

SPECTRUM

JUNE 2013





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SPECTRUM

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Giving capitalism 'a bad name'

Public anger as bank executives on pay of £1m plus receive "rewards for failure"

Over-paid bankers have "given capitalism a bad name", according to the director general of Britain's Institute of Directors, Simon Walker.

He said it was "unacceptable" that more than 500 employees of Barclays and the Royal Bank of Scotland had received remuneration over £1m in 2012 – a year in which both banks were embroiled in scandals involving interest

rate-rigging and the mis-selling of various products.

"Shareholder value has been destroyed, capitalism has been given a bad name, key measures of the market have been manipulated for cynical gains, taxpayers have shelled out billions to bail banks out, and yet vast reward packages are still being handed out," Mr Walker said recently.

The "rewards for failure" at

large banks were undermining public faith in free markets.

"The wider population are starting to become concerned, incensed even, by the perceived failings of private business. Those voters are starting to question the system itself. And that is understandable."

He said that trying to put a positive gloss on banks' recent behaviour was like "polishing a turd", and added that only a substantive change in behaviour, rather than public relations spin, could restore public faith in the sector.

Rejecting the idea that it was his job to defend all businesses, he said: "The IoD's role is to promote good business. To defend the reputations of the millions of businesses who do the right thing, we must call out those who do wrong."

Banks worse than vultures in public eyes?

Some would argue that, when it comes to giving capitalism a bad name, Simon Walker should know what he's talking about – having previously worked as head of the BVCA – the body which represents British private equity and venture capital sector. Considering that the latter are often referred to as "vulture" capitalists, it comes to something when British banks are seen to be less popular than "carion-feeders!"

EU plans new banking laws

Tough new laws forcing banks to make it easier for consumers to understand bank charges and switch accounts have been proposed by the EU Commission. It wants all member States to offer basic bank accounts, standardised charges and easy switching.

Santander worst for complaints in Britain

Santander is the worst bank in Britain for handling complaints, according to a poll conducted by the consumer magazine, *Which?*, among holders of savings accounts.

The Spanish-owned banking chain receives the most complaints and is also rated the worst at dealing with them.

"When a bank has to deal with thousands of customers," said *Which?*, "it's inevitable that it'll get things wrong from time to time. But a true measure of good customer service is how it deals with complaints."

New book on Brian Lenihan

Politicians and leading financial experts are set to contribute to a new book about the late Finance Minister Brian Lenihan, which is being co-edited by his aunt and former Government Minister, Mary O'Rourke.

"We have invited 22 people to write an essay of 5,000 words each, all connected with Brian Lenihan's themes and times," she said.

Among those who have agreed are the managing director of the International Monetary Fund, Christine Lagarde; the Governor of the Irish Central Bank, Patrick Honohan; and the UK's former Chancellor of the Exchequer Alistair Darling.



PILLAR TALK

Ross pleased with returns from Bol investment

US billionaire, Wilbur Ross, said recently that his investment in Bank of Ireland is one of the best he has made.

Ross took a 9.9% stake in the bank two years ago in conjunction with a consortium of US and Canadian investors which acquired just under 35% of the equity.

In response to a question in a recent interview with Bloomberg TV about his "best bet" in recent years, Ross said: "I think BOI is turning out to be a very good investment. The stock is up about 80% since we helped privatise it."

"Bank of Ireland's been very successful at modifying the mortgages, changing payment schedules, capitalising arrears – things of that sort," he said. "86% of the mortgages they've modified are maintaining themselves on a current basis in accordance with the new terms," he said.



Bank of Ireland shareholder, Wilbur Ross

Ross's company, W. L. Ross, specialises in turning around distressed businesses and reaping the rewards when they recover. He told Bloomberg TV that there were plenty of opportunities in recession-hit countries but that Ireland stood out as it was "a very unique economy."

"It's a high-tech economy... That differentiates it from most of the rest of Europe," he said. "Ireland didn't need structural reform. All it needed was to fill the hole that was left by the banking mess."

Bol under fire in GB for raising rates on tracker mortgages

Bank of Ireland has come in for widespread criticism in Britain for its decision to increase interest rates on around 13,500 tracker mortgages. For some customers, interest rates have risen from 1.35% to 2.99%.

Tracker mortgages normally follow the base rate set by the central bank in the jurisdiction. The current Bank of England base rate is at a historical low of 0.5%.

The bank has said that it was permitted by the terms of the mortgages to increase the margin over the Bank of England base rate under the terms of the mortgages, which were sold before 2004.

The rate increases also apply to tracker mortgages at the bank's Bristol and West subsidiary.

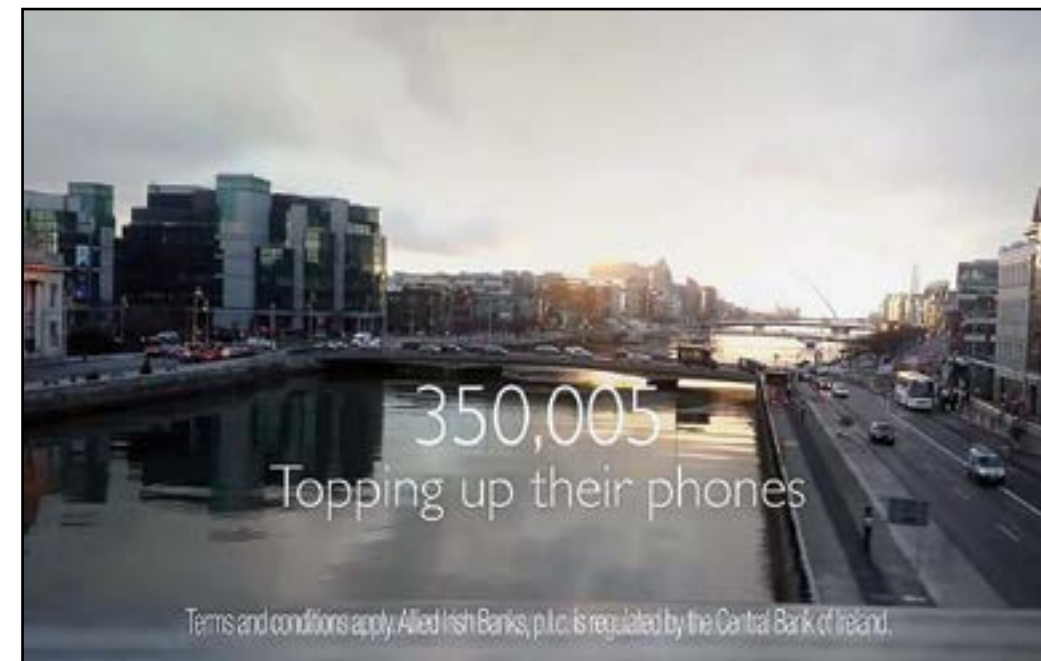
However, customers have complained that as the mortgages



Andrew Tyrie, MP, Chair of the UK Treasury Select Committee

had been described as "lifetime," they believed that they would always have the same relationship with the Bank of England base rate.

Conservative MP, Andrew Tyrie, who chairs the UK Parliament's powerful Treasury Select Committee, has requested that the Financial Services Authority conduct an investigation to determine whether the bank was guilty of mis-selling by including unfair clauses in the mortgage agreements.



AIB causes stir with TV ad shot on iPhone

"Bridge Sunrise," AIB Bank's latest television commercial, which was released in April, has generated more than the usual level of interest – not so much because of its content – but more because of the way it was produced – on an iPhone 5.

Appropriately for a commercial promoting AIB's mobile banking service, the advert was shot on

location in Dublin City using a smartphone.

"It was a big decision to shoot the ads on the iPhone. But once we did some preliminary tests, we knew that they were able to deliver high quality footage," said Damian Hanley, creative director at the Rothco advertising agency.

Overall, the advert's concept is simple – based on a commuter train journey across Dublin city.

The ad also features the track, *Petardu*, from the album, *Little Sparks*, by Dublin-based band Delorentos, this year's Meteor Choice music award winners.

With a standard television commercial costing anything up to €250,000 these days, this low-budget production is also likely to have received a thumbs-up from the mandarins in the Department of Finance.

Bol reported to be on target for SME lending

Bank of Ireland has said that it approved 25% more funding for small- and medium-sized enterprises (SMEs) in the Republic of Ireland in the first three months of 2013.

With loan approvals since the beginning of the year now topping €1bn, the Bank is on track to meet its new and increased lending target for SMEs of €4bn in 2013.

Bank of Ireland's Director of Business Banking, Mark Cunningham, said that two trends had emerged in the first quarter of this year – a rise in the value of loans granted to SMEs and some positive momentum in particular sectors in the economy, such as the hospitality, manufacturing and healthcare sectors.

The Bank also pointed out that it had advanced half of all new credit to the farming sector in 2012.



Bank of Ireland's Director of Business Banking, Mark Cunningham

Bol repaying debt to Irish State – Boucher

Bank of Ireland CEO, Richie Boucher, said recently that the Irish State is "well in the money" as a result of its support for the bank since the financial crisis began in 2008.

Boucher noted that the State had provided €4.8bn in bailout funds to the bank, of which €3.8bn had been repaid.

He added that the Irish Government also held €1.8bn worth of preference shares – with an annual coupon of 10% – and a 15% equity stake worth about €830m.

"The State is in the money and it should be," he said. "We got support and an investment for which we are most grateful."

"It is morally important to me and my colleagues that that support is rewarded and repaid."

Branch closures continue

As the impact of the reduction in AIB's branch network begins to be felt across the island, three former AIB branches in the midlands are for sale at prices ranging from €110,000 to €135,000 – in Abbeylax, Co. Laois, Templemore, Co. Tipperary, and Urlingford, Co. Kilkenny.

Meanwhile in Croom, Co. Limerick, the local AIB branch recently closed its doors for the last time a century after it first opened.

Croom is one of eight branches in County Limerick scheduled to close as part of the bank's wider transformation and cost reduction programme.



AIB's Croom branch which closed recently (Photo: Limerick Leader).

The others are Corbally, Croom, Doon, Dromcollogher, Foynes, Glin, Hospital and William Street in the city.

According to the bank, branch closures are necessary after a review

of its retail operations identified that changes in population and in customer traffic as well as improvements in technology have led to a fall in demand for traditional branch services.

AIB preparing for bond issue?

AIB Group appears to be making preparations to return to the bond markets on a more "normal" basis before the end of the bailout in December.

The bank is reported to have filed updated bond prospectus documents – which incorporate AIB's accounts for the year ending December 2012 and its auditors report from March 2013 – with the Irish Central Bank and the Companies Office in Dublin recently.

With these updated documents, the bank can issue bonds at short notice to the market, if the opportunity arises.

While the bank has raised €1bn on the markets in two deals since November 2012 – issuing its first covered bonds since the onset of crisis in 2008 – these were regarded by some analysts as exceptional – rather than routine – transactions.



Bank to withdraw customers' free travel accident insurance

AIB has advised its customers that it will withdraw personal accident travel insurance – currently provided free of charge on its credit cards – later this month.

Currently AIB credit card customers are covered for up to €64,000 if they are injured using licensed transport, provided at least 50% of the fares have been charged to an AIB credit card.

However, it has been reported that this benefit has often been misinterpreted by customers as full travel insurance.

beyond the pillars

No more skeletons in closet? Well, probably!

Responding to one shareholder at the bank's recent AGM, RBS chairman, Sir Philip Hampton, said it had been "disappointing how many skeletons have come out of the cupboard" since 2009. He said the bank had "worked with regulators to put right past mistakes, particularly the LIBOR and mis-selling problems" as well as "the consequences of a big IT failure" in 2012.

"I think that we are through the worst. There isn't anything major on the horizon," he said. "But I might have made that statement two years ago!"



Watchdog to probe last year's IT meltdown at RBS

Britain's new financial watchdog has launched an investigation into last year's IT meltdown at Royal Bank of Scotland, which affected many thousands of Ulster Bank customers as well as millions from RBS and NatWest.

The Financial Conduct Authority (FCA) – which took over the supervision of banking standards in April – started an investigation into the IT failures to determine whether enforcement action should be taken. RBS said it would work with regulators in Britain and Ireland to improve its services.

"Last summer's IT failure was unacceptable," said the bank. "We have already made significant improvements and over the next three years will invest hundreds of millions in our systems."

While this particular "IT incident" has cost RBS £175m (\$267m) in compensation and other charges, the soundness of its technology infrastructure has often been called into question.

As recently as March, the failure of their mobile banking applications left RBS, NatWest and Ulster Bank customers locked out of their accounts for about six hours during one working day.

More job cuts and branch closures to continue in RBS



RBS chairman, Sir Philip Hampton, told the bank's recent AGM that further jobs cuts would be necessary.

Ulster Bank's parent company, Royal Bank of Scotland Group recently announced 2,000 more job losses amid warnings that further jobs and additional branch closures would be necessary before its restructuring is complete.

"We've got to have our branches where our customers are, not always where we have had them for decades," Board Chairman, Sir Philip Hampton, said at the Group's recent Annual General Meeting in Edinburgh.

"We have work to do over the coming years to get our business in the right shape to deliver these ambitions, and that could mean further impacts on employees."

RBS outgoing Finance Director, Bruce Van Saun, declined to give specific figures for the likely total of job cuts – but said that the "vast majority are now behind us."

RBS has announced 37,000 job cuts since the £45.5bn State bail-out in 2008 and 2009 – the biggest in the world – gave the British Government an 81% stake.

Two separate rounds of job cuts have taken place in Ulster Bank – each in the order of 950. The second restructure, announced in early 2012, is still to be completed – with over 500 staff having left the institution in recent months.

Hampton said RBS aims to have completed most of the restructuring of the Group next year, so that the British Government can begin the process of selling off its stake by the end of 2014 – ahead of the next British General Election in 2015.

However, with RBS shares in the doldrums – especially after the surprise announcement of Stephen Hester's departure as Chief Executive, they may have some way to go to reach the 407 pence target which would allow the British State to break even on its investment.



Stephen Hester



Peter Nielsen



Johnny Cameron



Sir Mervyn King

RBS bosses highlight need to change "self-centred" bank culture...

RBS needs to tackle the self-centred culture at the heart of the banking industry, according to its erstwhile Chief Executive, Stephen Hester.

The Chief Executive was one of a number of past and present senior executives from RBS who gave evidence recently to the UK Parliament's Commission on Banking Standards in the wake of the LIBOR rate rigging scandal in which RBS was fined £390m by the UK's Financial Services Authority for misconduct described by the FSA as 'deliberate', 'reckless' and 'blatant'.

In the course of a four-hour session with the Commission, the RBS executives made a number of frank admissions about the bank's shortcomings.

Head of Markets, Peter Nielsen, conceded that there had been major

failures in systems and controls – and admitted that management had mistakenly believed it was mathematically impossible to "fiddle" LIBOR submissions.

In response to criticism from the new Archbishop of Canterbury, Justin Welby, who is a member of the Commission, that "the risk of sheer immorality" had not been managed, recognised or taken into account at RBS, Stephen Hester said there had been "hubris" during the boom years that had bred a culture of selfishness.

"We were too slow to recognise the behaviour and catch it," admitted Hester, who added that solving RBS's cultural problems would help return it to the private sector.

Nielsen also blamed the compensation culture that existed

before the crash in 2008, which he described as "very stridently individual-orientated."

Former head of investment banking, Johnny Cameron who is serving a lifetime City ban for his role in the collapse of RBS, told the Commission that he had tried in vain to instil the right values in the traders in his division.

"You can't impose moral standards on people who don't wish to be moral," he said.

Cameron, who received around £4m in bonuses between 2006 and 2007 when the manipulation of the LIBOR rates appeared to have been at its height, added: "Almost every bank in the world has been involved in some way in this. It's as much about the culture of traders as any one bank."

Break up RBS – BoE Governor

The outgoing Governor of the Bank of England, Sir Mervyn King, told the UK's Banking Standards Commission recently that the idea of a bank being 81% owned by the taxpayer, and also run at arms' length from the government, was nonsense.

"It would be much better to accept that it should have been a temporary period of ownership only," he said, "to restructure the bank and put it back. The longer this has gone on, the more difficult it has become to return RBS to the market."

Sir Mervyn added that it was not "beyond the wit of man" to split the beleaguered lender into a good and bad bank – perhaps in the manner of Northern Rock where the 'bad bank' has remained under government control while the 'good bank' was sold to Virgin Money.

Citi to close its Waterford office

Fifty jobs are under threat at Citi's Waterford base after the bank's surprise decision to cease operations in the South East by the end of this year as part of a wider global restructuring programme.

The Waterford unit – located in the IDA industrial estate – is involved in Citi's hedge fund services. Some of its staff may be offered redeployment in Citi's Dublin hub which currently employs 2,200.

...IBOA offers to help with change!

IBOA General Secretary, Larry Broderick, has welcomed the acknowledgement by RBS senior management that the culture of banking must be changed.

"For some time now," he said, "IBOA has urged all of the stakeholders in banking to take steps to discourage recklessness and greed and to restore ethical prudential banking for the sake of employees

as well as customers and the public at large.

"If this wish for a change in the culture indicates a real commitment to tackle this issue – as opposed to a public display of humility for the benefit of the UK Banking Commission – then IBOA is willing to engage with RBS and with Ulster Bank to make this a reality.

"However, I should point out that treating customers fairly starts with treating staff fairly. An ethical bank cannot operate on a bipolar basis," he said.

"Ulster Bank, above all, should understand that, regardless of recent developments in e-banking, staff remain at the heart of the relationship with the customer," said Broderick.



Lifetrials of the SLICK & SHAMELESS



Jamie Dimon, Chief Executive of JP Morgan Chase

Tempest in teapot creates \$11.5m hole in Jamie's pay packet

Spare a thought for the boss of JP Morgan Chase, Jamie Dimon (*not to confused with former Barclays chief, Bob Diamond*) who had his bonus cut in half following the bank's \$6.2bn London trading fiasco.

The losses were initially dismissed by Dimon as a "tempest in a teapot" – but they sparked government inqui-

ries on both sides of the Atlantic, led to calls for tighter regulation of banks by President Obama.

While the bank still reported record profits, Dimon was given a slap across the wrist for essentially believing what he was told by subordinates. His total compensation package was cut to \$11.5m from \$23m for the year before.

"Clerical errors" come at a cost

More bank bosses deserving of your sympathetic consideration are Standard Chartered's Chief Executive, Peter Sands, whose annual bonus has been cut by 10% from \$3.5m to \$3.15m, and his finance director, Richard Meddings, who has suffered a similar 10% drop in his bonus from \$2.4m to \$2.16m – even though the bank recorded a tenth successive year of record profits.

A key factor in the reduction is reported to be the \$667m (£443m) penalty levied against the bank last year for breaching United States sanctions against Iran.

Standard Chartered was accused of hiding \$250bn of sanctions-busting

For a fair day's pay...

Amanda Staveley of PCP Capital Partners is reported to have been paid £29.5m for her advice on the deal which brought together Barclays Bank and a group of wealthy Gulf investors led by Sheikh Mansour at the onset of the banking crisis in 2008.

The substantial £12bn capital investment from Abu Dhabi and Qatar enabled Barclays to avoid a State bail-out – the fate that befell its British banking counterparts, Lloyds-HBOS and RBS.

A former girlfriend of Britain's Prince Andrew according to some sections of the British media, Staveley has also been credited with brokering Sheikh Mansour's earlier acquisition of Manchester City Football Club for £210m.

And rather like recent concerns about the role of agents in the transfer of professional footballers, the UK's Financial Services Authority is said to be investigating the role of advisers in arranging major investments in banks such as Barclays.



Standard Chartered's Chief Executive, Peter Sands

transactions leaving the financial system vulnerable to "terrorists" and "drug kingpins" in the six years up to 2007.

The bonus cut is the first real acknowledgement by the bank of the gravity of the sanctions breach.

Standard Chartered's chairman, Sir John Peace had earlier been forced to retract comments describing the breaches as "clerical errors."



UBS buy Orcel!

Swiss bank, UBS, which has been mired in controversy for some time, managed to attract further adverse commentary recently with the revelation that it had made a 'golden hello' payment of SFr25m (£17m/€20m) to one of the key executives behind the catastrophic sale of ABN Amro to Royal Bank of Scotland – an event that is widely accepted as pivotal to the collapse of RBS.

UBS took Andrea Orcel from Bank of America Merrill Lynch to become its new head of investment banking in the wake of the scandal involving the rogue trader, Kweku Adoboli.

