. Hopefully by now, you will have had the opportunity to work out how they affect you.

Since the release of the target information, feedback from our MA members tells us you are not happy about having a Q2 target, 20% higher than your MC colleagues. The feedback from the Company, to justify this, is that MCs have less opportunity for writing business than MAs. The rationale behind this is that when the MC role was created, the Company expected the majority of mortgage applications to be carried out by MAs, on an advised basis and non advised applications should be in the minority. The figures given at the time were that the bank expected 85% of applications to be carried out by MAs on an advised basis.

We would like the views of both our MA and MC members on this. Please send any comments to martin.pyke@accordhq.org.

Accord MSF National Advisory Committee (NAC)

The MSF NAC was formed 10 years ago to report back to the Union the views and concerns of its members, and to act as a 'sounding board' for any proposals that are brought to the Union by the Company.

The committee consists of MAs and MCs from across the Country who discuss the issues that affect the MSF, and feedback to the Company. The role of a NAC member does not take a great deal of time, as normally feedback is sought through emails, although occasionally we do arrange meetings so the NAC can get together to discuss any MSF issues. We currently have several vacancies on the committee, so if you are a MA, MC, SMA or RMM and would like to contribute towards making a better MSF for all members, please email martin.pyke@accordhq.org.

MSF NAC Meeting

The next meeting of the MSF NAC is due to take place on Monday 9th May, in Birmingham. All members of the NAC are invited to attend. We will be joined at this meeting by a representative of the business, who will listen to any current issues, and feedback. Please send any issues you would like raised at this meeting to martin.pyke@accordHQ.org.

Direct Channels

Our members in Direct Channels who were outside of the Group Pay discussions were balloted back in November 2010 and rejected the pay range / bonus and overtime proposals put to them by the bank. Further negotiations have taken place since then and a revised offer has been made. Members impacted will be re-balloted from Monday 18th April. If you have any queries, please email jim.fielding@accordhq.org.

Mortgages

If you work in Mortgages, see the latest dedicated Accord newsletter that keeps you up to date with the meetings we're having with the business on your behalf, the 'hot topics' of the day and how you can become more involved. Go to www.accord-myunion.org and click on the 'Accord Communications' button.

If you want further information on anything related to the Mortgages business, please contact Peter Gallagher at: peter.gallagher@accordhq.org.

Although Accord's primary aim is to protect your interests at work, we also provide a range of excellent benefits which make membership great value for money.

Legal Helpline All union members and immediate families are entitled to use the legal helpline. This gives you access to a qualified legal adviser on any matter. The advice is completely confidential, **FREE** and easily accessible at all hours of the day or night.

Call 0800 884 0118.

Personal Injury Claim line If you've been injured in an accident, our legal experts can help. Our personal injury claim line is provided by Russell Jones & Walker (RJW), one of the UK's leading law firms. It's a **FREE** service to members and their families. All you need to do is pick up the telephone.

Call 0800 884 0114.

Personal Accident Insurance Your Accord membership automatically provides you with **FREE** personal accident insurance.

For details call **0870 905 0668**.

Accord Travel Club Before you book **ANY** holiday / tour / flight / hotel / car **ANYWHERE**, ring **0800 953 1263** and checkout your Accord Travel Club Discount.

Commission Cashback Scheme The Union's Commission Cashback Scheme specialises in sourcing level and decreasing term assurance, critical illness and income protection policies for Accord members and their families. Members then receive cashback of up to 9 times their monthly premium. The average lump sum cashback paid out this year under the scheme is **£400**. Since its inception, the scheme has paid out over £2.5m. Ring our brokers on:

Lifelink: 01189 349800

Valley: 01706 218719

Tax & Pensions Advice Line For **FREE** confidential access to taxation and financial specialists you can call **0870 428 1909**.

These benefit schemes aim to make your membership value for money, but the most important reason for joining Accord remains the individual and collective rights you enjoy. We will never leave you alone to tackle a work related problem and will support you to the end to ensure that you are treated fairly and with dignity at work.