

24th August 2017

All Members Newsletter

# Massive Hike In Bank Charges For Staff & Customers

Staff in branches and call centres are reporting that customers are reacting angrily to the Bank's decision to increase overdraft charges for those with agreed overdraft facilities. A few weeks ago the Bank announced "All fees and charges associated with unplanned overdrafts will be removed". What the Bank didn't say, was that the majority of those customers with agreed overdrafts would end up paying for its decision. The reality is now dawning on customers who have agreed overdrafts, and that will include many members of staff, that their monthly bank charges are going to increase by up to 150% in some cases. Since the letters to customers telling them about the changes were sent out last week, members have reported customers venting their anger at the Bank's blatant attempt to force them to take out personal loans to avoid the massive increase in bank charges. In its submission to the Competition and Markets Authority's Retail Banking Market Investigation, Lloyds Banking Group (page 224 of CMA Provisional finding report, October 2015) made it clear that customers with higher overdraft limits would be less likely to be offered the same overdraft limits by other banks and it knows full well that it can charge what it likes and these customers either have to accept it and pay the higher charges or take out loans instead. And that, at a time when the Bank of England is warning that the rise in personal loans is dangerously high. In a speech to the University of Liverpool's Institute for Risk and Uncertainty, Alex Brazier, the Bank of England's Financial Stability director, said "the increase in debt was dangerous to borrowers, lenders and, most importantly from our

perspective everyone else in the economy".

In its press release the Bank produced a number of examples to show how customers with no agreed overdrafts would be better off but failed to produce examples showing how customers with agreed overdrafts would be affected by the changes. A customer with a £1,000 agreed overdraft facility would see their yearly Bank charges increase from £276 to £514, an 86% increase in charges. A customer with a £5,000 agreed overdraft facility would see their Bank charges increase from £996 to £2,568, an increase of 158%. A customer with a £10,000 agreed overdraft would see their charges increase from £2,052 to £5,136, an increase of 150%.

Many members of staff will be affected by the Bank's attack on planned overdraft users and it should put in place arrangements to enable them to manage the transition to the new world.

## 'Life As An Advisor'

The Bank talks a lot about keeping things simple but the feedback we are getting from members is that the amount of paperwork advisers are having to complete and the micromanagement of their daily activities is now getting beyond a joke. Ensuring that advisers are managing their time appropriately is a good thing but it's when it moves beyond that to wanting to know what the adviser is doing every minute of the day that it goes from the sublime to the ridiculous. Moreover, advisers are not

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stupid, they know full well that the focus on their time management and productivity is about ensuring they are seeing only those customers that are most valuable to the Bank and are doing right levels of business. The 'Life as an Advisor' article below

is typical of the comments we are receiving from members on a daily basis. We will be returning to this issue in future Newsletters but in the meantime would like to hear from members about their daily experiences of life in the branch network.

#### "Life as an advisor" (sic)

I decided to write this email to express my feelings and frustration at the management at the branch level. I can't speak for other groups, but I can speak for the sufferers at XXXXX group. After a new management shuffle I was rather excited at the prospect of new management. Well.... how wrong could I be!! I have worked as an advisor for over 13 years and I can safely say I have never experienced such suffocation or micromanagement. So I thought you (or Mark Brown) might be interested in the life of advisor. Firstly can I point out that there are aspects of the framework that I think are really good, and add value to the business. But personally I think the framework is currently being used in completely the wrong way.

5 day planner: print off 5 separate daily sheets and transfer all the information from the system diary to a paper diary with all the customers name, time of appt, reason for coming in. Now, I'm all for planning my week but the bank talks about keeping things simple..... I spent 2 hours today filling in 5 sheets of paper with the 25 customers booked in this week. Also, why would we need to complete paper diaries when everything is on the computer. Surely we are promoting using digital systems, not going back to old-fashioned pen and paper. It's time wasting.

Waterproofing: well I do see the value in waterproofing to make sure that customers bring in the right documents. However, advisors have to print off the product summary screen for every customer coming through the door and attach it to a picture pad. Whilst waterproofing the customers, the pad needs to be completed (starting an interview without a customer present) and keep this in a file until the day of the interview. Surely this is non-compliant as we are supposed to be playing an IDD before an interview?? My day today comprised of 2 hours of filling in a weekly planner.