In his new role, Orcel is supervising the restructuring of UBS's investment banking operations which is expected to result in 2,000 job losses by the end of the year.



UBS's new head of investment banking, Andrea Orcel

Hourican falls on his sword

John Hourican, head of RBS's investment arm since October 2008, resigned from his post in the wake of the LIBOR-rigging scandal – which resulted in fines of £390m (£460m) being levied against the bank.

Reported to be the bank's most highly paid employee at the time of his departure earlier this year, Hourican is said to have foregone £4m in share options due from previous years as well as a substantial bonus of around £2m for last year.



Hard times for John Hourican

However, he was contractually entitled to a pay-off equivalent to his annual basic salary of £700,000.

And of course, he has other fringe benefits to fall back on from his time in RBS – like the \$7.5m profit he was reported to have made in 2012 from selling RBS shares.

Although there is no evidence that Hourican was directly implicated in the LIBOR-rigging scandal, he was deemed culpable because some of the rogue activity continued until as late as 2010 – so he should have been aware of it.

Taxing Matters

Meanwhile RBS is reported to be co-operating with the Dutch tax authorities investigating the bank's purchase of a house in Amsterdam from Hourican in 2009.

Hourican had bought the property for €4.7m in 2007, when he was working as Chief Financial Officer of RBS's newly acquired Dutch subsidiary, ABN Amro. On being recalled to Britain in 2009, he sold it to the bank for €4.9m.

After struggling to sell the house for several years, RBS is reported to have offloaded the property at a loss of around €2.2m – in what sounds like a proverbial Dutch auction!

The precise nature of the investigation by the Dutch authorities is unclear. But media speculation is that they are questioning whether the price the bank is supposed to have paid for the property is unusually high – and in effect masks a cash bonus for Hourican, which should have been disclosed.

If that were to be the case, then both RBS and Hourican could be liable for tax in Holland.



Rich little poor guy

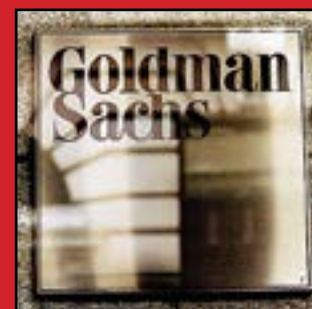
In a land of banking behemoths, boasting trillions of dollars worth of assets, it may come as a surprise to discover that the sixth best paid banker in America and one of its richest is the CEO of a bank with a relatively paltry \$35bn in assets.

Reputed to have earned \$15.2m last year, James Herbert (*above*), is the Chief Executive of the First Republic Bank of San Francisco which specialises in "super-prime" mortgages for mansions and in wealth management for high net worth (i.e., extremely rich) clients.

Because they're worth it...

Senior executives employed by Goldman Sachs in London received an average pay package of £1.8m in 2011.

According to recent regulatory filings required under EU rules, 95 Goldman employees shared £169m – 45% in cash and the rest in shares.



Although the average for London is much higher than Goldman's company-wide average for 2011, it is substantially down on 2010 – when it reached £4m.

Could someone organise a whip-round?



deLEGate conference



Pay cuts a bridge too far – Broderick

If any bank or Government tries to impose a pay cut for bank workers on a unilateral basis, then IBOA will exercise our internal democracy by asking members to consider our response – up to and including industrial action – in order to prevent the further cannibalising of our members' pay, declared IBOA General Secretary, Larry Broderick.

Speaking to the Union's recent Biennial Delegate Conference in Croke Park Dublin, Broderick said that IBOA had challenged the Minister to review his direction to the State-supported banks and had initiated the "Bridge Too Far" campaign which had resulted in thousands of e-mails being sent to public representatives in both the Republic and Northern Ireland.

"With the crisis in Irish banking," Broderick said, "we saw the collapse of our members' remuneration levels – with all bonus payments and productivity payments removed. And as bank share prices also collapsed, an important financial buffer was also wiped out for many of our members."

"Pensions in all banks came under attack. Many other benefits for bank workers have been eroded or phased out completely. Increments and performance awards, specifically stipulated by contract, have not been paid – even for workers on very modest pay. We are not the fat cats enjoying the rich cream."

"On the other hand, the senior executives, who caused the problem, were allowed to retire on golden parachutes of pensions and other rewards. Those who remained were given incentives in the form of a pot of €60 million for 100 executives in Bank of Ireland, a €100 million fees package for consultants in AIB, as well as millions spent on payments to retain supposedly key executives in AIB and IBRC who promptly left on pensions or else in search of even greener pastures elsewhere."

"An army of consultants swarmed in and out of the banks like bees after honey – and no one baulked at paying their exorbitant fees," noted Broderick.

Above: IBOA General Secretary, Larry Broderick, speaking at the Union's recent Biennial Delegate Conference in Croke Park, Dublin (Photo: Tommy Clancy).

The suggestion that further cuts are required in bank workers' pay is outrageous.
Larry Broderick

"For that reason, IBOA welcomed the Irish Government's original decision to appoint an independent body to review pay in our industry," he said. "But what we did not realise was that this was not an independent review. It was a review with a very clear agenda to make the facts fit an outcome that had already been determined – and that outcome was to dump, once again, on low paid bank workers."

"Unfortunately, despite fine rhetoric by Government, Mercers – whom they appointed to carry out the review – did not engage with IBOA or bank workers. They refused to agree joint terms of reference. They did not engage with the Union on any aspect of the report and, indeed, shared their findings with the Boards of each bank and sought approval before issuing the report, and totally refused engagement with the Union."

"So much for the Government's much vaunted commitment to transparency!" declared Broderick.

"While the Mercer report is helpful in some respects, it is fundamentally flawed in others. For example, the purported average increases for bank staff are not reflective of the fact that, since 2010, IBOA members have received no increases either cost-of-living or contractual."

"The report also fails to identify how it reached its conclusions but, unbelievably, relied upon internal information from bank managements – including payments made in promotion, retention payments and bonuses to key senior people in the Bank – to calculate their average increases."

"Mercer does not make any recommendations on pay but set out a number of options to be considered."

"However, the report does substantiate IBOA's view that bank officials' pay and pension benefits have been substantially reduced and confirms that the vast majority of staff in our industry are on less than €45,000 a year."

"So, for Government to come out and suggest that future cuts of 6%-10% in bank workers' pay are now required is outrageous," said the IBOA leader.



Honorary Finance Officer, Sharon McAuley (First Trust Bank)

Banking inquiry long overdue

The crisis in Irish banking has had an unprecedented impact on the economic and social life of this island – ushering an era of savage austerity driven in part at least by the effective loss of our economic sovereignty.

"As for the banking sector itself, it has utterly transformed – in the way a car is transformed when meeting an articulated truck head on," said the Union's Honorary Finance Officer, Sharon McAuley. "Bank workers have suffered devastating losses and have taken more than their fair share of pain."

"Yet incredibly, we are now five years into the crisis and there has been no official investigation into how this crisis came about, who was responsible, and who should still be held to account."

"The closest we have come to such an investigation is in the legal proceedings against some individuals like Seán Fitzpatrick (*below*) associated with the spectacular collapse of Anglo Irish Bank," she said. "But that is far from the comprehensive account that we need if we are to avoid repeating the same mistakes in the future."

"A properly constituted public inquiry with a legal construct should be put in place to identify:

- what happened in each of the institutions;
- what was the role of the Board, the senior manage-

ment and the auditors;

- whether the apparent inaction of the Regulator was due to lack of legal powers, lack of resources, or lack of interest;
- the role of Government in promoting economic and fiscal policies without thought for their long-term consequences; and
- perhaps, equally importantly, what didn't happen under each of these headings.

"While some may see this proposal as seeking retribution or revenge," she said, "there are no hidden agendas as far as we are concerned."

"Even a minor traffic accident is investigated – not to mention the misappropriation of even small amounts of cash in any financial institution – yet here we have the most catastrophic event in recent memory – in terms of the degree of hardship inflicted on the population and no-one in official Ireland seems to be in any rush to examine the causes."

"We need this inquiry to learn for the future. Otherwise there is every chance that this tragedy and its sorry legacy will be repeated with even more damning repercussions," said McAuley.

"Indeed, if we took the time to conduct a thorough review of these past events, we may not need to be suffering so much pain in the present – never mind the future."

"Because this much we know: the crisis was not caused by a handful of rogue elements in one bank or even of a few rogues in a few banks."

"It was a systemic failure on a colossal scale. It was the disastrous creation of many authors."

Sharon McAuley

Prudent approach
to investments
improves Union
financial position

The Union's after-tax surplus on its accounts for 2012 has increased as a result of changes to its investment portfolio and prudent management of overheads, Honorary Finance Officer, Sharon McAuley, reported to the Biennial Delegate Conference.

Despite falling income from members' subscriptions – as a result of significant job losses throughout the sector, IBOA has managed to weather the financial storm by close and careful attention to all aspects of its operations – including changes to the way the Union manages and reports on its investment.

Following a root-and-branch review by the Union's Audit and Investment Committee, costs involved in managing its investments were reduced significantly – while changes to investment strategy, itself, have yielded returns which have exceeded expectations.

Progress in these areas has helped to mitigate the impact of the fall in Union membership in the last two years – which reflect the significant job losses in Irish banking. Membership of the Union fell from 21,193 in 2011 to 19,079 as the effect of widespread redundancies and early retirements began to be felt.

Administration costs rose faster than inflation as a result of increased legal costs as well as more frequent meetings and higher expenditure on regulatory compliance and external advisers.

A further contributory factor to the increase in administration costs in 2012 was the decision to undertake a major renewal of the Union's IT infrastructure in order to gear IBOA up to meet the needs of its members into the future. Such investment is required on a periodic basis – but does not constitute a recurring annual outlay.

Full details of the Union's finances are available to members on request to Jane Higgins, Administration Manager, IBOA House.

deLEGate conference

Word-of-mouth recommendations, combined with direct experience of the Union in action in the workplace, are more valuable testimonials than all the promotional material we can produce. Our objective in organising is also about revitalising and re-energising existing members.

The commitment and attitude of our members has a direct impact on the Union's capacity to deliver positive outcomes. If members are active and engaged in the Union, then the Union will be far more effective.

Honorary Secretary, Tommy Kennedy



For all its flawed methodology, the Mercer Report could still not escape the conclusion that bank workers have taken a substantial reduction in remuneration over the last five years. Many bank workers have not only been denied performance-related payments (even though contractually guaranteed): they have also seen the effective liquidation of their shareholdings – which were part of the reward system within their institutions.

Mairead Kelleher, Bank of Ireland, Tralee



Northern Ireland needs special attention within an overall strategy for Irish banking since it may suffer in terms of the priorities of both Irish, British and indeed European banks. We saw how AIB was ready to sacrifice First Trust Bank and AIB (GB) if necessary. We also saw where Ulster Bank comes in RBS's pecking order during the IT meltdown last summer. The need for a banking service with strong roots in the local community is clear.

Claire Walsh,
IBOA's outgoing AIB Group Officer



Honorary Secretary, Tommy Kennedy (left); President, Jessie Doherty and General Secretary, Larry Broderick, at the Conference (Photo: Tommy Clancy)

Offshoring: new threat to customers as well as bank staff

A very dangerous scenario is emerging – not only for bank workers but also for customers and the integrity of the banking system as a whole – because the regulator is not equipped to monitor the operations of Irish bank which take place outside the jurisdiction.

Despite many recent examples of the dangers of off-shoring in a sector as strategically important as banking, the lessons are not being learned, the Union's recent Biennial Delegate Conference heard.

"Banks in the UK which adopted this practice over a decade ago are now beginning to question the assumptions behind off-shoring so many activities to places like India," said Senior Industrial Relations Officer, Billy Barrett.

"What seemed like a good idea on paper – especially to the company accountant – has not been realised in practice and complaints abound about the deterioration in customer service mainly due to the fact that the service providers offshore lack the local knowledge – whether it's a matter of geography, culture or something as simple as dialect," he said.

"Indeed the shortcomings have proven so marked that some banking groups, like Santander, have decided to move back 'onshore'.

"But just as the tide is on the turn elsewhere, Irish banking is dipping its toe in the water and we are seeing various operations in AIB, Bank of Ireland and Ulster Bank, relocating outside the jurisdiction or about to. Apart from the obvious consequences for local jobs – especially in an era of high unemployment – this development also raises questions about the security of the infrastructural assets within banking.

"You would have imagined," continued Barrett, "that the regulator would have some concerns about such a development – since, as the Ulster Bank IT incident last summer clearly showed, it can have such a profound impact on the capacity of a financial institution to conduct its core business.

"But in IBOA's exchanges with the regulator in Dublin, it seems that their concern for fitness, probity and competency only runs as far as the human beings: it does not include the computer software or hardware which has become such an integral part of virtually all banking operations and which looks set to become even more so in the future.

"So when the Irish banks tell the Irish Central Bank that their offshore IT systems are in good working order, the regulator seems to have neither the competence nor the inclination to take the matter any further," he said.



Pictured left: delegates show workplace stress the 'pink' card (Photo: John McElroy).

and right: IBOA Senior Industrial Relations Officer, Billy Barrett.



Tiger kidnapping still a threat

A growing concern for the Union is the security of bank workers both within the workplace and even within their own homes as a result of the rise of tiger kidnapping, said IBOA Senior Industrial Officer, Billy Barrett.

This concern has intensified recently as public spending cuts have hit policing budgets, so bank workers feel even more exposed.

"For many bank workers the prospect of falling victim to tiger kidnapping is a constant threat – and for their families too," he said.

"Recently one bank branch was raided twice within a two-week period. It is bad enough for members to have to go through one armed raid," said Barrett.

"But to have to suffer the same fate shortly afterwards not only leaves workers deeply traumatised but also leads to the inescapable conclusion that the bank's management is not taking its obligations for their security seriously.

"The Union's Executive Committee will continue to press bank managements to become more proactive in this area and to liaise more closely with the security services to ensure that the risk is minimised and would-be raiders are dissuaded from following this course. Prevention, as they say, is generally more effective than cure," he said.



Séamas Sheils, IBOA Communications Manager

Toxic work culture leading to increasing levels of stress

Irish banks are falling far short of what is needed to manage workplace stress effectively, IBOA Communications Manager, Séamas Sheils, told the Union's Biennial Delegate Conference.

In a survey of almost 600 Union activists working in the Republic, Northern Ireland and Great Britain, 83% of respondents consider that their employers' response to work stress is unsatisfactory.

This is in a context where almost 96% reported that the level of stress had become more intense since the banking crisis began.

The key factors in these rising stress levels identified in the survey were heavier workloads (with 71% saying staffing levels were insufficient), which were being exacerbated by the continuing pressure to meet sales targets.

Bank workers are still under pressure to meet steep or often wildly unrealistic – targets. "There has been no let-up in the pressure to sell even though the reckless pursuit of sales targets was a key element in the culture that led to the crash," he said. "Frontline staff are also having to spend more time dealing with customers in distress," said Sheils.

"Whether their distress is financial or emotional – these customers gener-

ally require a lot more attention at a time when fewer staff are available due to job cuts, branch closures and new branch layouts which seek to encourage customers to use ATM-like devices rather than engage in human contact," he said.

"Under the circumstances, abuse of bank workers by customers has been reported by 78% of survey respondents. Apart from upsetting the staff member at the receiving end, these events also affect colleagues and other customers in the vicinity.

"As the crisis has unfolded, the tone of abuse from customers has gradually changed from the raw emotion of customers angry at the revelations of the reckless behaviour of senior executives to a growing frustration at the new measures being introduced as part of the restructuring of the sector. For most customers these new developments can be summed up in five words 'higher charges for reduced services,'" said Sheils.

"Most workplaces come under pressure from time to time as a result of sudden surges in activity or unforeseen emergencies. But when these temporary emergencies become a permanent crisis of a long-term systemic nature, this leads to workplace stress which reflects a toxic work culture and poor operational decision-making cascading down throughout the business," he continued.

For more on the Union's survey of workplace stress, see pages 48-51



deLEGate conference

Keane to face the future

The ability to adapt to change has been one of the principal reasons why IBOA has been so successful as an organisation.

Great changes have been dealt with in the past. But even greater change is on the way and will have to be managed into the future. As in the past, IBOA, itself, needs to change its own structures to respond to the changes in the financial services sector.

During the last five years, everything we have traditionally taken for granted – like salary increases, dependable pension arrangements, protected terms and conditions, job security – have come under attack and been turned

upside down.

The dramatic reduction in staff numbers in all financial institutions has affected our membership numbers – while the centralisation of functions, along with alternate methods of delivering service, are changing the structure of banks. Consequently, we need to develop new responses to representing our members within these new structures.

The outgoing Executive Committee has been reflecting on the structure of IBOA and its capacity to operate in this changing environment.

Membership strength, service delivery, representative structures, financing and professional services are some of the

areas we will examine in a comprehensive review of all of our activities to ensure that we make the best possible use of our resources on behalf of our members into the future.

Having been honoured to be elected as President for the next two years, I aim to progress this review so that we can bring forward proposals before our next Biennial Delegate Conference in 2015 to address whatever changes may be required to continue to maintain IBOA as a major influence on behalf of its members in the financial services sector.

Dave Keane
President

Keane to embrace the past

IBOA's new President, Dave Keane, describes himself as "very fortunate to have been born in Waterford and raised in Wexford – an area of strong trade union tradition."

As his father was a trade union activist, he recalls many vigorous discussions in the house about trade union issues. So on his appointment to Bank of Ireland's Enniscorthy branch in 1971, he joined IBOA. The Union's Wexford and District Area of IBOA had a long tradition of active and committed members.

Transferred to Bank of Ireland's Arklow branch in 1975, Keane met an AIB colleague who inspired him to become active in the Union.

IBOA's Wexford Area Secretary and Executive Committee representative, Ken Doyle, who was later to become President of the Union, organised a very active membership not only in terms of industrial relations but also in terms of social events which were an important part of the fabric of the Union at that time.

With Doyle's encouragement, Dave Keane became a Branch Rep – the first step on a path of activism that led him to become an Area Council member, a Bank District Secretary and then, in 1994, a member of the Union's Executive Committee for the Waterford/Wexford area in Bank of Ireland.

A thoughtful and circumspect representative, Keane accumulated a wealth of experience in the role – including a

period as the Union's Sports and Social Secretary. In 2005 he was elected by his fellow Bank of Ireland Executive Committee members as the Union's Bank of Ireland Group Officer – which resulted in his secondment from front-line duties in the bank.

Though now thrust into a prominent role, Keane is quick to acknowledge the support and commitment of his Executive Committee colleagues. "Teamwork is crucial. IBOA has always been fortunate to have great activists."

Among those activists he counts himself fortunate to have worked with and learned during his career so far, the Union's new President cites former Presidents Brian Deasy, Gerry Flynn and Margaret Browne along with Ulster Bank Executive Committee member, Joe Kelly, and, of course, another former President in Ken Doyle.

As for the Union's professional staff, Dave Keane name-checks former and current General Secretaries, Ciaran Ryan and Larry Broderick, along with former and current Senior Industrial Relations Officers, John O'Connell and Gerry Hanna, with whom he has worked very closely on Bank of Ireland issues in recent years.

Married with three children, Dave's main pastimes are golf and soccer.

IBOA's new President



President Dave Keane: (top) receiving Presidential chain from predecessor, Jessie Doherty; (middle) with Wife, Geraldine; (bottom) in discussion with General Secretary, Larry Broderick (Photos: Tommy Clancy).

Keane to make a difference



The Wexford Lock-out Memorial

The Wexford Lock-out

Although the centenary of the 1913 Lockout in Dublin is commemorated this year, it was pre-dated by another lock-out in Wexford – over a six month period from 1911-12. Led by ITGWU organisers, James Connolly and P. T. Daly, along with Wexford native, Richard Corish, the workers in three Wexford foundries – including Philip Pierce and Co – were locked out when they tried to exercise their right to organise collectively.

In an irony of history, IBOA President, Dave Keane, is linked to the Lock-out through an aunt who married Philip Pierce junior. "I am not so sure how impressed old Philip might be with me as President of IBOA. But then one hundred years after the event, unions are still operating on behalf of their members while Philip Pierce & Co. has long since ceased to exist."



deLEGate conference



Professor Phil Taylor of the University of Strathclyde delivers his presentation to the Biennial Delegate Conference in Croke Park.

Programmed for failure

Performance management has become instrument to cut staff numbers

The relentless pressure of punitive performance management systems – intended to push up productivity – is instead creating a stressed, sick and insecure workforce, according to Professor Phil Taylor of the University of Strathclyde.

