



29 April 2009

## **SCOTTISH WIDOWS AND CLERICAL MEDICAL TO COMBINE FORCES**

- Scottish Widows and Clerical Medical intermediary sales forces to combine under the Scottish Widows brand on 1 July and to have a single intermediary product proposition\*.
- The Clerical Medical brand will, over time, no longer be used for new business. There is no change for existing Scottish Widows or Clerical Medical policyholders.
- Scottish Widows and Clerical Medical are committed to their head office locations in Edinburgh and Bristol.
- Up to 305 jobs will be impacted across our sales and support teams by the end of July.

Scottish Widows and Clerical Medical will combine to provide a new single intermediary sales force and product proposition from 1 July 2009. The new sales team will be one of the largest intermediary sales teams in the UK with the expertise and skill to advise intermediaries about the new product range.

It is intended that the Clerical Medical brand will, over time, no longer be used for new business. There is no change however, for existing Clerical Medical customers. The Scottish Widows brand was chosen following feedback from our key intermediary partners through some specially commissioned market research. Known for its strong customer awareness and powerful visual identity, Scottish Widows is one of the most recognised and trusted brands in the industry.

Under the new intermediary proposition, pension products will be provided by Scottish Widows; onshore and offshore investment products will be provided by Clerical Medical, although the branding will change over time. There is no change for existing Scottish Widows or Clerical Medical customers nor are there plans to move existing customers to new products. Scottish Widows and Clerical Medical remain committed to service standards for their existing customers and to maintaining a competitive product offering. Clerical Medical Europe\*\* is not affected by this announcement.

## **MANAGING CHANGE FOR COLLEAGUES**

All impacted colleagues have been briefed by their line manager today.

This change will result in the loss of 305 jobs from across our sales and support teams by the end of July. Lloyds Banking Group expects that there will be up to 190 jobs impacted in the sales teams and a further 115 jobs at risk in customer services. Separately, 20 new roles have been created nationally to strengthen the existing Employee Benefits Consultancy sales team. The Group is committed to working through these changes with colleagues carefully and sensitively. The Unions Accord, LTU and Unite were consulted before this announcement and will continue to be consulted throughout this process.

The Group's preference is to use natural turnover and to redeploy people wherever possible so we retain their expertise and knowledge within the Group. Where it is necessary for colleagues to leave the company we will look to achieve this by making less use of contractors and voluntary severance. Compulsory redundancies will be a last resort.

A range of measures have been put in place to support colleagues through this uncertain time.

**Archie Kane, Group Executive Director Insurance, Lloyds Banking Group said,** "This is the first important step in our aim to establish one simplified organisation. We are mindful of the rich heritage and strength of the Clerical Medical brand however our research has shown that Scottish Widows is the most recognised and trusted brand in the market place.

"Today's announcement takes us a step closer to achieving our vision: to be recognised as the best life, pension and investment company by our customers, colleagues and shareholders. In doing so, we are bringing together the best of both of our heritage companies to provide a very strong platform for the future."

## **ENDS**

### **For further information, please contact:**

Shane O'Riordain     Tel. 020 7356 1849  
Richard Janes        Tel. 07769 901883  
Susan McDonald     Tel. 0131 655 7003

### **About Clerical Medical**

- Founded in 1824, Clerical Medical has a proven history of providing financial advisers with an innovative range of retirement and financial planning solutions for their clients
- 100% of Clerical Medical's business comes from intermediaries. The company has always been dedicated to financial advisers, providing the products and services that meet their clients' investment needs
- Clerical Medical's industry-leading reputation for technical capability is well known and it has been demonstrated time and again over the last year
- Clerical Medical employs over 200 sales people supported by 2,300 people in support functions
- The headquarters are in Bristol

### **About Scottish Widows**

- Scottish Widows was formed in 1815
- Scottish Widows' product range includes savings and investments, pensions, annuities, life assurance and permanent health insurance
- Scottish Widows has a multi-sales channel capability: Independent Financial Advisers, Direct Sales, Direct Marketing, Internet sales and sales through the Lloyds TSB branch network. Customers can talk to an independent financial adviser or they can see speak to a financial adviser in any branch of LloydsTSB
- Scottish Widows employs approximately 4,000 people
- The headquarters are in Edinburgh

\*\*Clerical Medical Europe markets its products in Germany, Austria and Italy. For further information please go to the international website: [www.clericalmedical.com](http://www.clericalmedical.com)

\*From July 1st 2009, a single intermediary proposition offering products from both companies; pension products from Scottish Widows and investment products from Clerical Medical:

## Our product range

By July 2009 Scottish Widows will offer you one unified range of ISAs, OEICs, onshore and offshore life bonds and pension products.