Seeing customers when wanted: I feel very passionate about seeing customers when wanted, but I'm now being told I am not booking enough appointments from my FCR as my diary is full. So to block out slots in my diary. I thought the bank didn't want us to block out slots?? But without blocking some slots, I'm unable to complete my 5-day paper diary or reach out to customers. Surely, the FCR is to help fill gaps in the diary.

End of day meeting - so once we have completed a picture pad for each customer (which I do think are useful), we then have to transfer all this information onto our daily trackers for the end of day meeting. So we are duplicating more and more work. I'm becoming dizzy with all the form filling!!

Expected to work for free: all branch staff are expected to come in at 8.45 and currently not getting out until 5.30pm and not being offered any overtime or time in lieu. It's just "expected" of them. At a branch that opens 9-5 it's very difficult to get all the daily tasks completed within the time scales. So currently as an advisor the bank is getting 45 mins free a day from me! But apparently this is ok, as I get paid more?!?

Lunch breaks: Management telling advisors that it's ok to split their half hour lunch break and take 15 mins in two separate breaks. This has been confirmed by the union that 20 mins continual break is the law..... but this isn't happening at branch level. In fact, I didn't even have a

lunch break today, simply because I was completing my 5 day paper diary!! And filling in reams and reams of paperwork.

With all this micromanagement comes stress, and at a level I personally have never experienced ever! I now suffer panic attacks, shaking, shortness of breath, dizzy spells, chest pains and teary and all because the framework is being used as an implicit and disguised way of pushing products. Staff morale is the lowest I have ever seen!

From an over-stressed advisor!!

## Severance Terms Letters

In my last Newsletter, I said the Union would be writing to members enclosing a letter for them to send to Ms Tippin, Group People & Productivity Director asking her to confirm whether the Bank's severance terms for heritage Lloyds staff are contractual or non-contractual. Those letters will start going out shortly.

To recap, the Bank has always tried to avoid saying whether the enhanced severance terms for heritage Lloyds staff are contractual or not. In the Job Security Policy, it says clearly that for HBOS staff the enhanced severance terms are non-contractual. For heritage Lloyds staff, the policy is silent on that important issue. What that means is that in a legal dispute the Bank can simply say that the member of staff is not entitled to the terms. Recently, the Bank told heritage Lloyds staff transferring to IBM that the enhanced severance terms were contractual. We want the Bank to confirm that position for all heritage Lloyds staff.

## No To Pensions Advice

We calculated that some £100 million is being transferred out of the Lloyds Bank Pension Schemes every month. The record transfer value offers being offered by pension schemes to those members willing to give up their future pensions is resulting in large numbers of members asking for transfer valuations.

We are aware that a number financial adviser members of LTU have been approached by staff asking for advice on whether they should transfer their pensions. LTU members should not be offering advice, either directly or indirectly, to staff regarding their own pension arrangements.

The Bank has also issued guidance saying:

"...we do not give advice on deferred benefit transfers from defined benefit schemes such as final salary pension schemes where there is an option for a deferred benefit in that scheme". The Bank go onto say:

"What you can't do is give any kind of information that might imply an advice conversation has taken place, even if you have not made any formal recommendation."

## Going To The High Court In 2018

The Union's landmark legal case on the equalisation of Guaranteed Minimum Pensions (GMPs) will be heard by High Court from 2nd July to 17th July 2018. Members will recall that the Bank, LTU and the Lloyds Banking Group Pensions Trustee Limited are bringing the case jointly.

Angela Sharp, Judith Cain and Susan Dixon are representing members of the Lloyds Bank Pension Scheme No 1, Lloyds Bank Pension scheme No 2 and HBOS Final Salary Pension Scheme. LTU's legal adviser is representing the three pension scheme members in this case.

So, what's it all about? The pensions, in particular the Guaranteed Minimum Pensions (GMPs), of female members of staff increase at a lower rate than the pensions of male pension scheme members. There are some 270,000 members of the three LBG Pension Schemes covered by this case. The vast majority of those scheme members are female and approximately 230,000 are affected by the issues raised in our claim. However, the GMP equalisation issue is much bigger than Lloyds Banking Group, affecting some 2,400 'contracted out' private sector pension schemes with some 5 million female members. Many of those females will receive pension

increases at lower rates than their male colleagues and they could benefit from the outcome of this case.

We will keep members informed of developments in this case but those who benefited from our non-signers legal victory know that the wheels of justice move slowly.

Members with any questions can contact the Union's Bedford Office on 01234 262868 or they can email us at [24hours@ltu.co.uk](mailto:24hours@ltu.co.uk).

**Mark V Brown**  
General Secretary

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