In a very informative and entertaining presentation to the Biennial Delegate Conference, Professor Taylor said that the “unrelenting intensity” of work generated under new forms of performance management is having a significantly negative impact on employees. It is used as a cut-price way to push ‘under-performers’ out of the door.

“The widespread experience of employees is of top-down, highly-pressurised and intensified work, with most facing an array of often unachievable targets,” he said. “Workers are being increasingly tightly monitored and measured and then placed into performance appraisal categories.”

“Frequently, these are in pre-determined distributions – sometimes known as the Bell curve – with a certain percentage deemed to be underperformers, irrespective of the level of actual performance.”

“This is when the problems really begin for employees, because ‘underperformers’ are then

put on improvement plans, sometimes known as PIPs, which can cause huge anxiety and stress because they can be almost impossible to get out of.

“The evidence is that these PIPs most often are not about providing the coaching and support needed to help employees improve but are for ‘performance managing’ people out of the door.

“The speed of these ‘managed exits’ is astonishing,” said Phil Taylor noting that in two organisations examined as case studies in his research only 12 weeks elapsed between workers being put on an improvement plan and then being exited.



Total rewards: more than pay

New approaches to remuneration can improve job satisfaction

With most bank workers having seen little or no improvement in their living standards for some time, the prospect of a return to some kind of normality within the sector is eagerly awaited. However, traditional approaches to remuneration may no longer deliver for either employers or employees, according to Kevin Empey, Director of Consulting at Towers Watson.

In a wide-ranging panel discussion at the Biennial Delegate Conference on the future of remuneration, Empey said that while an acceptable level of pay will obviously remain core within any system of rewards, other factors could play a more significant role than in the past in enhancing the overall value of the deal for the employee.

Other such factors could include career development and mentoring, flexible work, wellness initiatives, work-life programmes, confidence in the senior management and even the company's role in society.

Pauline Grace from University College, Dublin, highlighted a possible role for competency pay in the future as an alternative to rewards based on meeting numeric targets.

Some form of competency-based pay may be particularly appropriate at this time in light of recent developments

in Irish banking around fitness and compliance where staff are increasingly required to demonstrate their ability to meet objective standards set by the regulatory authorities.

Sandy Boyle from UNI Finance argued that the future of remuneration in banking must reflect the need to shift the culture of the industry away from an arbitrary target-driven agenda in the direction of a renewed focus on service to customers.

This shift would result in a win-win-win scenario – with crucial wins for customers, bank employees and the banking institutions.

Facilitator, Séamus Dooley, Irish Organiser of the National Union of Journalists, said that the key to any system of pay and reward was confidence: without some sense that the arrangements were reasonable, the system would not deliver the desired outcome for either the employees or employers. In this respect, the credibility of senior banking leaders in the eyes of their own staff could be critical.

Despite their widely differing perspectives, there was a surprising level of common ground between the speakers and plenty of food for thought for delegates as they continue to reflect on the objectives for the future pay agenda.

Main photograph above (from left): Sandy Boyle, UNI Finance, Pauline Grace, Lecturer in Human Resources at University College, Dublin, and Kevin Empey, Director of Consulting at Towers Watson in Ireland.

Individual pictures (from top down): Kevin Empey, Pauline Grace, Sandy Boyle and Séamus Dooley.



deLEGate conference



Focus on Customer Service Centres

Big Brother is watching you!

A "Big Brother" culture involving constant monitoring of everything that happens throughout the day – including call times, number of referrals, toilet breaks, availability, etc. – is prevalent in many of the customer service centres operating in Irish banking.

Data records of the activities of individual employees are often used to discipline – rather than develop – them, said IBOA's Danske Group Officer, Eileen Gorman.

Statistics are often communicated around the whole team with the aim of naming and shaming any "under-performing" employees. "This is not only humiliating and degrading for the employees concerned – but also illegal under data protection legislation," she explained.

"The obsessive sales culture which sparked the banking crisis is now more rampant than ever. Customer service is acknowledged occasionally but sales targets are what really matter to managements. As first point of contact, the customer service adviser inevitably bears the brunt of customer frustration. But banks do little or nothing to protect their staff," she said.

IBOA's Customer Service Initiative (CSI) was launched a few years ago to address specific call centre issues like

Above: IBOA's Danske Group Officer, Eileen Gorman (Photo: Tommy Clancy)



Ger Rowan

micro-management, excessive sales targets, inadequate training, low pay and changes in shifts without adequate notice affecting members' work-life balance.

"Staff were completely stressed taking calls from customers who had to endure all the cost savings the bank had introduced – including no more drafts available in branches for less than €500, no more international payments under €3,000," said Bank of Ireland Executive Committee member, Ger Rowan.

"Customers who regularly sent money abroad to their families were now told they must do this online – creating an atmosphere of tension and sadly sometimes abuse from customers.

"Under CSI, IBOA campaigned for training to help staff deal with these customers. This has begun to be rolled out in one bank and is promised in another.

"The time allocated for a call was increased in one centre from 195 seconds to 205 seconds thanks to IBOA and its members. Just a few seconds can make a world of difference to staff from a well-being perspective and to customers in terms of the quality of the service.

"While the Union has also won improvements in pay, starting salaries, annual leave and various other benefits, there are many issues still to be resolved like targets," she said.



Republic's union rights shortfall

Workers need the added protection of a legal right to be represented by a trade union "if we are to have a balanced approach to economic development coming out of this recession," the IBOA's Ulster Bank Officer, John Burns, told the Biennial Delegate Conference.

"But what we have seen so far are a series of moves in the opposite direction – like the campaign by employers to abolish the system of Joint Labour Committees – which provide for agreed minimum employment standards in particularly vulnerable sectors," he said.

The employers argue that these minima which apply to working conditions as well as pay – act as a block on employment growth. In other words, the low paid are being too well paid – so it's time for cuts," he declared.

"But, of course, their ambition doesn't end with the low paid – because if you can lower the floor at the bottom of the labour market, you can reduce pay levels for those on middle incomes, too. Of course, we know that job creation is not the real objective here: the real objective is even higher profits.

"The workers of these islands have already been battered and bruised by an unrelenting barrage of austerity cuts," said Burns. "Now some employers want to deliver the knock-out punch and shift the fulcrum of industrial relations away from the principle of collectivism and towards a pursuit of individualism which will inevitably favour the strong against the weak – the employer against the employee.

"Providing workers with the legal right to union representation will not be a panacea for all ills – but it will help to redress the imbalance to some degree at least," said Burns.

"IBOA believes that there will be no prospect of a more balanced approach to industrial relations as long as this issue remains unresolved," he added.

While the Constitution of the Republic of Ireland protects the right of workers to join trade unions, it is silent on the right to be represented by a union and the right of a union to bargain collectively on behalf of its members.

The legal position in the Republic of Ireland pays lip service to the concept of trade union recognition, according to Executive Committee member, Chris Cavanagh from Danske Bank.

In the centenary of the Great Dublin Lock-out which began in 1913 under the leadership of Big Jim Larkin and James Connolly, Cavanagh proposed that a fitting commemoration would be for the political party founded by that same Englishman and that same Scotsman to bring forward in Government legislation to give effect to this important democratic principle.

International Conventions

Senior Industrial Relations Officer, Gerry Hanna pointed out that the right to trade union representation was enshrined in a number of international declarations and conventions including the Charter of Fundamental Rights of the European Union adopted at Nice in December 2000, now Part II of the Treaty establishing a Constitution for Europe.

This includes a number of core trade union rights, such as freedom of association (Article 12) and the right to collective bargaining and the right to take collective action (Article 28).

Furthermore, Hanna noted, in a recent landmark judgment, the European Court had asserted that the right to collective bargaining was inherent in Article 11 of the European Convention on Human Rights and Fundamental Freedoms on the right to freedom of association – when it overturned a Turkish Court ruling that freedom of association did not include the right to collective bargaining.



Outgoing President takes her final bow

The Union's Biennial Delegate Conferences are occasions of new beginnings and renewal – but, for some, they also mark departures or stepping back out of the limelight.

Chief among the latter was the end of the term of office of the outgoing President, Jessie Doherty – who, after successfully discharging her final duty as chair of the conference, bade a heartfelt farewell to the delegates and her colleagues on the Union's Executive Committee – marking the end of a long period of activism within the Union – having served as a Bank Secretary, Executive Committee member, AIB Bank Officer and Honorary Finance Officer before assuming the Presidency in 2011.

Pictured above: General Secretary, Larry Broderick, presents a gold Union pin to outgoing President, Jessie Doherty (Photo: Tommy Clancy).

Below: delegates show their appreciation (Photo: Tommy Clancy).

As she takes early retirement from AIB, Jessie is looking forward to a less hectic pace of life with her husband, Kevin, and time to pursue other interests.

Another long-time Executive Committee member taking a step back at the Conference was Claire Walsh, the outgoing AIB Group Officer, who is returning to duty with the bank in the Midlands.

Other former Executive Committee members who took their formal leave at the Conference – in most cases as a result of early retirement or redundancy – included Ursula Tighe, Séamus O'Keeffe, Mick Durand, Neasa Coady and Roger James from AIB; Brendan Hannon from Bank of Ireland, Fionnuala Duignan from Danske/National Irish Bank and Robert Thompson from Danske/Northern Bank.



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Taking it to a new level

Discounts and savings are always welcome – but most especially in times when money is particularly tight. That's why IBOA has been exploring ways and means to ensure that your take-home pay can go further by achieving better value.

Our IBOA*Plus* scheme has been a modest attempt in this direction and has produced many worthwhile savings for members. But this month, we are launching a new scheme for members which takes our efforts to a whole new level – both in terms of the savings to be made and the range of products and services available.

The IBOA Group Scheme

The IBOA Group Scheme provides special member discounts through an easy-to-use online directory covering hundreds of offers from leading brands and service providers – which you can access from a variety of devices such as desktops, laptops, smartphones and tablets.

The range and value of these discounts is so great that you could more than cover the cost of your IBOA membership subscription by the savings you can make!

The IBOA Group Scheme is free to IBOA members (including Pensioner Members and Associate Members). So even if you are leaving your employment, it will be worth keeping up your link with the Union – for this benefit alone.

Accessing the IBOA Group Scheme

Access to the IBOA Group Scheme is through the My IBOA area of the Union websites – www.iboa.ie and www.iboa.org.uk – to ensure that the benefits are available to members only. But don't worry registering in the My IBOA area couldn't be easier. You can now use either your IBOA membership number or your employee (bank/work) number to verify your identity. Then set yourself a password and get ready to make great savings!

While you are in the My IBOA area, you can also update your personal details – if you have a change of address or other contact information. You can also set your communication preferences to tell us how you wish to receive news and information from IBOA and to indicate any areas of special interest.

www.iboa.groupscheme.com

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Q. What's the connection between these four images?

A. They all feature in the prizes on offer in IBOA's great summer draw.

- Two tickets to Electric Picnic (featuring Bjork) • Two tickets to Jimmy Carr in Dublin
- A meal for two worth 150 euros at Marco Plerre White's restaurant in Dublin (x2)
 - A two-night family hotel break (bed and breakfast) in Cork for two adults and two children with free entry to Fota Wildlife Park
- 100 euro family voucher for Captain America's Cookhouse in Dublin

The member whose name is drawn first can choose any one of the prizes. Every subsequent member whose name is drawn can choose from the remaining prizes.

THE SMALL PRINT – MAKE SURE YOU READ IT!

Entry to the draw is open to:

- (a) every new member who joins between Monday June 17 2013 and Friday August 16 2013;
 (b) every existing member whose name appears on the "recruited by" section of an application form submitted by a new member between Monday June 17 and Friday August 16. (For every additional member recruited, the existing member will receive an additional entry).
 In order to register for the draw, the new and existing members listed above must log on to the My IBOA area of the Union websites.

Good Luck

economical with truth



IBOA members and staff take part in the recent anti-austerity protest in Dublin (Photo: Tommy Clancy)

Surprise: austerity doesn't work!

So the wheels are finally beginning to come off the austerity bandwagon! What every hard pressed worker in Ireland, Britain and most of Europe has known to be true for some time from their own experience in recent years has finally begun to sink in with economic experts and commentators: namely that an unremitting diet of spending cuts and tax rises will not stimulate economic activity – and without economic activity, the debt burden will continue to grow.

Now like rats leaving a sinking ship many are scrambling to jump off that banjaxed bandwagon. But some are finding it difficult to let go.

Many are so wedded to the basic philosophy of austerity – which can be summed up as making the 99% pay for the greed and recklessness of the 1% – that they will not or cannot conceive of anything else. "There is no alternative," as the late Baroness Thatcher famously once said.

Some of these "austerians" may genuinely believe that the interests of the 1% should take priority over everyone else's – while others seem to be paralysed by their inability to think critically or independently of the herd. Sometimes it's safer to hide in the pack – rather than to stick your neck out by departing from the conventional wisdom.

Politicians clearly find it even more difficult to let go of bankrupt economic policies. When they have invested so much political capital in inflicting hardship on their electorates, the prospect of admitting that they have made a horrendous mistake is generally beyond their capacity – especially when they operate in a political culture where appearing to be fallible is the ultimate sign of weakness. So sadly for most of us, the current policies are unlikely to be abandoned until the next general election.

Even a public dressing down by the luminaries of the International Monetary Fund – after their Damascus Road conversion last October – is not sufficient to persuade politicians to trim their sails: it's still full steam ahead to the rocks of extreme fiscal rectitude hypnotised by Angela's siren call.

The IMF didn't exactly apologise for its previous bad advice – that would be too much to ask! But they did own up to the fact that the theoretical assumptions for their austerity policies were based on flawed assumptions.

In *Growth Forecast Errors and Fiscal Multipliers* – nothing like burying a *mea culpa* behind a desperately dry title! – the IMF's Economic Counsellor, Olivier Blanchard, and economist, Daniel Leigh, concede that the IMF had recommended slashing budgets too fast early in the euro crisis – with the result that many economies were starved of much-needed growth.

They acknowledge that the IMF and other economists – always good to spread the blame – had underestimated the effect of cutting public expenditure. While the IMF expected that each euro cut from the budget would result in around 50 cents in lost growth, the actual impact was likely to be more than €1.50. So instead of inflicting pain to shrink the level of debt, austerity is actually inflicting pain to make debt levels worse – leading to a vicious circle of deeper and deeper cuts.

Since the IMF's U-turn, we have seen further undermining of the theoretical justification for austerity with the recent revelation that *Growth in a Time of Debt*, by Harvard economists, Reinhart and Rogoff – which has become the bible for pro-austerity policy makers – contains a number of spreadsheet errors which were highlighted by researchers from the nearby University of Massachusetts.





People in work
repay debt,
not people out
of work.
A policy that
forestalls its
own objective
must be stupid.
Simon Jenkins

The Harvard pair's central argument is that high levels of national debt cause lower rates of economic growth. However, this view has been challenged by other leading economists who, in what has become a chicken-and-egg argument, maintain that higher debt levels are *caused by* low growth – rather than the other way around.

While the centre of economic gravity is undoubtedly shifting away from austerity in favour of a strategy aimed at stimulating growth and employment, politicians in Europe seem unwilling or unable to accept that the austerity experiment has failed.

We considered some of the reasons why politicians find it so difficult to admit their mistakes earlier. Certainly in the case of the British Chancellor, George Osborne, it appears that all the evidence in the world will not convince him to change course – because he is on an ideological crusade. The debt crisis provides the excuse for a range of policies involving privatisation of an ever-widening range of public services, cuts to social welfare services and benefits.

He appears to be following the mantra espoused by AIB Chairman, David Hodgkinson, a year ago in Copenhagen when he said: "Let's not waste a good crisis... It's easier to do things when times are tough than when you are in good times."

For politicians, the things in question are the unpopular things that the electorate would not normally tolerate.

And this is the point where economic theory – re-inforced by political ideology – becomes real misery because the consequences of the austerity experiment have been devastating at the human level.



A recent study by public health researchers, David Stuckler and Sanjay Basu highlight the impact of austerity measures – including cuts to public health and social programmes – at the very time when people need them most.

This has meant that many Governments have turned recessions into health epidemics, ruining millions of lives in a misguided attempt to balance budgets and shore up financial markets – even though sound alternative policies could help stabilise economies and protect – or even improve – public health at the same time.

In *The Body Economic: Why Austerity Kills*, Stuckler and Basu draw on data from around the world to show how the *choices* governments make (because there is always an alternative) can become a matter of life and death for their citizens during financial crises.

Stuckler and Basu show that negative austerity-led policies have devastating consequences – but positive approaches which avoid the obvious easy targets can work – even in the most straitened economic circumstances.

But despite the increasingly compelling evidence of both the appalling consequences of austerity and its clear failure to achieve its purported objectives, few States within the eurozone feel able to defy the Iron Chancellor, Angela Merkel (*left*). So the crisis continues.

As Yanis Varoufakis, one-time adviser to former Greek premier, George Papandreu, and now a professor of economics in the US, said:

"There is precisely zero chance of austerity working. It is the same as thinking you can escape from gravity by waving your arms up and down."

The Great Crash Replayed: History can repeat itself

Radical political economist, John Kenneth Galbraith, wrote what is still considered to be the definitive account of the Wall Street crash in 1929. Published in 1955, *The Great Crash 1929* lays bare the reality of the bubble that blew up in the late 1920s in both property, land, stocks and shares in the US economy and which burst with such traumatic consequences in the 1930s and 1940s.

If the book was reprinted with dates and names changed, it could almost pass as an accurate account of the current global financial crisis. Whether it's the bizarre land values, the role of Goldman Sachs or the denial of the extent of the crisis, 1929 had it all.

In a piece reminiscent of former Central Bank chief, John Hurley, Galbraith quotes various leading bankers and politicians in the midst of the plummeting market as saying: "There is nothing in the business situation to justify any nervousness."

"There has been fundamental progress towards stability." "The fundamentals are sound," and

finally President Hoover, himself, declaring that "the fundamental business of the country...is on a sound and prosperous basis."

But the real tragedy is that while President Roosevelt learned lessons from the crash in 1929 and instituted various regulatory reforms that separated retail banking from speculative activities and invested massive sums in jobs and public service programmes which helped the economy recover and supported millions of workers and their families, these progressive reforms were eventually eroded – allowing speculation to reign again with, no surprise, similar outcomes to 1929.

What's worse is that today's politicians don't seem to be re-learning these important lessons. They would do well to read *The Great*

Crash 1929 and in particular its closing pages which makes the following key recommendations for balanced economic development:

1. Reduce income inequality

Galbraith points to growing income inequality and how this made the economy dependent on both luxury spending and high levels of investment increasing volatility and negatively affecting on jobs.

2. Reform corporate governance

Galbraith identifies a rotten, corrupt corporate structure that promoted swindlers and frauds but most importantly allowed companies to set up various holding companies (in essence SPVs or SIVs) as a means of promoting get-rich-quick schemes at the expense of sound and sustainable growth.

3. Reform banking

structures – Galbraith identifies a bad structure of interbank lending without transparency that facilitated the panic and chaos of the crash and spread the crisis further and quicker.

4. Promote fairer trade

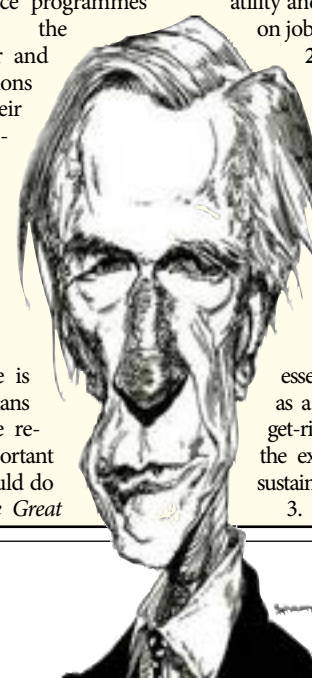
Galbraith notes how uneven trade balances undermine both creditor and debtor nations by creating a new set of debt structures to facilitate payments creating highly dependent relationships and imbalances.

5. Improve economic intelligence

Galbraith attacks the poor level of advice that passed as economic expertise since it not only failed to identify the crisis – but also failed to offer remedies. He especially condemns the dismissive attitude adopted by the establishment to reasoned critical economic thinkers.

Although *The Great Crash 1929* was actually published almost 60 years ago about events that took place more than 80 years ago, it could have been written yesterday.

Gareth Murphy



Legislation

The 2013 Lock-in

New law limits 'free' collective bargaining

The Irish Government's decision to push through legislation to implement substantial across-the-board cuts to the pay, pensions and other working conditions of public service workers is a highly controversial and disturbing development.

The Financial Emergency Measures in the Public Interest (FEMPI) Act, 2013, has essentially been conceived as a "big stick" to induce enough members of the public service unions to accept the terms of the proposed extension to the Croke Park Agreement.

The Haddington Road proposals – which have emerged after the original terms of the Croke Park extension were voted down by the public service unions – include some reformulation of the terms.

The Haddington Road proposals still provide for cuts in pay, pensions and working conditions with some sectoral variations – but of a generally less onerous nature than the reductions specified in the new legislation.

In order to avoid the cuts prescribed in the legislation, a majority of public service workers in a particular union must vote to accept the Haddington Road terms and their union must then register its formal acceptance of the deal with the Republic's Labour Relations Commission.

So with the passage of the FEMPI Act, the traditional principles of free collective bargaining have been effectively legislated away as far as public service workers are concerned.

The public service unions retain some negotiating rights – but within a greatly constrained agenda – and if the Government disagrees with the outcome of those limited negotiations, the Minister for Public Expenditure and Reform has the "big stick" of the new Act to enforce his will.

Apart from its principal effect of rowing back on trade union rights, the passage of the Act has a number of other



Minister for Public Expenditure and Reform, Brendan Howlin (Photo: Laura Hutton/ Photocall Ireland).

serious implications for public service workers and their unions.

The Irish Government has tried to justify the legislation on the grounds of a state of emergency in the public finances.

If you accept this premise – and set aside all the other possible ways of addressing the deficit in the public finances – then it would be reasonable to expect that these "emergency measures" would only be introduced for a fixed period which would be specified in the Act.

The legislation contains no time limit for its automatic repeal – leading to concerns that the extraordinary powers being granted to the Minister could be in place for the foreseeable future.

Another unseemly aspect of the new law is its potential to divide trade unions. There is now a risk that individual members of those unions which decide not to accept the Haddington Road proposals will seek to resign from their union and join a union that has accepted the deal – if one is available. This could be a recipe for inter-union disputes – weakening the trade union movement at the very time it needs to be united.

Another unresolved element in the FEMPI Act is the position of any workers who are not trade union members. As these workers cannot escape the full rigours of the law by signing up to the Haddington Road deal, the Act is effectively discriminating against them.

While traditional collective deals are entitled to offer preferential terms to the parties who voluntarily come to an

agreement, the law should be capable of being applied without fear or favour. The Government may have overstepped the Constitutional mark in this respect.

Can of Worms

Having now opened the door to fixing pay, pensions and working conditions in the public service by Government decree, the Act opens a potential can of worms for workers in the private sector, too by endorsing an approach to industrial relations which undercuts the need for negotiated consent and allows the imposition of unilateral cuts in workers' pay and conditions.

It also opens up the prospect of the pay and conditions of public service workers falling victim to political expediency and opportunism in future.

Such a prospect must be of particular concern to bank workers – many of whom are now working for institutions which are predominantly State-owned and who have been unjustly blamed for the failures of senior executives.

Bank workers have already seen political opportunism at work in the Irish Government's direction to the domestic banks seeking payroll savings of 6%-10% – in spite of the significant cuts in bank workers' remuneration since 2008.

The enactment of this new legislation – though ostensibly aimed at public service workers – has created a more difficult environment for workers in the private sector – and especially in Irish banking.

One hundred years after the 1913 Lock-out, public service workers have been locked in to a further deterioration in their pay, pensions and working conditions – enforced by legislation.



IBOA's new Executive Committee (Photo: Tommy Clancy)

New Union Executive Committee gears up to face many major challenges

IBOA's new Executive Committee – which was ratified by the Union's recent Biennial Delegate Conference in Croke Park, Dublin – takes office at one of the most challenging times in the history of the organisation.

After the major restructuring of the sector, bank workers are under ever increasing pressure to surrender hard won terms and conditions of employment as well as pay and pension benefits – pressure being driven by Government as much as by their employers.

The new Executive reflects to some degree the dramatic changes within Irish banking. In line with the turnover of staff in the sector, the committee has also undergone the biggest single turnover in its own personnel in recent years.

Seven new Executive Committee members are taking office this year (five in AIB and two in Bank of Ireland) – while three of the members returning from the previous Committee have less than two years' experience at this level.

Seventeen of the 38-member body are women – compared to eighteen in its predecessor.

Who's who on the IBOA Executive? See pages 30-31

BIG savings for IBOA members in the IBOA Group Scheme

See pages 22-23 for details

Results from Contested Constituencies

AIB – Cork		Bank of Ireland – Dublin Departments	
Colette O'Connor	156	Christian Hanna	199
Denis Stevenson	140	Ciaran Mahon	292
		Marita Ward	274
AIB – Dublin		Bank of Ireland – South East	
Roger James	339	Paul Harty	199
Peter Lacey	419	Noel Kenny	175
Ciaran Madigan	150		
John O'Gorman	383		
Etain Ryan Lyons	395		
Kate Varley	549		
Bank of Ireland – Midlands		Danske Bank – Belfast	
Tom Rutledge	186	Patrick Carson	214
Shane Ryan	130	Eileen Gorman	358
		James Surgenor	140

The successful candidates in each constituency are highlighted in bold. The results were furnished to the Union by the independent scrutineers – Mr. Killian O'Brien of Bowler Geraghty for the constituencies in the Republic of Ireland and Mr. John O'Neill of Thompson McClure for the one Northern Ireland constituency which was contested. The reports of the scrutineers are available to members on request to IBOA House, Stephen Street, Dublin 8 or by e-mail to jane.higgins@iboa.ie.

executive committee



Pat Carson
Belfast



Chris Cavanagh
Dublin



Michael Connolly
NI (outside Belfast)



Moya Cotton
NI (outside Belfast)



Eileen Gorman
Belfast



Robin Bell
FTB - Belfast



Lauren Fries
Midlands



Hugh Keaveney
South West



Colette O'Connor
South



Etain Ryan Lyons
Dublin



Carmel Curran
FTB - outside Belfast



Paul Gilmartin
North West



Peter Lacey
Dublin



John O'Gorman
Dublin



Donal Walsh
South East



EX OFFICIO

The Executive Committee is made up of area representatives – along with the Union's General Secretary, Larry Broderick (left), and Dave Keane (right), who was installed as IBOA President at the Union's recent Biennial Delegate Conference in Croke Park, Dublin.

KEY

- AIB Group
- Bank of Ireland Group
- Danske Bank Group
- Ulster Bank Group



Sharon McAuley
FTB - Belfast



Aisling Reilly
Allied Irish Banks (GB)



Kate Varley
Dublin



As well as the President and the General Secretary, the Union's Officer Board also includes: Tommy Kennedy (Honorary Secretary), Sharon McAuley (Honorary Finance Officer), John O'Gorman (AIB Officer), Liam Ross (Bank of Ireland Officer), Eileen Gorman (Danske Bank Officer) and John Burns (Ulster Bank Officer).



Joe Allsop
Belfast



Tommy Kennedy
Greater Dublin



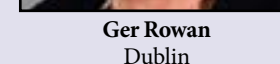
Elaine Barker
North West



Dominic Boyd
Belfast



Stephen Kennedy
Cork



Ger Rowan
Dublin



John Burns
NI (outside Belfast)



Ian Perth
Greater Dublin



Irene Breen
Dublin



Ciaran Mahon
Dublin



Tom Rutledge
Midlands



Renee Dolan
RoI (outside Dublin)



Jaynette Stirling
Belfast



Paul Harty
South East



Margaret Power
Great Britain



Marita Walsh
Dublin



Lifetimes

INEZ McCORMACK

**"LEADERSHIP IS NOT WHETHER
A WOMAN CAN GET POWER,
IT'S WHAT SHE DOES WITH IT."**



The remarkable trade unionist and human rights activist, Inez McCormack, lost her long battle with cancer in January.

The late Inez McCormack was held in the highest regard among the members of her own union, UNISON, throughout the international trade union movement and beyond.

Inez was the first woman union official to be appointed by the National Union of Public Employees (NUPE) – which later became part of UNISON. She then became the first woman to become Chair of Northern Ireland Committee of the ICTU and finally, in 1999, the first female President of Congress.

A Conservative Secretary of State for Northern Ireland once told her: "I have worked out that you are loved in low places and loathed in high places." Inez considered the comment to be confirmation that she was definitely doing something right.

Fully committed to the struggle against prejudice, intolerance and exploitation and tenacious in the pursuit of equality and justice, Inez became a highly effective advocate of thousands of

low paid workers employed in health and local government in Northern Ireland.

Among her particular achievements within her union was a twenty-year campaign against privatisation – involving industrial action, political lobbying and protracted negotiations.

Inez was also highly influential in the development of ground breaking partnerships in health and social care in Northern Ireland.

During the 1984 British Miners Strike, Inez co-ordinated the "Fill a Bag and Feed a Family" campaign to enable disadvantaged communities in Northern Ireland to engage in practical solidarity with the strikers.

She was also involved in the design of an award-winning job creation scheme in the health service which provided employment in West Belfast and the Shankill.

Inez also campaigned successfully for the inclusion of strong equality and human rights provisions in the Good

Friday Agreement, having earlier been a signatory to the MacBride Principles for fair employment.

In 2011, McCormack was named by the American magazine, *Newsweek*, as one of "150 women who shake the world."

Her life and work became one of the major themes in the documentary play, *Seven*, with Meryl Streep and later, Catherine Deneuve, playing Inez.

After retiring from UNISON, McCormack continued to work with the Practice and Participation of Rights Project (PPRP) – which she had founded earlier – to bring practical human rights approaches directly into disadvantaged and divided communities. Her work with the PPRP continued until her death.

IBOA General Secretary, Larry Broderick, described Inez McCormack as a "remarkable trade unionist and human rights campaigner with an unswerving commitment to empowering the most vulnerable to reclaim their lives."



Brendan Fullam gives final pass

IBOA pensioner member and well-known writer on Gaelic Games, Brendan Fullam, passed away earlier this year and was buried in Enniscorthy.

A native of Ardagh in County Limerick, his father, James Fullam from Longford was manager of the local creamery and his mother, Mary, was a nurse for many years in the nearby Cheshire Home.

Brendan worked for the National Bank in a number of locations including Killorglin, Kiltrush, Clifden, Ballyshannon, Tralee, Wexford and New Ross and hurled with the local teams in each area. He was even selected for the Kerry minor team during his time in Killorglin – but his club refused to let him play.

Throughout his banking career, Brendan was a loyal member of IBOA – and even during the 1992 strike – when many branch managers were induced into strike-breaking actions, Brendan remained committed to the cause and joined his staff on the picket line.

Following his retirement after 41 years' service in banking, Brendan embarked on a labour of love – visiting and collecting the stories of all the great GAA stars past and present and recording



Brendan Fullam

over 300 of their stories – which led to a number of best-selling books including *Giants of the Ash*, *Hurling Giants* and *Legends of the Ash*.

Subsequently, more publications followed: *Off the Field and On*, *The Wolfhound Guide to Hurling*, *The Final Whistle*, *Captains of the Ash*, *The Throw In*, *Lest We Forget* and *Decades of Stars*.

His books were so popular among GAA fans that one man was buried with one of Fullam's books – because it gave him so much pleasure in his final years.

IBOA extends its sincere sympathies to Brendan's wife, Mary, and children, Helena, Deirdre, Máire, Gráinne and Brendan, and to his brothers and extended family. May he rest in peace.

10% discount for IBOA members

on trips to major sporting events
in Britain, Scotland and Spain –
as well as other holiday attractions in Britain.

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or visit our website at

www.celtichorizontours.com



Active in youth politics as a teenager and as a student, David Murphy (above) studied International Relations in Dublin City University and worked as a teacher before joining the staff of IBOA in February.

Getting organised to build leverage

IBOA has strengthened its capacity to organise and develop new members with the appointment in February of two new Organisers – who will work with Lead Organiser, Gareth Murphy, to build the Union's strength within the financial services sector.

The Union's Executive Committee decided to take this approach after considering a specially commissioned report from Murphy – mindful of the fact that the continuing widescale restructuring of Irish banking is likely to result in a sustained fall in membership numbers in the immediate future.

So IBOA has now established an Organising Unit – led by Gareth Murphy, with two new Organisers, David Murphy (no relation) and Adam Ó Maolagáin, with administrative support from Anna Levingstone and Philip Tallant in IBOA House.

The Unit has already made significant progress in identifying and recruiting non-members in employments where IBOA already has negotiating rights, and especially in the branch networks and in targeted campaigns in some head offices.

However, IBOA Honorary Secretary, Tommy Kennedy, has emphasised that the appointments are intended to complement – rather than replace – the initiatives taken by Union members to recruit work colleagues.

Graduating with a BA in Public Relations from Dundalk Institute of Technology in 2011, Adam Ó Maolagáin (below) joined the staff of IBOA as an Organiser in February having worked in a similar role previously with the Communications Workers' Union.



Crunch time draws near at AIB

After months of intense engagement between the Union's AIB negotiating team and the Bank's senior management – which has included referral to an independent mediator and more recently the Republic's Labour Court – matters appear to be coming to a head.

With the Labour Court's considerations of a range of issues – including pension changes and pay – due to resume later this month, it is likely that it will issue a recommendation within a matter of weeks.

The IBOA team – supported by its technical advisers – has presented a cogent argument on the need to maintain the integrity of the staff pension schemes and to reward staff for their contribution to the bank's recovery.

However, AIB senior management has contended that the bank's serious financial position – together with the ongoing pressure from the Irish Government for payroll cuts of between 6% and 10% – requires further sacrifices from staff.

It remains to be seen how the Labour Court will reconcile these competing views when it comes to crafting its recommendation.

Whatever conclusions the Court reaches, its recommendation will be put to the Union's members in AIB for their judgement in a ballot.

If the members decide to reject the Court's recommendation – and AIB's senior management moves to introduce changes without agreement – then the members will be asked to indicate in a follow-up ballot how they wish to respond.

"We have almost exhausted all of the negotiating procedures at this point," said IBOA General Secretary, Larry Broderick (pictured below).

"The Labour Court is the final stage of the talks process. So if our members cannot achieve an acceptable outcome via this route, then they will have to consider other options – which could include some form of industrial action.

"This is a very difficult situation," said Broderick.

"There are no easy choices. So our members are likely to face some very tough decisions soon."



This is a very difficult situation. There are no easy choices. So our members are likely to face some very tough decisions soon.

aib group



AIB defers pensions changes as Labour Court deliberates

IBOA and management to make technical submissions by June 24

AIB has acceded to a request from the Republic's Labour Court to defer the introduction of any changes to its employee pension schemes pending further talks at the Court later this month.

The decision follows talks at the Labour Court last month between IBOA and the Bank – after which the professional advisers on each side were asked to provide further submission on the technical aspects of management's planned changes – including the proposed closure of the Defined Benefit schemes for future accrual.

The Republic of Ireland scheme was scheduled to close on June 1, 2013 while the UK scheme was due to close on July 1. These have now been deferred to enable the Labour Court to consider the issues in detail. The next Court hearing will take place on June 24.

The Bank first proposed changes to employee pensions in July 2012. After lengthy engagement between the Union

and senior management, the issue was considered by an independent mediator, Kevin Foley of the Labour Relations Commission – before eventually being referred to the Labour Court.

In the meantime, the matter has become further complicated by the direction from the Republic's Finance Minister, Michael Noonan, that all Irish-owned banks should reduce total payroll costs by between 6% and 10%.

While the Bank's plan to change the pension arrangements of its employees is a core element of the talks at the Labour Court, a wide-ranging agenda is under consideration – including future pay as well as terms and conditions of employment in the restructured bank.

– continued opposite

IBOA General Secretary, Larry Broderick, has welcomed AIB's decision to defer any action.

"The court is engaged in working through a very complex agenda covering pay, pensions, job security, hours of work, and future terms and conditions of employment," he said.

"Even though both parties made comprehensive submissions to the Court on these issues, the Bank's controversial proposal on pensions requires very careful consideration in view of the far-reaching consequences for AIB employees.

"So we appreciate the Court's desire for further information on this matter so that it can satisfy itself as to the full implications of any decision.

Permanent TSB should now review decision to wind up staff pensions schemes – Broderick

"In light of the Court's approach to the pensions issue in this case, I believe that senior management in Permanent TSB should now defer its unilateral and simplistic decision to wind up its employees' Defined Benefit schemes as part of its response to the Government's demand for payroll reductions," said Broderick.

"Indeed the Minister for Finance should instruct Permanent TSB to suspend any action on this matter until a full and detailed examination of its proposals can be undertaken," he added.



Claire steps back

Claire Walsh has retired from the Union's Executive Committee and also, therefore, as the Union's AIB Group Officer.

As Claire did not stand for re-election in the AIB Midlands constituency earlier this year, her fourteen-year stint on the

Claire Walsh receives her commemorative Union badge from General Secretary, Larry Broderick (Photo: Tommy Clancy).

Executive Committee came to an end – with the last six years spent as the Union's AIB Group Officer on secondment from her daily role as a Senior Bank Officer in Longford in order to devote herself full-time to representing her colleagues in the AIB Group – both individually in personal cases and collectively in negotiation with the Bank's senior management.

Originally from Mayo, Claire's career in AIB has so far seen her posted to Dublin, London and Longford where she hopes to return on a part-time basis.

She will also have more time with her family – husband, Seán, and children, Oscar, Garret and Aoibh.

Claire's replacement as Executive member for AIB Midlands is former IBOA Youth Committee member, Lauren Fries, while her successor as AIB Group Officer is John O'Gorman (pictured left).

Now seconded from his role as Senior Bank Officer in AIB Clondalkin, John has worked in nine branches in a career spanning over forty years.

An Executive Committee member for the Dublin constituency since 2007, John has been an active member of the Union's Equality Sub-Committee in IBOA with a particular interest in diversity issues.

John is also a director and trustee of the Candle Community Trust – a youth development project in Ballyfermot, Dublin.



Your IBOA Subscriptions: Claiming A Refund

If there is a change in your employment circumstances – like moving onto part-time hours or changing to job-sharing, you may be entitled to avail of a lower subscription rate. The current membership categories and rates are published on the IBOA websites at www.iboa.ie/join/subscriptions.html and www.iboa.org.uk/join/subscriptions.html.

Please make sure you inform IBOA Head Office of any change as soon as possible so that your subscription rate can be adjusted – and you receive prompt refund of any overpayments.

Please note that the rebate for any overpayments will be capped at the amount overpaid for the first 24 months after the change of status occurred. You can check your personal profile online in the My IBOA section of the Union websites and make any necessary amendments there – or you can contact the Membership Department in Head Office at the address below.

Membership Department • IBOA The Finance Union • IBOA House • Stephen Street Upper • Dublin 8 • Tel: (00353)-1-4755908 or (0044)-2890-200130 • E-mail: info@iboa.ie



bank of ireland group

Pension review nears endgame after long talks

Following a request earlier this year from senior management in Bank of Ireland for a fundamental review of pension arrangements, the Union has engaged in a protracted talks process.

IBOA has been supported in the negotiations by a team of professional advisers, who have requested detailed and comprehensive information from the Bank in order to assess the scale of any problems – both in terms of monetary value and risk.

Throughout the process, IBOA's aim has been to protect the benefits of our members in the existing Defined Benefit pension scheme, as far as possible.

The Union has identified a number of options for consideration by the Bank, which would minimise the impact of any change on staff.

As part of these negotiations, IBOA has insisted that, in the interests of equity and fairness, any proposed changes to the pension arrangements in Bank of

Greater clarity should emerge in July after difficult and complex negotiations.



Ireland must be implemented in a way which shares the burden across all key stakeholders:

- the Bank, itself;
- retired members;
- deferred members; and
- active members.

With the majority of the liabilities in the Bank's pension schemes relating to retired and deferred members, the Union has sought that this factor should be reflected into any solution.

"These are very difficult and complex negotiations," said the Union's

Senior Industrial Relations Officer, Gerry Hanna,

"We have approached them in a very thorough manner – engaging with key professional advisers – to evaluate all aspects of the problem in order to ensure that any solution is fair and equitable to all the stakeholders and, of course, protects our members as far as possible. This is our minimum objective in these negotiations."

As the process continues throughout June under mediator, Martin King, greater clarity is expected to emerge by early July.

'New kid' is old hand

IBOA has a new Bank of Ireland Group Officer. Following Dave Kean's recent elevation to the Presidency of the Union, the IBOA Bank of Ireland Executive Committee chose highly experienced union activist, Liam Ross, to succeed him.

As Bank of Ireland Group Officer, he will be seconded from his current role in the Bank in order to co-ordinate all of the activities of the Executive Committee and take part in all major negotiations with the Bank's senior management – along with IBOA's Senior Industrial Relations Officer, Gerry Hanna.

Liam Ross started work with Bank of Ireland in 1976 and joined IBOA on his first day. A Union Rep in a number of branches and a member of Armagh Area Council and Armagh District Secretary, he became a member of the Union's Executive Committee in 1997.

Apart from his role as Bank of Ireland Officer, Liam's main interests within the Union are health and safety, pensions and sports and social activities. As well as being a keen golfer and former winner of the Union's Golfer of the Year competition, he also helps to organise the annual IBOA Family Day at Belfast Zoo.

He is also an active follower of Gaelic games and a certain soccer team based at Old Trafford, Manchester.



Overtime is not compulsory and should be paid!

When IBOA says overtime is "voluntary," we don't mean that in the sense of being unpaid. Any work done outside normal working hours is at the employee's discretion: it is not compulsory – and, of course, it should be rewarded in line with the existing overtime arrangements in place between IBOA and the Bank.

Any violation of either the voluntary principle or the payment principle is a breach of the Bank's obligations under its agreement with IBOA and should be reported to IBOA House immediately.

Put yourself in the picture? Not!

One of the latest marketing ideas from Bank of Ireland has been to include photographic images of employees on their business cards.

When IBOA discovered that the Bank intended to proceed with this initiative without prior discussion or consultation, the Union

intervened out of concern for the potential security implications for members – in terms of the threat of tiger kidnapping and intimidation.

As IBOA has not been reassured that a proper risk assessment has been conducted by the Bank, the Union has recommended that members should not participate in the initiative.



DEAL ME IN



Join IBOA's campaign to protect your terms and conditions of employment

The cards are in our hands. So let's play them!



Many IBOA members are taking part in a campaign to protect their terms and conditions of employment – which are specified in the existing agreements negotiated between IBOA and their employer.

Despite the major job losses and restructuring taking place throughout Irish banking as a result of the mismanagement of the banking system, it does not mean that you have to forego your entitlement to fair treatment – which is already included in your existing agreements with the Bank.

Deal Me In is about raising awareness of the real issues which continue to affect your daily working life and to provide you with solutions.

Branches and work areas organise 10-minute lunchtime meetings each week to discuss any issues of concern.

Deal Me In cards are available – along with other supporting material – to provide information about the issues identified by members, such as:

- Leave lists
- Overtime
- Appraisals
- Health and safety
- Roles and responsibilities
- Dealing with irate customers

This list is by no means exhaustive. Members may identify other issues of concern in the area which need to be addressed through information, support and activity.

So is this industrial action or just a talking shop?

Neither. The campaign is not about industrial action. IBOA is not asking members to engage in any activity which involves breaching their contracts of employment. But the campaign is not simply a talking shop, either.

The aim of the campaign is to enable members to highlight issues of real concern so that as well as engaging with the employer on the "big ticket" items like pay and pensions, we can also make progress on the practical issues around conditions and work organisation which affect

our members' working life on a daily basis.

In some cases this may be as simple as implementing solutions which have already been agreed with the Bank.

What if a weekly meeting at lunchtime is not possible for us?

If it is not possible to hold a 10-minute lunch-time meeting each week, other forms of activity could be considered like:

- Holding a short weekly meeting before or after work
- Organising a regular briefing for members
- Talking to non-members about joining IBOA
- Keeping regular contact with colleagues in other areas.

In work areas where staff are engaged in various roles and functions, members could develop joint activities with members in other departments or on other floors on common issues.

It is important that all IBOA members take this initiative to protect jobs and ensure fair conditions at work.

danske bank group

Pay rises for members in Northern Ireland

Protracted talks deliver salary increases of over 2.25% for majority

After lengthy and complex negotiations with management in Danske Bank in Northern Ireland, IBOA has managed to secure a pay rise for members in Danske Bank in Northern Ireland in the face of increasingly difficult economic circumstances. The majority of members are set to receive an increase of over 2.25% in 2013.

"These have been very challenging negotiations," said Senior Industrial Relations Officer, Gerry Hanna, "especially in view of the continuing problems within the Danske Bank Group, generally, and especially in Danske's Irish operations."

"It is a credit to the workers in Danske Bank, Northern Ireland, and also to IBOA's Danske Bank Executive Committee that we have managed to secure an overall deal, which has been democratically accepted by our members in a ballot."

Right: IBOA Senior Industrial Relations Officer, Gerry Hanna



"This provides a benchmark for other staff within the sector," he added, "as well as underlining the determination of our members in Danske Bank despite the difficult economic background."

"In a financial climate where staff in other Banks and financial institutions have been experiencing pay freezes over the last five years," noted Hanna, "our members have once again secured an acceptable outcome through collective bargaining."

The Union has also received a commitment from the Bank's senior management that it will continue to adopt its current approach to resource management and will take all reasonable steps to avoid redundancies.

"In line with current practice, the Bank will continue to review the effectiveness of this approach with IBOA in order to develop an appropriate way to manage the impact of any change," added Hanna.

Further retail restructuring proposed in Northern Ireland

Over the course of a series of meetings with IBOA – which followed management's recent announcement on the need for further retail restructuring in Northern Ireland – Danske Bank, led by Chief Executive, Gerry Mallon (below), has proposed a number of initiatives.

These could have significant implications for staff – including:

- restructuring of the retail network;
- changing roles in the retail structure;
- potential transfer of staff;
- opportunity for staff to take voluntary redundancy; and
- changes to branch network.

"While this is a very challenging plan," said Senior Industrial Relations Officer, Gerry Hanna, "in the negotiations the Bank has confirmed that:

- all existing agreements with IBOA will be honoured;
- the restructuring may require a number of transfers but the Bank is committed to keep them at a minimum to endeavour to reduce disruption;
- no employee will be forced to leave



- on compulsory redundancy; and
- options will be available for staff with regard to voluntary severance or early retirement."

In a parallel development, the Bank's senior management also advised the Union that it is conducting a review of its Head Office operations in Northern Ireland.

The Bank's senior management has also committed that any employee based in Northern Ireland with ten or more years' service – who is not in one of the Bank's Talent programmes – may be offered the option of leaving the Bank under a voluntary severance scheme (people under 55)

or enhanced early retirement scheme (people 55 or over). The terms of this scheme are discretionary.

As this is a very important period for employees in Danske Bank, the Union is holding a series of area meetings to enable members to outline their concerns about the Bank's plans as well as highlighting the need to ensure that collective agreements secured by IBOA are fully honoured.

Developments in Danske Bank Republic of Ireland

The Union has engaged with the Bank on a number of issues of concern to our members in the Republic of Ireland, including:

- the on-going Head Office review;
- the Personal Banking Unit; and
- further training.

Separately, the Bank has confirmed to IBOA the closure of the non-core part of its business and has re-emphasised that the it is prepared to honour the King agreement – brokered last year – for those staff affected by these changes.

"These continue to be very difficult times for our members in the Republic of Ireland," said IBOA's Danske Bank Officer, Eileen Gorman (right), "after the closure of the branch network in the Republic last year and the continuing uncertainty about the future scale of the continuing operation."

"IBOA has secured commitments from the Bank that any restructuring will be done in line with the King agreement, which provides many protections for members."

"IBOA's Danske Bank Group Executive Committee will continue to monitor the implementation of any further changes that may emerge in order to ensure that the commitments in the King agreement are honoured in full," she said.



BE A MEMBER ORGANISER FOR IBOA!



Building the Union by improving participation and recruiting more members is vital to increase IBOA's bargaining power with individual employers and with governments and regulators.

As part of our new organising strategy IBOA is seeking members who are committed to this approach to volunteer to become Member Organisers in their area.

Our volunteer Member Organisers will receive training and support from the Union's new Organising Unit to enable them to:

- profile their workplace;
- engage with members and non-members; and
- ultimately build the Union's strength in their area.

They will also be able to participate in the Member Organisers' incentive scheme – which will recognise their efforts in tangible ways.

Not only is this a great development opportunity for individual members who wish to become more involved in the Union – but it will also assist the Union to meet the many challenges facing members in general.

If you want to know more, please contact our Lead Organiser, Gareth Murphy in IBOA House or by e-mailing gareth.murphy@iboa.ie

SPECSAPPEAL FOR IBOA MEMBERS

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ibrc (in Liquidation)

IBRC workers in campaign for justice

Rushed legislation frequently results in bad law. Once again the truth of that observation has been quickly borne out since the Irish Government decided to liquidate the Irish Bank Resolution Corporation on February 7 as part of its attempt to persuade the European Central Bank to agree to reschedule payments due under the Anglo Irish Bank promissory notes.

With little apparent concern for the likely implications for the 1,000 IBRC workers of rapidly accelerating the wind-down of the company, Dáil Éireann sat late into the night – in a dramatic live television broadcast – in order to rush through the legislation that would, among other things, sack all 1,000 staff with immediate effect.

After a morning of uncertainty for the IBRC staff, the special liquidator, appointed under the legislation, agreed to re-employ all staff on monthly rolling contracts – which have since been extended out to September 2013 – and March and May 2014 for some workers.

IBOA intervention pays off

IBOA also secured a commitment from the special liquidator to honour the existing terms and conditions of employment and to continue pension contributions.

While these issues could be dealt with through IBOA representations to the special liquidator, the most damaging aspect of the emergency legislation as far as the IBRC employees were concerned

Pictured left: IBOA representatives from IBRC meeting in IBOA House (front from left): Brendan Cooper; Sinead Lyons; and Larry Broderick, IBOA General Secretary; (back from left): Neil Carpenter; Brian Horgan; Gavin Finnerty; Mark Nicholls; and Gareth Murphy, IBOA's Lead Organiser. (Photo: Mark Stedman/ Photocall Ireland.)

Pictured further left: People Before Profit TD, Joan Collins (Photo: Photocall Ireland.)



was the removal of the redundancy payments of four weeks' pay per year of service – which had been agreed with the Department of Finance as recently as December 2011 – in favour of statutory entitlements only of two weeks' pay per year of service.

This would make IBRC employees unique in the financial services sector as the only workers to be offered only the statutory minimum terms.

Intensive lobbying campaign

IBOA members in IBRC reacted strongly to the injustice being perpetrated against them and participated in an intensive campaign of political

lobbying – involving emails, phone calls and meetings with Dáil Deputies, Senators and MLAs.

Workers presented their case to Parliamentary groups. Meetings were held with the Tánaiste, Eamon Gilmore, and other Government Ministers.

The politicians were virtually unanimous in their response that the legislation was never intended to hurt the workers – who effectively became “collateral damage.” Indeed many of the political representatives were unaware of this consequence when they voted through the emergency measure.

However, despite the widespread expressions of sympathy for the plight

of the IBRC workers, an acceptable resolution of the current difficulties has yet to be found.

Protracted negotiations

IBOA has engaged in protracted negotiations with the special liquidator and with NAMA – on the basis that any IBRC assets that remain unsold at the end of the liquidation are destined to be acquired by NAMA – to try and achieve a solution that undoes, or

Lombard wind-down continues

The wind-down of Lombard Ireland is continuing – since the company was designated as part of RBS's non-core business. In line with the agreement reached between Lombard management and IBOA at the end of last year on managing the wind-down process, a number of jobs were recently transferred with the loan book to Everyday Finance.

The majority of staff are likely to have left the company by the end of this year with the final wind-down due for completion by the end of 2014. While this will mark a sad end to a significant niche corporate lender, the employees will ultimately suffer the most telling loss – in the form of their employment.



could, if realised, be even more costly than the original wind down.

With legal cases now under active consideration in both Ireland and the UK to challenge both the legislation and the company's actions, the future of IBRC is by no means straightforward.

Concerns about some aspects of the legislation has already been cited as part of the legal challenge against the payment of promissory notes being taken by People Before Profit TD, Joan Collins – whose case is due to be heard by a three-judge divisional High Court to be convened in the autumn.

Others have argued that as no statement of bankruptcy has ever been filed for IBRC, this was a contrived liquidation.

One thing is absolutely sure, for the Irish taxpayer to minimise its liabilities through the entire process, IBRC workers will need to be fully committed to the exercise – which will not be facilitated by the continuing uncertainty over their own personal circumstances.



Michael Fingleton

Fingleton faces major lawsuit

The special liquidator of the Irish Bank Resolution Corporation recently launched a multi-million euro lawsuit against former Irish Nationwide Building Society Chief Executive, Michael Fingleton, and four of his board members.

In the lawsuit the IBRC special liquidator alleges that Fingleton failed in his fiduciary duty to act in the best interests of the building society. It also seeks to recover Fingleton's controversial €1m bonus as well as some of his expenses.

Although no total sum is specified in the lawsuit against Fingleton and the other former directors, Justice Peter Kelly noted that the claim is likely to run into tens of millions of euros.

The judge agreed to expedite proceedings in the Commercial Court against Fingleton and four other former Irish Nationwide directors – former chairman Michael Walsh, Stan Purcell, David Brophy and Terence Cooney.

When Fingleton left Irish Nationwide, his pension package was estimated at over €27m. But in a statement providing to Ulster Bank in 2010 detailing his net worth, Fingleton said that his most valuable single asset was a €4m stake in a hotel development in Montenegro as well as a €3m valued home in Shankill, Co Dublin.

Details of some of the expenses claimed by Fingleton were highlighted recently in *Fingers* – a book by Richard Curran and Tom Lyons. These included €12,180 for dental care, €6,000 for a Gucci watch and a €3,255 gift for Michael Smurfit.

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Pinnacle Driving School is a national driving school with instructors in Dublin, Belfast, Cork, Galway, Limerick and Bray. All instructors are ADI-qualified and our pass rates are at least 15% above the average in all test centres.

IBOA members can avail of the special offer price of only €30 per lesson – rather than the normal price of €35). For further information on how to avail of this special price, please check www.iboa.ie/members/ or www.iboa.org.uk/members/.

This offer is also available to IBOA members buying gift vouchers for a third party. Unlike other gift vouchers, Pinnacle's do not have an expiry date. So they can be redeemed at any time in the future.

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ulster bank group

**Breakthrough
on Ulster Bank
Restructuring**

New clarifications enshrine protections for staff in earlier restructuring agreement

Independent mediator, Martin King, has provided further clarifications and recommendations on the operation of the restructuring agreement between the Bank and IBOA – which was brokered by King – in the negotiations which followed the Bank's announcement of 950 job losses in January 2012.

While Martin King had previously clarified a number of matters to IBOA's satisfaction, concerns about recent developments in both Retail and CBD led the Union and the Bank to refer further issues to King for consideration.

After comprehensive engagement with all of the parties, King recently recommended a number of additional clarifications and reassurances – which have been incorporated into the agreement by the parties.



IBOA General Secretary, Larry Broderick, welcomed the progress in the latest King proposal – especially in the context of the significant protections included in the original King Agreement on the restructuring programme.

“The restructuring programme is of crucial importance for all workers in Ulster Bank,” said the General Secretary.

“The original agreement secured last year with the assistance of Martin King, provides our members with clear protections in terms of how the Bank should address change, redeployment,

salary protection and the process to be followed if redundancies are required.

“The latest clarification from Martin King also provides an appropriate structure to deal with outstanding issues like normalisation, re-grading of roles, training grants, terms of reference, procedures for part-timers and the calculation of redundancy entitlement,” said Broderick.

The Union will continue to update members in Ulster Bank as the final stages of the restructuring plan are implemented.

**Ulster Bank's
future again
shrouded in
uncertainty**

Bank workers could be victims of political expediency

The recent revelation that the British Treasury is considering a proposal to offer the Irish Government ownership of Ulster Bank in return for some of NAMA's British-based assets has caused consternation among Ulster Bank workers.

Their concerns have not been eased by the fact that within days of dismissing the proposal out of hand, the RBS Chief Executive, Stephen Hester, was deemed to be surplus to requirements beyond the end of 2013.

The Treasury document has been described as an exploration of various options for the future of RBS open to its largest shareholder – the British State.

With Britain's Chancellor of the Exchequer, George Osborne, keen to record a success before the next General Election – especially as his austerity economics continue to fail – the pressure is on to return the State-supported banks – RBS and Lloyds – to the private sector.



British Chancellor of the Exchequer, George Osborne.

In the case of RBS, the level of State support has totalled €53bn (£45bn) – which is the target sale price for the Group if and when it is privatised.

A significant proportion of these bail-out funds have been directed towards Ulster Bank – the RBS Group's most toxic subsidiary. In the last five years RBS has pumped £14.5bn into Ulster Bank – almost one third of the Group's investment from the British Government.

Clearly then, RBS – without Ulster Bank – would be a far more attractive proposition for potential buyers and make the British Chancellor's aim of recouping as much of the original bail-out costs as possible far more realisable.

While the disposal of Ulster Bank is obviously attractive to the British Government, it is not at all clear why an Irish Government would take responsibility for yet another bank at this time.

IBOA FAMILY ZOO DAY

FOTA WILDLIFE PARK
Little Island
Cork



**Saturday
July 13**

Free admission for two adults and four children or one adult and five children, on production of IBOA membership card

**Targets can no longer
be on public display**

Union intervention leads to changes in use of huddle boards

Following representations from IBOA about aspects of the use of huddle boards in Ulster Bank – and especially in the Belfast CSC, the Bank has now agreed to end the display of individual targets on the boards.

In view of its serious concerns about the implications of displaying individual targets on the boards under data protection legislation, the Union had consulted the Office of the Information Commissioner which confirmed that the Union's concerns were well founded.

The Bank then agreed to conduct a review of the operation of the huddle boards and subsequently decided to remove individual targets from the display.

Senior Industrial Relations Officer, Billy Barrett, thanked IBOA members in Ulster Bank for raising their concerns with the Union.

“Feedback from members is important. Together we can make a difference,” he said.

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**Union seeks
clarity on Bank's
future**

The recent speculation about the future of Ulster Bank has been extremely distressing for staff and customers.

IBOA General Secretary, Larry Broderick, has written to the Republic's Department of Finance seeking reassurances that there is no plan by the Irish Government to acquire Ulster Bank.

Broderick has also written to the Bank's Chief Executive, Jim Brown, seeking clarity on the future of the Bank.

“Staff in Ulster Bank have been under enormous pressure over the last two years arising from the Bank's planned restructuring; the inability of the Bank to manage its own affairs successfully; the significant IT problems; and now further uncertainty,” Broderick writes.

“Staff in Ulster Bank have played a Trojan role in securing the credibility of the Bank, notwithstanding the Bank's inability to look after the franchise in a satisfactory fashion,” said the IBOA leader.

“Rumours like this are unsettling at best and, although IBOA has been re-assured by the Bank that there is no basis for these rumours, there needs to be full clarity and transparency by the Irish Government, the UK Government, RBS and the management of Ulster Bank to give staff and customers of Ulster Bank some re-assurances for the future.”

The Union has sought urgent meetings with the Republic's Minister for Finance, Michael Noonan (above), and with Ulster Bank Chief Executive, Jim Brown (below) in an effort to end the speculation once and for all.





suffering in silence

Work-related stress is widespread in Irish banking

Work related stress develops when workers are unable to cope with the demands being placed on them by their employers.

This can be caused by a number of factors like:

- insufficient attention to job design,
- inadequate training and support,
- the way the work is organised; or
- the nature of the tasks involved.

Most workplaces come under pressure from time to time as a result of sudden surges in activity or unforeseen emergencies – and few staff have a problem with helping out in these situations.

But when these temporary emergencies become a permanent crisis of a long-term systemic nature - then we are talking about more than just the everyday ebb and flow of work pressures.

This is workplace stress which reflects a toxic work culture and poor operational decision-making cascading down throughout the business.

Work-related stress is on the rise in many parts of the world. It now ranks as the top health and safety issue in the UK - accounting for 40% of all cases reported in the 2012 Labour Force Survey.

Stress is also now the second most reported work-related problem in the EU.

Workers in the Irish banking sector can identify with these findings because for them, workplace stress has never been more intense.

In a survey of workplace representatives 96% reported that the level of stress had become more intense during the banking crisis.

In an online survey completed by almost 600 workplace representatives earlier this year, IBOA found that:

- almost 96% reported that the level of stress had become more intense;
- less than 3% reported no change; and
- 0.5% said it had become less intense.

The respondents identified a number of crucial factors contributing to their increasingly difficult working environment – which we will explore further below.

Workload

The activists were asked to indicate the strength of their agreement with the following sentence:



Staffing levels in my workplace are sufficient to handle the workload.

While 4% strongly agreed and 23% moderately agreed, the overwhelming balance of opinion was in the negative with 29% moderately disagreeing and a whopping 40% strongly disagreeing.

This is to be expected in a sector which has endured an unprecedented level of job losses since 2008 – with many more on the horizon.

And according to the accountants, banks are doing much less business – they are losing money after all – so, of course, they need far fewer staff.

If the profit-and-loss account was an accurate reflection of the level of activity, that might be true. But, of course, it is not that simple – least of all in banking.

A lot of important work and customer meetings don't count towards figures as they are not new sales!

A lot of customers are struggling and trying to help them with difficulties is not appreciated.

Sales Targets

Bank workers are still under pressure to meet steep – some would say wildly unrealistic – sales targets.

There has been no let-up in the pressure to sell even though the reckless pursuit of sales targets was a key element in the culture that led to the crash.

Despite recent revelations that banks in Britain and Ireland have been guilty of mis-selling of payment protection insurance on a breath-taking scale, bank workers are still pushed to generate leads in pursuit of ambitious sales targets.

And of course, the demand for new financial products has fallen sharply

Sales has become the over-riding factor in our place.

It doesn't matter whether there are enough staff to handle the counter and queues or not: staff are taken off to make calls.

There is an increased focus on numbers which is cloaked in phrases like 'taking care of the customer.'

But meeting targets is actually all that matters from a management point of view.

during the recession, but the pressure to sell is unrelenting.

While commentators are right to point out that Irish banks are not doing anything like the lending they did in the heady days of the boom, reduced lending does not automatically result in a corresponding reduction in activity.

Some of the effort that previously went into lending is now being directed towards debt recovery and banks have developed specialist units to deal with these issues.

However, frontline staff are also having to spend more time dealing with customers in distress. And whether their distress is financial or emotional – these customers generally require a lot more attention than was the case in the boom.

Management regularly try to "frighten" staff with comments about their jobs not being safe.

They also push staff to get sales where it is nearly impossible, telling us that senior management know the staff that are not achieving sales targets.

Health Consequences

The literature on workplace stress abounds with evidence of both short-term and long-term health problems like heart problems, high blood pressure, weakened immune systems, peptic ulcers and back problems, as well as depression, anxiety, sleep problems, burn-out and family relationship problems.

Stress has also been associated with the abuse of drugs, alcohol, and tobacco as well as cognitive conditions like difficulty in decision-making, concentrating and remembering or in learning new things.

When asked if they were aware of colleagues in their area having received medical treatment for work-related stress, 76% of our activists responded in the positive.

While these figures reflect a serious and distressing situation for many bank workers (and their colleagues), they also have significant consequences for the business as well – including higher rates of absenteeism, higher staff turnover, reduced productivity and increased costs from compensation or health care.

All of these consequences can also affect the bottom line. So a smart employer – and not necessarily a decent employer – should recognise the value in addressing workplace stress effectively.

A macho style of management – which places undue pressure on workers, often with threats of dismissal if they object – is actually counter-productive. It is a relic of a bygone era - the Stone Age!

Abusive Customers

Frontline staff have always been the representatives of the bank who are most accessible to customers. So workers in customer-facing roles have generally borne the brunt of the anger and pain felt by customers.

In the early years following the crash in 2008, it was the reckless behaviour of the disgraced former leaders of Irish banking that triggered the abuse of bank workers - which was largely verbal but occasionally physical.

As they faced financial distress due to being unemployed or trapped in negative equity – customers took the opportunity to vent their anger or to express their heartbreak at their sudden reversal of fortune.

In our latest survey 69% of IBOA activists reported having direct experience of abuse by customers.

A similar percentage have indirect knowledge of customers abusing staff in their area. And when we combine those with either direct experience, indirect knowledge or both, it pushes the figure up to 78%.

This confirms previous surveys by IBOA in 2009 and RTE's *Daily Show* in 2010.

In our 2009 poll, 77% of bank workers said they had experienced abuse from customers or the public inside or outside the workplace - while the *Daily Show* survey found that 75% had experienced abuse from the public.

In our 2013 survey our activists confirmed that bank workers experience abuse both inside and outside work – sometimes in social settings and sometimes at the hands of perfect strangers.

Most of this abuse is verbal but just under 4% of those reporting abuse said it involved some physical threat.

Apart from upsetting the staff member at the receiving end, these events also affect colleagues and other customers in the vicinity. For some bank workers – these incidents can also evoke another potential stress factor – the threat of violent bank robberies.



To have to deal with abusive and distressed customers on an ongoing basis is detrimental to employees' own mental health – like having to pick up the phone to someone crying and threatening suicide because they can't pay their mortgage! I could go on.

I have met with customers who openly admit to contemplating suicide and have knowledge of people who have committed suicide due to financial pressures.



During the last few months branches have lost many staff to voluntary redundancies. Some branches have lost up to four staff. Most jobs that are gone are front-facing positions. The lack of customer service results in more abuse.

A female member of staff was being sworn at by a substantially larger male customer who was leaning over the counter at her. I witnessed the branch manager getting up from his chair in his office – I thought to deal with the matter – but he simply closed his office door.

Distress

Bank workers are now far more likely to have to deal with customers in distress over their serious financial difficulties.

67% of respondents said they had direct experience of customers in deep distress in their workplaces while 74% also had indirect knowledge of colleagues in their area dealing with very distressed customers.

Some of these customers are in such distress as to be on the verge of suicide.

But aren't bank workers trained to deal with customers? Well, generally yes, according to 72% of respondents.

But what about specific training to deal with distressed customers?

It's almost the exact opposite - with 71% of respondents saying 'No' and only 15% affirming that such training is in place.

And if we simplify the figures by removing respondents in non-customer-facing roles, then the disparity becomes even more stark – with 83% of respondents declaring they lack specific training to deal with distressed customers.

During the last few months branches have lost many staff to voluntary redundancies. Some branches have lost up to four staff. Most jobs that are gone are front-facing positions. The lack of customer service results in more abuse.

Other Stressors

As for other sources of stress, it is worth noting that for many bank workers, their employer is also their primary lender when it comes to their personal finances.

In pressured situations this could create a further tension in the employer-employee relationship than might be the case for workers in other sectors.

The speed of change within Irish banking is not only being generated internally by new operational policies and practices, it has also been influenced by a number of external factors.

These include the demand for new standards of compliance driven by the regulatory authorities as well as additional pressures from Government – which add another layer of complexity to an already difficult situation.

Employer Response

So how are employers in Irish banking responding to workplace stress?

We asked our activists to indicate the strength of their agreement or with the following statement:

My employer is taking appropriate steps to ensure that workplace stress is addressed satisfactorily.

Once again the consensus is clear: only 1% indicated that they strongly agreed that the employer's response was satisfactory; 16% moderately agreed with the proposition; 6% had no opinion; 32% moderately disagreed while a whopping 46% (almost half) strongly disagreed.

If we simplify those numbers into a straight yes/no response, then 17% say their employers' response is satisfactory while 83% disagree.

This negative evaluation of their employers' treatment of stress is also reflected in comments from respondents.

And in the absence of proper support from their employers, it is little wonder that frontline bank workers tend to take their problems home with them. Occupational stress is not something you can switch off as soon as you leave the workplace. It generally spills over into other areas of life – including home, family and relationships.

Respect

Bank employees are working in a vicious circle – where reduced staffing levels leads to poorer services to customers – which in turn gives rise to renewed levels of abuse – demanding more staff time – which exacerbates the impact of reduced staffing levels.

At the same time, they are being pressured to reach extremely ambitious sales targets – with the implicit or perhaps sometimes explicit threat to their future careers – or even to their jobs.

Although it is clear from the survey that some branch managers fail to treat their staff with respect, others feel equally as stressed as their staff – if not more so.

Some branch managers who took part in the survey feel they are in a real dilemma – as they are forced to pass on the unrealistic demands of higher management in order to meet targets that are largely unattainable and for little or no personal reward.

In response to a question on respect local managers receive a fairly high rating from our activists. 58% also said that they were treated with respect by



customers while less than half consider they are respected by senior management – just marginally ahead of the level of respect felt from the general public which is at 45%.

In a checklist for conducting a risk assessment for workplace stress, the Republic's Health and Safety Authority identifies what should be happening in a workplace where stress is being minimised. How closely do the examples below reflect your experience?

The employer provides employees with adequate and achievable demands in relation to the agreed hours of work.

Employees' concerns about their work environment are addressed.

The employer has policies and procedures to adequately support employees.

Employees are made aware of the probable impact of any changes to their jobs and are given appropriate training to support any changes in their jobs.

Systems are in place to ensure that the contribution of employees is recognised.

Employees are provided with positive feedback on their performance if they do a job well.

The Health and Safety Authority is not a particularly radical or Utopian body. It is a State agency. So the statements above are intended to describe nothing more than a working environment where stress is managed to an acceptable level.

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The challenge

The results of our survey of IBOA activists indicates that stress is a major concern in the workplace.

At its core, it is a matter of health and safety – but clearly it also raises significant industrial relations issues.

Stress affects each individual in different ways and by the very nature of the problem, victims are often very reluctant to come forward.

Of course it would be much easier to deal with from a Union perspective if members had the confidence to stand up for themselves. But under the circumstances that many not be possible.

But if local concerns reveal a pattern of stress-related issues that cannot be dismissed as an isolated incident, then the issue could be raised either as a collective grievance with the employer or as a health and safety issue to be examined by the safety inspectorate.

Since the onset of the crisis in Irish banking, bank workers have generally suffered in silence.

And just as their sacrifices in terms of remuneration, jobs and pensions have largely gone unappreciated by those in authority, so too has been the impact of the crisis on their health and safety in work.

It is time for bank workers to find their voice – through their union, IBOA.

As one of the respondents to the survey wrote in very simple terms: "We have to look after each other better."

"Counter offensive"

As part of its campaign to address workplace stress, IBOA will soon launch its 'Counter Offensive' initiative – in an effort to combat the abuse of bank workers by customers in the first instance.

As a prelude to this new initiative, members are invited to add their views to our online survey on workplace stress – which can be accessed through the My IBOA areas of the Union websites.

Members can also download the Health and Safety Authority's full checklist for conducting risk assessments for workplace stress from the safety pages of the IBOA websites on www.iboa.ie/services/safety.html or www.iboa.org.uk/services/safety.html.

10% of all products and services for IBOA members and their families.

For more information, check out the IBOA Group Scheme in the My IBOA section of the IBOA websites.

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THE POWER OF 3

At this crucial period in the history of Irish banking, it is vital that the independent voice of employees is as strong as possible.

In order to improve our bargaining power in the vital negotiations – with employers government and regulatory authorities – it is essential that members continue to build IBOA The Finance Union by encouraging their colleagues to join. Many members are already making the effort.

As a token of our appreciation for these efforts, the Union is offering a shopping voucher worth €50 (or £35) to any member who recruits three new members. It's a win-win for you: a nice reward and a stronger IBOA!

For more details, contact Gareth Murphy at IBOA House by phone at 01-4755908 (from Republic of Ireland) or 02890-200130 (from Britain or Northern Ireland) or e-mail: gareth.murphy@iboa.ie



Union campaigns for proper protection for pension scheme members

IBOA The Finance Union is working with the Association of Member-Nominated Trustees (AMNT) to lobby the Irish Government to establish a lifeboat fund for Defined Benefit (DB) pension schemes in order to provide protection for members of DB schemes in the case of insolvency.

The Union is availing of the AMNT's experience in DB pension provisions and lobbying.

Robin Bell who is a member of both IBOA's Executive Committee and the AMNT National Committee explained to *Spectrum* why the lack of a lifeboat fund for DB pensions in Ireland is such a serious concern not only for workers based in the Republic but also for employees of Irish institutions working in the UK whose

pension schemes are branches of the main scheme in Ireland.

"One of the items we most keenly picked out was the lack in Ireland of a lifeboat fund for our members in Irish schemes or members in the UK which work for an Irish institution," said Bell.

"We have been working and mutually learning with the AMNT and trying to use spheres of influence to get a lifeboat fund on the Irish agenda. Through the Irish Congress of Trade Unions, we have been raising awareness with the Pensions Minister in the Irish Government.

"While there is no self-ability to resolve the problems of Irish Defined Benefit schemes, they are very similar to the UK as most are in deficit.

"Although they are still vulnerable in the UK, they're certainly in a much better place by virtue of the Pension Protection Fund (PPF)."



IBOA's Robin Bell

Small Ads – Big Choice Holiday Apartments to Rent

Adverts placed by IBOA members for IBOA members



On the IBOA websites: www.iboa.ie/my/services/smallads or www.iboa.org.uk/my/services/smallads

"We are trying to bring those experiences into the Irish context," he said. "Now it's about elevating the thinking of Government to recognise that the problems are not going away and there need to be solutions."

While the Union is focussed on the Irish Government at this time because the need is greater, Bell says that it also intends to communicate with the British Government about the position of members based there.

"One of the many reasons we are working with the AMNT is that as this unfolds, we will be approaching the British Government to raise the issue there too – especially for our members who are paying their taxes in the UK but do not have the benefit of pensions protection available to other workers there," he said.

The recent judgement by the European Court of Justice on the failure of the Irish Government to protect former employees of the now insolvent Waterford Crystal has offered some comfort to the IBOA campaign.

The Court ruled that the Irish Government was in serious breach of its obligations as a European Union member State by failing to protect at least half of the Defined Benefit provisions of the former employees.





Great savings for IBOA members in Great Britain and Northern Ireland from Thomas Cook

Check the IBOA Group Scheme through the My IBOA sections of the IBOA websites for more information.



YOUTH EQUALITY SOLIDARITY

ICTU Youth

Young trade unionists from a wide range of employment sectors in the Republic of Ireland took part in an organising seminar arranged by the Irish Congress of Trade Unions.

IBOA's Gareth Murphy was upbeat about the meeting: "Despite the very negative outlook across the economy, the seminar was generally positive about the need for positive action based on our common experiences."

"The young trade unionists at the seminar were committed to campaign to protect employment rights and increase the overall visibility and profile of the trade union movement," he said.

The Committee will shortly launch the YES - Youth Equality Solidarity campaign to promote five basic rights

for young workers:

- the right to a job;
- the right to a bright future in Ireland;
- the right to equal pay for equal work;
- the right to a decent and secure job; and
- the right to collective bargaining.

Elected as the Committee's Secretary, Dave Gibney of Mandate told *Spectrum*: "We want this committee to provide a voice for young workers in Ireland and offer an opportunity for people to take practical action in solidarity with the various struggles taking place in both the public and private sectors and in society generally."

More information will be available shortly. If you want to get involved, contact IBOA's representative, Gareth Murphy at gareth.murphy@iboa.ie.



Attendees at the recent meeting of IBOA's Youth Committee were (from left): Adam Ó Maolagáin (IBOA Organiser), Martin Gallagher (Ulster Bank), Suzanne Savage (Ulster Bank), Lukasz Adasik (Bank of Ireland), Zoe O'Neill (Bank of Ireland), Kieran McCann (Ulster Bank), Gareth Murphy, Rebecca Healy (AIB), Ciara Clarke (AIB), Mark Ashby (AIB-FTB), Derek MacManus (AIB), Conor McGrath (Danske Bank) and David Murphy (IBOA Organiser).

IBOA Youth

IBOA's Youth Committee met last month to develop a work programme and the means to deliver it. The committee has prioritised increasing the visibility of the Union in workplaces, highlighting issues of particular concern to younger workers and working with IBOA's Organising Unit to raise awareness of the Union among younger workers in the financial services sector.

The committee elected Kieran McCann as its Chair. Kieran has been active in IBOA and in the broader trade union movement as a member (and former chair) of the NIC-ICTU Youth Committee and as an IBOA representative on the Belfast Trades Council. He is also an IBOA Bank District Secretary. As indeed is Martin Gallagher who was elected as the committee's Vice-Chair.

If you want to get involved, contact IBOA's Lead Organiser, Gareth Murphy, at gareth.murphy@iboa.ie or check out the www.iboa.ie/services/youth/ or www.iboa.org.uk/services/youth/.



JUSTice FOR YOUth

US banks pay over \$18bn to settle toxic home finance claims

American banks made two major settlements recently on claims arising out of the housing collapse that triggered the financial crisis in 2008.

Bank of America has agreed to pay over \$10bn (£6.2m) to settle claims over housing loans sold to Fannie Mae, the US government-backed mortgage finance company.

In a separate deal with US regulators a group of ten major lenders – including Citigroup, Bank of America, JP Morgan Chase and Wells Fargo – have agreed to pay \$8.5bn to settle possible claims of foreclosure abuses.

Banks in public ownership may be not such a bad idea – expert

Publicly owned banks can play an important role in the economy, according to Andre Spicer, Professor of Organisational Behaviour at the Cass Business School in London.

“The performance of publicly- owned banks is often similar to that of their private-sector cousins. Public banks are usually more efficient but less profitable than their private counterparts. The presence of some publicly-owned banks in the economy can actually have benefits such as increasing public trust in financial institutions – particularly following widespread uncertainty.”



Crisis at UK's Co-operative Bank

The prospects of Britain's Co-operative Bank have taken a serious turn for the worse in recent weeks when the revelation of a capital hole estimated at anywhere between £1bn and £1.8bn was followed by the downgrading of its credit rating to junk status by Moody's amid speculation that the Co-op might need a State bail-out.

The reversal of fortune since the beginning of 2013 could not be more marked. In 2012, the Co-op had announced plans to acquire over 600 branches from Lloyds and potentially millions of additional customers – which would have launched an ethical lender into the premier league of Britain's high street banks.

However, after rumours of difficulties, the deal fell through in April, with the bank blaming the economic downturn and tough banking regulation.



HSBC chief executive, Stuart Gulliver

Gulliver to dispense with more of 'little people'

HSBC plans to cut even more job – despite massive profits boost

Global banking giant, HSBC, announced last month that it planned to make up to 14,000 more job cuts as part of its aim to find further cost savings of between \$2bn and \$3bn by 2016.

This announcement came just a few weeks after the bank declared a higher than expected increase in its first-quarter profits of almost 50% to \$8.43bn, compared to the first quarter of 2012. It also followed a two-year period of widespread asset sales and cost cutting programmes.

Since 2011 HSBC has disposed of its interests in 52 businesses and reduced its costs by \$4 billion. In recent months, it sold its unit in Panama to Bancolombia for \$2.1 billion and its stake in the Chinese insurer Ping An for \$9.4 billion.

Earlier this year the bank revealed new plans to shed 1,150 jobs at branches in

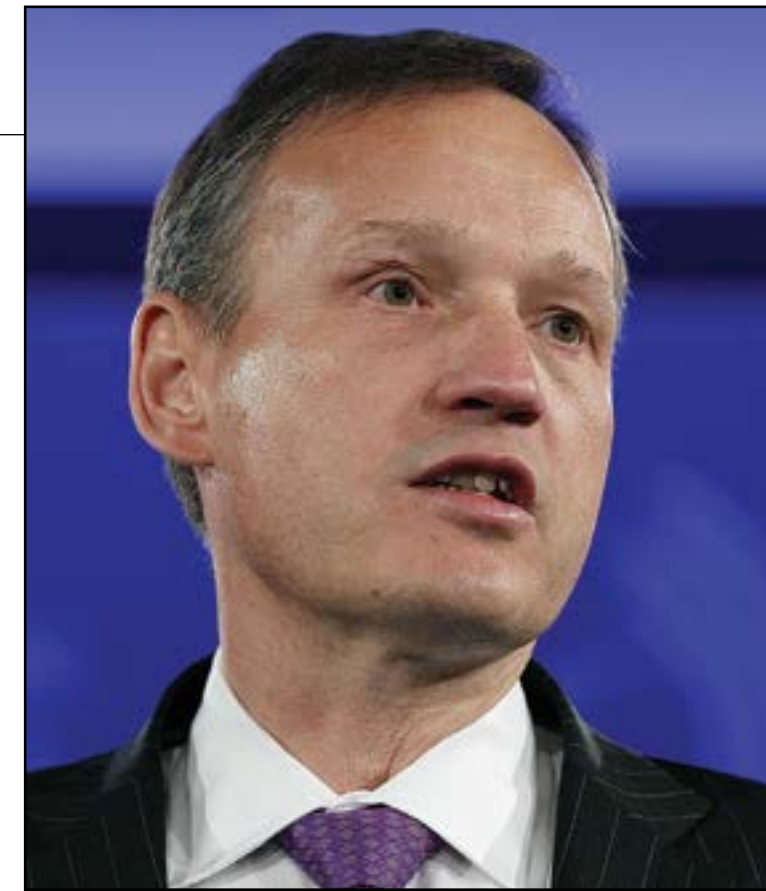
Britain, adding to the reduction of 30,000 positions announced two years ago as part of its global restructuring plan which has already resulted in 46,000 staff losing their jobs worldwide.

“HSBC is now simpler, easier to manage and ready to take advantage of growth opportunities,” said Chief Executive, Stuart Gulliver.

Death penalty for defrauding investors

A woman running a private banking operation in China has been given the death penalty after being found guilty of defrauding investors.

Lin Haiyan was convicted of “illegal fundraising” for collecting 640m yuan (£66m) from investors by promising high returns and low risk,



Barclays Chief Executive, Antony Jenkins

Barclays aims to change cultural values...

... but announces 3,700 job losses and contemplates up to 40,000 more in future

Barclays new Chief Executive, Antony Jenkins, has tried to draw a line under the bank's recent scandal-ridden past by announcing plans to withdraw from controversial operations like speculating on food prices, promoting “industrial scale” tax avoidance schemes and using the bank's assets to gamble on markets.

according to the Intermediate People's Court in Wenzhou.

The case highlighted potential abuses in the largely unregulated informal lending sector that supports entrepreneurs who generate new jobs and wealth but often cannot get loans from the State-owned banking sector.

The Chinese Government has begun to tighten controls since the global economic downturn sparked a wave of defaults and protests by lenders.

After the LIBOR rate-rigging scandal, Jenkins had promised to close activities that were unethical, irrespective of their profitability. But this does not include the investment bank – which generates 60% of the bank's total profits – which is to remain a “very large part and an important part of the group.”

Jenkins said that changing the bank's culture and restoring its reputation would take five to ten years. After cutting some 1,600 investment banking jobs earlier this year, Barclays has announced a further 3,700 job losses – mainly in Europe.

Barclays is also reported to be contemplating cuts of up to 40,000 jobs in future with the likely growth of automated banking. Jenkins is reported to have discussed with investors the possibility of the bank becoming a self-service-oriented company – allowing the remaining staff to deliver “added value” to its customers.

Women earn 20% less than men in UK finance

Women working in the financial services sector in the UK earned about 20% less than their male colleagues on average in 2012, according to research by the website eFinancialCareers.

After taking account of experience, qualifications and roles, the average base salary for female professionals was about £14,800 lower than for men.

SocGen plans to introduce over 1,000 job cuts

France's third biggest bank, Société Générale, plans to cut over 1,000 jobs in a bid to reduce its annual costs by €900 million by the end of 2015, after reporting net profits of €364m for the first quarter of 2012 – compared with analysts' forecasts of €370m.

Société Générale Deputy Chief Executive, Jean-Francois Sammarcelli, told a French radio interviewer recently that the bank would cut about 550 jobs at its headquarters in Paris, as well as further jobs in its French and global networks. Asked whether the number of job cuts would exceed 1,000, Mr. Sammarcelli said: “Quite considerably.”

Reporting a 19% drop in annual revenues to €5.09bn, the bank cited continuing euro-zone uncertainty and a €1bn hit due to the rising value of its debt as the key factors.



From Swiss bank to swizz bank

Switzerland's oldest private bank, Wegelin & Co. – which was founded in 1741 – has closed after pleading guilty to helping wealthy Americans evade taxes through secret accounts.

In the US District Court in New York earlier this year, the bank admitted charges of conspiracy in facilitating over 100 American citizens to hide \$1.2bn from the US Internal Revenue Service over a ten-year period.

Although this practice was legal under Swiss law and common practice in Swiss banking, the bank accepted that their American customers had violated US law. Wegelin became the first non-American bank to plead guilty to tax evasion charges in the United States. The bank agreed to pay \$57.8m (£36m or €44m) in restitution and fines to the US authorities.

greed kills



Criminal

The spate of garment factory disasters in Bangladesh has not only highlighted the poor working conditions in the country – but also exposed the deep flaws in the global supply chain in the clothing sector which places more importance on cost than on the working conditions of those involved in production.

The collapse of the eight-storey Rana Plaza building in Dhaka on April 24 has now claimed over 1,100 lives with over 2,500 people injured and at least 100 still missing. The scale of the tragedy is such that it is now the deadliest garment factory accident in history, as well as the structural failure with the most fatalities in modern human history (except for the assault on the Twin Towers in New York).

The building contained a bank, apartments and several shops as well as a number of separate clothing factories on the upper levels which together employed about 5,000 workers manufacturing garments for brands including the Benetton Group, Bonmarché, Cato, DressBarn, Joe Fresh, Mango, Matalan, Monsoon, Primark and The Children's Place.

devastation in Dhaka

When cracks were discovered in the building on April 23, the shops and the bank on the lower floors closed immediately. But the following day, the factory workers were ordered to return to work after their supervisors had declared the building to be safe. Employees of one of the factories are reported to have been threatened with losing a month's pay if they refused.

The building collapsed at about 9am, leaving only the ground floor intact. One local resident described the scene as if "an earthquake had struck" 3,122 workers were in the building when it collapsed.

The building was owned by Sohel Rana (pictured top right), the leader of the local youth wing of Bangladesh's ruling party, the Awami League. The head of the Fire Service and Civil Defense, Ali Ahmed Khan, said that the upper four floors had been built without a permit – while architect, Massood Reza, said it was designed for shops and offices – but not factories.

Amid the mounting death-toll, the difficult – and at times perilous – work of rescuing the living and retrieving the dead has continued – resulting in the deaths of at least two rescuers.

Apart from the highly dangerous condition of the building, investigations have also revealed safety hazards, labour rights violations and unauthorised

sub-contracting of orders from leading Western brands.

The public outcry – including angry demonstrations on May Day – is forcing the government of Bangladesh to face up to the inadequate enforcement of work safety laws. But labour activists say the same problems are rampant across the low-cost Asian countries that produce most of the world's clothing.

For too many Western brands, "it's the ugliest race to the bottom because the financial crisis in America and Europe means that people are getting very scared of buying expensive things," said Sanjiv Pandita, executive director of the Hong Kong-based Asia Monitor Resource Centre.

Some manufacturers regularly take on bigger orders than they can fill, and then sub-contract part of the order to a third party at a profit, according to Phil Robertson, deputy director of the Asia division of Human Rights Watch.

"I've talked to Thai workers who are three or four levels down from the original orders," he said. "If the brands don't know, they should know. A lot of them are turning a blind eye to outsourcing."

Sharan Burrow, General Secretary of the International Trade Union Confederation added: "New legislation that complies with ILO standards and the efficient registration of new unions will be vital to avoid future tragedies."



fashion victims

Brands must take responsibility for race to bottom in clothing sector

The sad fact behind the building collapse in Bangladesh in which over 1,100 died is that it isn't an isolated problem. When this story leaves the headlines, hundreds of thousands of workers will return to factories that are frankly further tragedies waiting to happen, and will keep producing clothes for high street brands.



by Anna McMullen

Savar, where the building collapse took place, is a swamp-land (yes, swamp-land!) north of the Bangladeshi capital which has seen mass growth in recent years. This same region was the site of a horrific factory fire in November last year, when 112 workers burned alive in a building with no fire exits.

Hundreds of factories are being thrown up in a short space of time, with limited building regulations, to meet the growing demand from western brands for cheap export clothing. And it is cheap.

Wages for Bangladeshi workers are the lowest in Asia, aside from the recently opened Myanmar industry, at \$37 a month.

Cutting corners on safety

As the demand for cheap clothing grows in the west, brands continue to look for ways to race to the bottom on prices, and sadly this involves cutting corners on health and safety. Brands will by no means admit to this.

The prices that they pay, they assure us, are enough to pay workers enough to live on and keep factories in tip top condition. But, faced with constantly decreasing incomes, factory owners inevitably let things slide, like replacing faulty machinery or fixing worrying building subsidence...

When garment factories were still mainly based in retail countries, consumers knew people who held jobs in factories, and had a personal connection with those who had been injured or put at risk in the workplace.

But with globalization has come consumer apathy.

Anna McMullen is a campaigner with Labour Behind the Label to support garment workers' efforts worldwide to improve their working conditions.

She works with global partners on campaigns on poverty wages in the fashion industry, and has co-authored research reports on labour rights.

The brands, not the consumer, are the ones who must take responsibility for the endemic problems that this industry faces.



Who cares about people who make clothing? As long as it is cheap we will buy it.

Especially in a recession, cheap clothing is a welcome industry for many. People in western countries living on the poverty line need to buy clothes for their children.

Jobs in Bangladesh are also vital for a country where hundreds of thousands of people live below the poverty line.

It isn't the responsibility of the consumer to feel guilty about buying what is readily available in shops.

Brands must take responsibility

Business must stop just holding up its hands to say: "It is not our fault – they bought it."

The responsibility for ensuring that a product was made with human rights in mind has to fall somewhere, and the United Nations guiding principles on business and human rights says that it falls jointly to states and mass corporate businesses to "protect, respect and remedy" human rights.

In short, the brands – not the consumer – are the ones who must take

responsibility for the endemic problems that this industry faces.

So what can be done? Many western brands rely on audits and in-house checks to monitor whether conditions in their factories are up to scratch.

In a country where a little hand shake and a small exchange of money gets the job done, this process often fails to give an accurate picture of factory conditions, building and fire safety.

It is common for fire extinguishers to be borrowed for inspection day, for workers to be schooled in what answers they have to give when asked questions.

Fire safety initiative

The Clean Clothes Campaign together with local and global unions and labour rights organisations, has developed a programme that hopes to solve this.

The Bangladesh Building and Fire Safety Agreement is a proposal for a sector-wide initiative that includes independent building inspections, worker rights training, public disclosure and a long-overdue review of safety standards.

The crucial element of this is that unions and worker led committees take a central role in monitoring and

reporting back on improvements that need to be made, in a public way.

This transparent and practical agreement is unique in that it is supported by all key labour stakeholders in Bangladesh and internationally.

So far, US company PVH, owner of Calvin Klein and Tommy Hilfiger, and German retailer, Tchibo, have signed up to the programme, but it needs a critical mass of brand support to be implemented.

Labour Behind the Label and others are calling on all brands sourcing from Bangladesh to publicly sign up to take part in the building and fire safety scheme to make transparent, worker-led improvements to the industry.

In the wake of tragedies like the Rana Plaza building collapse, the Tazreen fire in November, and the nearby Spectrum factory collapse some years ago, something must be done to make a change. This proposal is the best on the table by far.

How many more deaths will it take to move brands from making statements of regret, to investing in a sustainable and safe industry? We hope none.

Rough Trade

Workers' wages account for 2p of price of £6 Tee-shirt



High profits – not low prices – behind exploitation of Bangladeshi clothing workers

Don't be guilt-tripped into thinking that poor wages and dangerous working conditions in Bangladesh's textile industry are caused by western consumers wanting cheaper clothes.

In the wake of the Rana Plaza factory disaster in Dhaka, some commentators have claimed that dangerous working conditions and low wages were the inevitable result of the demand for low priced clothes in the West.

This line of argument implies that every western consumer who has bought cheap clothes is as culpable for the catastrophe as the companies which placed the orders and the factory owners who paid little more than subsistence wages to employees who were forced to work in the most appalling conditions.

And of course, if we are all supposed to be guilty, then the people who are really guilty will be let off the hook!

Many people in Ireland will be familiar with this line of argument. A similar approach has been taken by some commentators about the Celtic Tiger era: "Sure, didn't we *all* lose the run of ourselves? So it would be unfair to single out senior bankers, developers, regulators or politicians for blame!"

The catastrophe in Dhaka was not caused by consumers in the West.

Information from trade unions in Bangladesh shows that the clothing workers' share of the retail price of the garments they make is so low that even if their wages were doubled, it would have almost no impact on the prices we pay.

So the major brands really have no excuse not to take action – other than greed! There is nothing to stop them allowing their contractors to negotiate decent terms and conditions with the garment workers' unions, and to lobby the Bangladeshi Government to enforce much stronger health and safety laws.

You can demand that companies treat workers fairly and tell the Government of Bangladesh to put workers' rights and safety first by taking part in the campaign run jointly by the global union for textile workers, IndustriALL, and the global union for retail workers, UNI. Check the LabourStart website to sign the e-petition by logging on to www.labourstartcampaigns.net/show_campaign.cgi?c=1813



skin-deep

TESTING COSMETICS ON ANIMALS

*US should follow
EU's lead by
introducing ban
says Dinklage*

Game of Thrones star, Peter Dinklage, is backing an international campaign to end the testing of cosmetic products on animals.

Known around the world for his role as Tyrion Lannister in the television blockbuster, the actor is a long-time vegetarian and a committed opponent of animal exploitation – as a public supporter of People for the Ethical Treatment of Animals (PETA) and as a national spokesman for Farm Sanctuary's Walk for Farm Animals campaign in the US.

Now the actor has joined a number of other celebrities in backing Cruelty Free International (CFI) in a bid to extend the EU's recent ban on animal testing of cosmetics to the rest of the world – including the USA.

"I am so pleased to support Cruelty Free International and be part of the global campaign to end cosmetics tests on animals," Dinklage said recently.

"It is unacceptable that animals continue to suffer around the world, including the United States of America,



Paul McCartney



Joss Stone



Ricky Gervais

for the sake of beauty. I appeal to the USA to follow the European Union's lead and end animal testing for cosmetics."

The EU ban introduced in March prohibits the sale within the member States of the European Union of any hair and beauty products or ingredients if they have been tested on animals anywhere in the world. The ban affects all cosmetics including toiletries and beauty products from soap to toothpaste.

Among the other supporters of the Cruelty Free International campaign are comedian, Ricky Gervais, singer and actor, Joss Stone, and former Beatle, Paul McCartney.

Welcoming the introduction of the EU ban, Paul McCartney said: "I have supported Cruelty Free International... over the years with its campaign to end cosmetics testing on animals."

"I am so proud to be part of this historic event and congratulate Cruelty Free International for succeeding in taking the cruelty out of beauty across the European Union.

"Together we have made a huge difference. Yet animals continue to suffer because over 80% of the world still allows cosmetics testing on animals," said McCartney.

"I am now supporting Cruelty Free International with its campaign to seek a global ban to ensure that animals do not suffer for the sake of beauty anywhere in the world."



Sun bathing could be good for health after all – say researchers

Though long recognised as an important source of vitamin D – needed to maintain healthy bones – sunlight may also play a key role in heart health, according to researchers at the University of Edinburgh.

The research team – led by senior lecturer in dermatology, Dr. Richard Weller – found that a chemical transmitter called nitric oxide (NO), which is produced by the skin and stored in reserve, is released into the bloodstream after exposure to ultra-violet rays.

Once released, nitric oxide helps to reduce blood pressure. This in turn lessens the overall risk of suffering a cardiac event such as a heart attack or stroke.

In fact, according to the scientists, heart disease and stroke – which are linked to high blood pressure – cause around 80 times more deaths than skin cancer.

"We suspect that the benefits to heart health of sunlight will outweigh the risk of skin cancer," said Dr. Weller.



"We now plan to look at the relative risks of heart disease and skin cancer in people who have received different amounts of sun exposure.

"If this confirms that sunlight reduces the death rate from all causes," he said, "we will need to reconsider our advice on sun exposure."

Weller's interest in this particular line of research was ignited while he was studying medicine in Australia. He noticed that the rate of heart disease in Australia was only one-third of the British rate –

Soaking up the rays may be the best way to lower blood pressure.

and with lower mortality rates from heart attacks and heart failure, and fewer strokes overall.

On his return to Scotland, he found that differing mortality rates could also be observed within the UK depending on location. A five degree change in latitude – between London and Edinburgh, for example – was reflected in a mortality rate nearly 20% higher.

Weller now believes that the level of exposure to sunlight may hold the key to the mystery.

Brand loyalty or just tat?

A real estate firm in New York has offered its 800 employees a 15% pay rise if they tattoo the company's logo onto their bodies. So far almost 40 employees have agreed to the procedure, according to AOL Jobs.

There were apparently no restrictions on the size or location of the tattoos. One employee said that she got hers behind the ear.

Employees who agreed to go under the needle said that the prospect of a substantially

larger pay packet was key to getting the tattoo.

Owner Anthony Lolli told CBS New York that the idea originated with an employee who decided to get tattooed with the logo. When Lolli saw the tattoo he decided that this demonstration of loyalty should be repaid.

Apart from rewarding his employees, Lolli also pays for the tattoos – which can cost up to \$300. Although he has yet to be tattooed, Lolli told the US media that he plans to eventually.



biosphere

Think fit

Modern office workers
"like hunter-gatherers"

Modern office workers burn as many calories as their hunter-gatherer ancestors, according to a recent study – casting doubt on the widely held assumption that the modern obesity epidemic is caused by lack of exercise.

Researchers found that western men and women used strikingly similar amounts of energy each day compared with their counterparts in a traditional community in Tanzania.

Despite covering long distances every day to forage and hunt for game, members of the Hadza tribe in Tanzania burned no more calories each day than a group of Americans and Europeans.

Experts had assumed that the daily routine of the hunter-gatherer would have used up more energy than the modern lifestyle and that the prevalence of obesity today was primarily caused by a lack of exercise.

But the study involving researchers from three American universities seems to show that the rate at which humans burn calories remains relatively constant, regardless of lifestyle.

"The vast majority of what we spend our calories on is things you will never see like keeping our organs and



immune system going," said Herman Pontzer of Hunter College in New York, who led the study along with colleagues from Stanford and Arizona universities. "Physical activity is just the tip of the iceberg."

"If you spend a bit more on something like physical activity, you spend a bit less on something else but you do not notice it. This study shows that you can have a very different lifestyle, but energy use all adds up to the same level no matter what."

So the modern obesity problem is more likely to be caused by our higher consumption of food than our ancestors, rather than our lower rates of physical activity, according to the team.

"People argue about why it is that westerners are getting so fat, and at the end of the day it has to be the fact that we are taking in more energy from food than we are burning – but is the big problem that we are taking in too many calories, or that we are not burning enough?"

"But even if we had a lifestyle like our ancestors did... we would not burn more calories than we do today."

"That has not changed a lot, but over the last fifty years we are eating a lot more than we need to be."

"So that gets to the heart of this issue," said Pontzer.

Despite its apparent limited impact on obesity, Pontzer emphasised that exercise has a wide variety of physical benefits and is essential for keeping the body healthy.

The fact that the Hadza spend more of their daily energy output on physical exercise could be behind the good health of older tribe members, who are much more resistant to chronic illnesses such as heart disease than westerners, he said.

"We are not saying that physical activity is not important for health – clearly it is – but it does not appear to be the main cause of obesity," Pontzer concluded.

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ALCO-TOTS

Mum's tippie can
damage baby's IQ



Women who drink even moderate amounts of alcohol while pregnant may risk lowering child's intelligence levels, according to a study by British scientists.

Pregnant women are entitled to feel confused about the issue of drinking during pregnancy because some of the popular medical guidelines recommend a complete ban on alcohol while others suggest that an occasional drink is permissible.

However, a recent British study based on genetic analysis of over 4,000 mothers and children may have settled the argument with its finding that the consumption of between one and six units of alcohol a week during pregnancy can result in reduced IQ scores by the time a child is eight.

"Even at levels of alcohol consumption which are normally considered to be harmless," said study leader, Sarah Lewis of Bristol University, "we can detect differences in childhood IQ which are dependent on the ability of the foetus to clear this alcohol. This is evidence that even at these moderate levels, alcohol is influencing foetal brain development."

The study used genetic data from women and children who were part of another study called the Children of the 90s study.

As the individual genetic variations

that people have in their DNA are not connected to lifestyle and social factors, this kind of study eliminates the possible impact of these influences.

Most previous studies have used observational evidence, but experts say this can be misleading because, for example, mothers who drink in moderation while pregnant are typically also well educated, unlikely to smoke and have good diets – all factors which are linked to higher IQ in children and which could, therefore, mask any negative effects of alcohol.

"This is a complex study but the message is simple: even moderate amounts of alcohol during pregnancy can have an effect on future child intelligence," said Ron Gray of Oxford University, who was part of the research team.

Professor David Nutt of Imperial College London, who was not involved in the research, said it was "a hugely important study from the best UK cohort that can study this question."

"Even though the IQ effects are small, if at all possible women should avoid ethanol in pregnancy as it's a known toxin."

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Friday, June 28:

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2nd Prize: 300 euros 3rd Prize: 250 euros 4th Prize: 200 euros

Friday, July 25:

1st Prize: Two weeks for 2 in **Turkey**
2nd Prize: 300 euros 3rd Prize: 250 euros 4th Prize: 200 euros

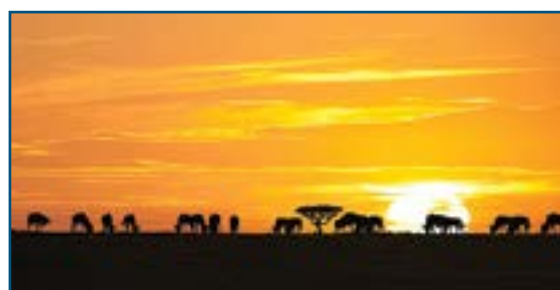
Friday, September 27:

1st Prize: Two weeks for 2 on **the Amalfi Coast**
2nd Prize: 300 euros 3rd Prize: 250 euros 4th Prize: 200 euros

Friday, October 25:
The 2013 Grand Draw Night

1st Prize: Two weeks for 2 in choice of **Thailand or Austria or Tanzania**
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All draws at 9pm sharp.
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DRAW RESULTS

Results of recent Bankers' Club
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www.iboa.ie/services/sportsand-social/bankersclub.html

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Club Bookings SPECIAL OFFERS FOR 2013

All IBOA members, Club members and their friends or family members can book the Bankers' Club for a party or special function for just 100 euros during June to December 2013:

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Buycott: new app targets "ethical consumers"

The latest tragedy in Bangladesh has focussed greater attention on the potential of consumers to use their purchasing power to pressurise retail brands to influence their suppliers to operate fair labour practices in proper working environments. Many consumers would like to shop more ethically themselves – but feel they lack the information or the tools to do so. But now, as they say, there's an app for that!

Buycott allows conscientious consumers to use their smartphones to scan the bar codes of products as they shop to see if the manufacturer has anything in its track record they should consider before making a purchase.

The app also enables users to create or join campaigns around issues of concern to them – such as human rights violations or environmental abuses – and so build up their own blacklist of companies to avoid – or indeed "whitelists" of ethical brands they wish to endorse.

Developed by Ivan Pardo in Los Angeles and released earlier this year, the app has already been downloaded hundreds of thousands of times – and is now on Apple's list of top ten free apps.

In an interview with the *Toronto Globe and Mail* recently, Pardo explained that Buycott offers a range of opportunities for the consumer to express his/her dissatisfaction directly to a manufacturer. "After users scan the product, they have the ability to tweet, call or e-mail corporations. It's very important – people need to tell these companies why they're not buying, or they'll never change."

Buycott not only tells you the brand name of a product, but who owns it. The ability to track the ownership structure is a key feature of the app. Some global corporations can be incredibly convoluted with subsidiaries in many countries.

If the app fails to recognise a product, it invites the user to provide input. This aspect fits right in with the concept of consumer empowerment at the heart of Buycott.

While the app does not yet identify companies using factories with poor labour conditions, it is certainly a feature

that Pardo would love to see available in the future.

"I see this app as one half of what would be a much better app," he told the *Toronto Globe and Mail*. "The app, as it stands, connects products to their corporate parents. What would be even better is the chance to connect corporations to the labour that goes into making their products, the whole other end of the supply chain. If that data were available to consumers, many more powerful campaigns could be created."

"For example, I'd love to see a campaign that targets fashion companies that refuse to sign agreements for fair labour standards," he said.



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People need
to tell these
companies why
they're not
buying – or
they'll never
change.

Ivan Pardo





FIFA President, Sepp Blatter (left), reveals Qatar as the host country for the 2022 World Cup.

High time for fair play, Sepp

If Qatar doesn't improve treatment of workers, it shouldn't host 2022 World Cup – say unions

While other commentators have questioned the legality of the process which delivered the 2022 FIFA World Cup tournament to Qatar, the international trade union movement has focussed its attention on the issue of workers' right – both for those involved in the preparation of the competition venues and for those players who will be expected to perform.

The International Trade Union Confederation (ITUC) recently called on the European football authorities in UEFA to address the appalling treatment of workers and players in Qatar and has backed calls for the world body, FIFA, to re-run the vote for the 2022 tournament if the Qatari Government fails to take any action.

Low rates of pay, excessive working hours, a ban on joining unions, poor safety standards and numerous abuses under the country's strict visa sponsorship system have led to accusations that Qatar is acting like a twenty-first century slave State.

At a recent meeting of UEFA delegates in London, representatives of the ITUC and the British TUC handed over a petition detailing abuses of players' and workers' rights

in Qatar, which has been signed by thousands of football fans from around the globe.

They want UEFA President, Michel Platini, to ensure that members of the FIFA Executive Committee are committed to reform and to upholding human and union rights.

Trade unions are also campaigning for FIFA to re-run the vote for the Qatar 2022 World Cup because of serious abuses of workers' rights, increasing fatalities amongst construction workers and failure of FIFA to put any serious pressure on Qatar to reform its labour laws.

TUC General Secretary, Frances O'Grady, said: 'The number of workers killed in the construction industry in Qatar each year is up to eight times higher than in the UK and other developed countries. Football's authorities cannot ignore workers' deaths and injuries.'

Football fans and trade union members are being encouraged to join the campaign at www.rerunthevote.org in one of the largest global campaigns embarked upon by international unions in recent years.



George Hamilton will return in the next issue of Spectrum

IBOA Fishing Trip

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IBOA Pensioner Members' Committee on
fergus.reynolds53@gmail.com or 086-1585166

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Saturday July 27, 2013

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Handling Change A history of IBOA

Published by the Collins Press and written by Paul Rouse and Mark Duncan, *Handling Change* was specially commissioned by the Union.

The evolution of the IBOA offers a fascinating picture of Ireland – not least of how banking moved from a thoroughly conservative industry to one so reckless as to bankrupt the Irish State.

IBOA has a limited number of copies of the book for sale to members at the special discount price of €10 or £8 (including postage and packing).

To order up to two copies at the special discount price, please send your name, address, the number of copies required and your IBOA membership number – together with a cheque or postal order for the appropriate amount to IBOA History Orders at IBOA House, Stephen Street Upper, Dublin 8 or e-mail history@iboa.ie.



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- Cork (Midleton): Gate Cinema
- Cork (North Gate Bridge): Gate Multiplex
- Dublin (Dundrum): Movies@Dundrum
- Dublin (Stillorgan): Ormonde Cinema
- Dublin (Swords): Movies@Swords
- Dungannon: Global Cinema
- Glengormley: Movie House
- Letterkenny: Classic Cinema
- Lifford: Eclipse Cinemas
- Listowel: Classic Cinema
- Maghera: Movie House
- Newtownards: Movieland
- Sligo: GCG Cinema
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- Wexford: SGC Enniscorthy

To avail of these tickets, please send a cheque made payable to the IBOA for the value of the number of tickets you require to IBOA Cinema Offer, IBOA House, Stephen Street Upper, Dublin 8.
Note: IBOA accepts no responsibility for lost or stolen tickets, or for tickets which have passed their expiry date.

cinematique

Franchise reboot

Action comic books have become a major source for movie-makers in recent years. The Marvel and DC Comics catalogues of superheroes have been mined for screenplays (as well as endless merchandising opportunities).

One of the first cinematic attempts to take the genre seriously – rather than as a simple child's entertainment – was Richard Donner's *Superman: The Movie* in 1978, who treated the subject matter as a kind of modern re-imagining of classical mythology.

Unfortunately the three sequels – particularly *Supermans III and IV* – did not live up to the standard of the first and the movie franchise of DC Comics most popular character has rather languished ever since – especially in comparison with Batman who has inspired two distinct series of films – including the spectacular reboot by the Nolan brothers with Christian Bale as the Dark Knight.

Superman's absence from the silver screen was not for lack of effort. When Warner Brothers acquired the film rights from Alexander and Ilya Salkind, they set out on a major reboot – engaging the director of the first Batman movie, Tim Burton, to make over the Man of Steel – although the reported casting of Nicolas Cage in the lead role seemed “quirky” to say the least.

When that approach ran into the sand, J. J. Abrams – best known now for the new Star Trek movie series – picked up the ball, ran with it, fumbled it, and moved on.

Next up was Bryan Singer who directed *Superman Returns* in 2006 – which was conceived as a sequel to *Superman I and II*. Unfortunately the desire to remain faithful to the spirit of 1978 overwhelmed Singer's version which seemed to be little more than a rehash of Donner's original film. And when Singer did innovate, he met with very mixed results.

Meanwhile during work on the recent highly successful Batman trilogy, director, Christopher Nolan, and co-writer, David S. Goyer, discussed a new treatment of the Superman story – which they eventually pitched to Warner Brothers – who installed Nolan as producer and Goyer as writer. The search for a director included Guillermo del Toro



and Robert Zemeckis – and perhaps even Ben Affleck – before Zack Snyder signed on for this film – and possibly more.

The cast includes English actor, Henry Cavill, in the title role, making him the first non-American actor to play the defender of “the American way.” Amy Adams is love interest, Lois Lane, the work partner of his alter ego, Clark Kent.

In a move reminiscent of Donner's decision to cast major stars in minor roles in the original 1978 film, *Man of Steel* includes Russell Crowe as Superman's Kryptonian father, Jor-El (the role played by Brando in 1978), with Kevin Costner as Superman's Earth ‘father,’ Jonathan Kent, and Michael *Revolutionary Road* Shannon as General Zod.

Warner's have a lot riding on this bid to reboot the franchise – not only as the first step in what it hopes will be a series of Superman films but also as a key precursor to the *Justice League* film due out in 2015 – which may then provide the launch pad for more spin-offs for individual characters like Flash, Green Lantern, Wonder Woman and Batman.

THE AMERICAN WAY: English actor, Henry Cavill, takes on the iconic role of Clark Kent/Superman in *The Man of Steel*, produced by Christopher Nolan and written by David S. Goyer – part of the creative team behind the recent Batman trilogy.



Depp goes native!

Set for release in August is *The Lone Ranger* – the big screen version of the vintage children's television show.

Produced by the team behind *Pirates of the Caribbean*, *The Lone Ranger* is directed by Gore Verbinski and stars Johnny Depp – though not in the title role of the masked ex-Texas Ranger – but as his Native American sidekick, Tonto.



Ronan vamps it up

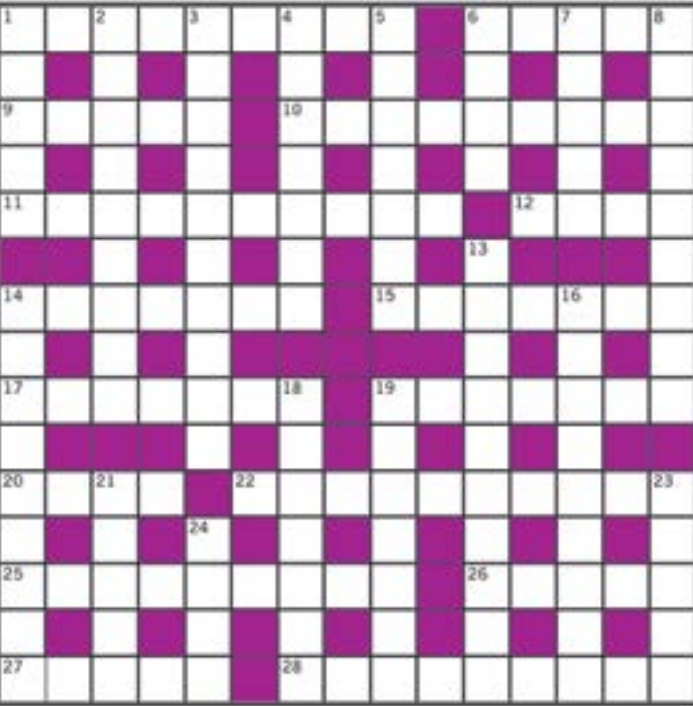
Saoirse Ronan co-stars with Gemma Arterton as a mother-daughter vampire partnership in Neil Jordan's new film, *Byzantium*, which has just been released.

Jordan is taking a second bite at this particular fantasy genre – after his Oscar-nominated *Interview with the Vampire*, starring Tom Cruise in 1994.



prize crossword

A prize of 50 euros will be awarded to the first entry drawn from our post bag after the closing date.



- ACROSS
1. Large reptile (9)

6. Rips (5)

9. Deduce (5)

10. Severe lung infection (9)

11. Walter Mitty types (10)

12. Applaud (4)

14. Hackneyed (7)

15. Frequent (7)

17. Get ready(7)

19. Egyptian burial chambers(7)

20. Highway (4)

22. What 11 across did (10)

25. Explosive material (9)

26. Picture (5)

27. Aesthetic judgement (5)

28. Threatens (9)
- DOWN
1. Leader (5)

2. Displaying 13 down? (9)

3. Irish Houses of Parliament (10)

4. Suggested (7)

5. Voter (7)

6. Large book (4)

7. Historic record (5)

8. Moved quickly (9)

13. Hostility (10)

14. Legal permission or print or publish (9)

16. Light cover (9)

18. Scrutinise (7)

19. Area at top of mine (7)

21. Book of maps (5)

23. Gown (5)

24. Stare lasciviously (4)

Name

Union No

Address

.....

.....

E-mail Address

Employer

Branch/Dept

PREVIOUS SOLUTION

Across: 1. Vegetable; 6. Plots; 9. Press; 10. Legislate; 11. Despairing; 12. Fame; 14. Prowess; 15. Smooths; 17. Cake Tin; 19. Emerson; 20. Mist; 22. Amalgamate; 25. Kitchener; 26. Raith; 27. Renew 28. Edelweiss.

Down: 1. Vapid; 2. Guesswork; 3. Testaments; 4. Belarus; 5. Engines; 6. Post; 7. Osaka; 8. Stevenson; 13. Bone Marrow; 14. Pacemaker; 16. Toscanini; 18. Nominee; 19. Enlarge. 21. Satin; 23. Ethos; 24. Chew.

The winning entry for the prize crossword competition in the last issue was submitted by May Chowney of Lisburn, Co. Antrim.



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picture board



Use the first letter of the surnames of each of the seven celebrities pictured to spell out the surname of a leading film-maker. Answers on a post card, please, with your name, postal address, e-mail address and IBOA membership number to Picture Board, Spectrum, IBOA House, Stephen Street Upper, Dublin 8. A prize of €30 will be awarded to the sender of the first correct entry drawn from our post bag on July 1, 2013. The winner of the last Picture Board quiz was Catherine Doherty of Dundalk. The answers to the seven clues were Spears, Thurman, Abdul, Reeves, Kennedy, Ekland and Yorke - giving the surname, Starkey (alias Ringo Starr).

sudoku

A prize of 30 euros will be awarded to the sender of the first correct entry drawn from our post bag on July 1, 2013. All entries should be sent to Sudoku, Spectrum, IBOA – The Finance Union, IBOA House, Stephen Street Upper, Dublin 8.

You can submit your entry on a photocopy of the grid – if you would prefer not to cut up the magazine. The winning entry for the Sudoku Challenge in the last issue was submitted by Arthur Brady of Dublin 14.

Name

Union No

Address

.....

.....

E-mail Address

Employer

Branch/Dept

	1				7			
				2	9		8	1
	4			3	1			
7		6		1			3	
	8	5	4		3	2	1	
	3			8		9		6
				5	7		2	
6		2		4	9			
				1			6	



stephen malone



Bank robber really is pants

A French bank robber has been jailed after he tried to stage a raid while wearing underpants on his head as a disguise.

Daniel Anfray, 56, was immediately recognised by a cashier at the bank in Mortain, according to La Manche Libre.

The cashier told Anfray to put his pocket knife away and then called police who quickly arrived to arrest him.

Anfray told a court that he felt "lost" after being released from prison after serving a sentence for drink driving.

His latest escapade earned him a prison sentence of eight months in prison (with four of them suspended) and two years' probation.

Some people are so committed to their work that they don't seem to care what lengths they have to go to in their employer's interest.

Take former Taoiseach, John Bruton, for example, who now earns a humble crust as an "international ambassador" for the International Financial Services Centre in Dublin.

The bould John told the recent European Insurance Industry Forum that it is time to rein in regulation because the industry cannot go on diverting resources and human talent into complicated compliance requirements.

While he conceded that the increase in regulation was largely due to the failure of business leaders – especially in financial services – to think and behave ethically in the past, his solution seems to be based on the rather groundless hope that they can be persuaded to clean up their act of their own accord and return to the straight and narrow in the future.

Now I'm not sure what parallel universe John Bruton inhabits. After all, former Taoisigh have been known to develop some very strange tendencies on leaving office – like occupying the cupboard under the stairs to promote a tabloid newspaper. But surely even he can't have missed the ongoing scandals that continue to bedevil the financial services sector.



Going for a Bruton

Apart from the global financial crisis – triggered by the reckless lending decisions taken by senior executives in many parts of the world – even in this corner of the globe we see almost daily revelations of outrageous behaviour by supposed market leaders – such as the manipulation of the LIBOR interest rates, the mis-selling of payment pro-

tection insurance, the mis-selling of small business insurance – and, most recently, the beginning of an investigation in the UK into the possible mis-selling of interest only mortgages.

The common thread in all of these scandals is that the institutions involved were not satisfied with the profits that were already built in to

all of these transactions: they had to rig the game to get more – and they were allowed to rig the game because of the absence of effective regulation.

All of the traditional safeguards that had been in place to regulate financial institutions in the UK and the US – and even Ireland – had been removed or rendered toothless. And so a race to the bottom – in terms of banking standards began – with the more honourable operators coming under pressure to follow the more unscrupulous in a downward spiral.

And unfortunately, the spate of scandals have brought the reputation of the sector to such a low point that new revelations almost fail to shock any more.

Instead of being a byword for probity and rectitude, banking is now seen by many as the refuge of "industrial strength" swindlers and con-men.

So hoping for some ethical re-awakening while at the same time wishing regulation away is unreal. We had light touch regulation in Irish banking for a decade with disastrous consequences.

Even though John Bruton spent much of this time as EU Ambassador in Washington, it surely cannot have escaped his notice – or maybe this is just more of the denial that is still widespread in the financial services sector.



ZZZZZZ or 222222

Asleep at the keyboard

A German labour court has ruled that a bank supervisor was unfairly sacked for missing a multi-million euro error by a colleague who fell asleep during a financial transaction.

The colleague was transferring €64.20 (£54.60) when he dozed off with his finger on the keyboard, resulting in a transfer of €22,222,222.22.

Although his supervisor was fired for allegedly failing to check the transaction, judges in the state of Hesse said she should have only been reprimanded.

His supervisor told the court she had not noticed the error and approved the transaction. Another colleague spotted the mistake later and corrected it.

The bank accused the supervisor of not even verifying the clerk's work. But the court heard that on the day of the erroneous transaction, she had checked 812 documents for mistakes, with most taking just over a second of scrutiny.

The judges ruled that there had been no malicious intent on her behalf, and that she should have received a warning. They ordered her re-instatement.

Poor little rich guy

While many of the rich and famous have "the good taste" to exercise discretion about the size of their wedge, Harry Enfield's 'Loadsamoney' character seems to have found a kindred spirit in a Saudi Arabian prince who has decided to sue Forbes magazine after its latest rich list allegedly underestimated his personal fortune by almost \$10bn (£4.5bn).

Prince Alwaleed bin Talal claims that the magazine had defamed him by only ranking him in 26th place in the rankings with an estimated fortune of \$20bn (£9bn) – compared to his own valuation of \$29.6bn which would have put him in 10th place.

He owns 95% of the Kingdom Holding Company, which has stakes in various hotels like the Savoy in London as well as the Four Seasons Hotels & Resorts and Movenpick chains. He also owns shares in Citigroup, News Corp and has an estimated 3% stake in Twitter.

He claimed that by undervaluing his wealth, Forbes had called into question the sharp rise in the holding company's shares. He also accused Forbes of bias against Saudi Arabian firms.

In response, Forbes claimed a lack of transparency in Kingdom's accounts. The US magazine also questioned the prince's decision to bring the action in London – as opposed to New York – suggesting that he was engaging in "libel tourism" in a bid to avail of a slightly easier burden of proof under UK law.

Lego is no go in China

The Chinese Government is reported to have banned a number of images of the Tiananmen Square massacre on its recent anniversary – including the Lego man facing tanks.



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