Working for you across the

NatWest Group Pay Claim 2023

unite theUNION

Dear [redacted],

Please see the detailed information request and claim details below from Unite for negotiations on pay. You will note it is similar in structure to our sister union, the FSU. This reflects our joint work together and our solidarity across the sector in how our hard-working staff should be fairly rewarded against the terrifying backdrop of a cost-of-living crisis unprecedented for decades and spiralling inflation.

> "Petrol is so expensive I have had to **borrow** funds from family to cover costs. We save as much water and electricity as possible at home, we don't buy unnecessary items, we don't drink, smoke or eat meat and still are not able to cover the basic costs of living. I have also gone to **food banks**, set up Olio to get free food where I can, and grown our own veg to try to keep costs down. **My annual wages are not enough to cover basic living bills**."
>
> *~Unite Pay Survey comment*

Unite's Claim

I outline below our pay claim which we wish to commence negotiations on, as agreed:

1. A 'two-pot' pay approach:

a. 15% cost-of-living increase for every member of staff in line with the cost of inflation.

b. 1.5% performance and productivity pot to be allocated to a matrix, with a range as agreed for C grade staff, meaning no one gets 0%.

2. All ranges to be moved by the same figure as point 1a. (15%).

3. Removal of packaged account fees for all members of staff and pensioners.

4. A Working from Home Allowance of £10 per day worked from home.

5. A one-off Covid Recognition payment of £1,000 for all staff.

6. A non-consolidated cash payment of £2000 for people over 120% of range.

7. A minimum guaranteed underpin of £2000 for our lowest paid members.

8. An agreement to reopen pay negotiations, even after implementation, should there be a further rise in inflation or a similar significant cost-of-living crisis.

{Please note points 6 and 7 become moot and withdrawn if point 1 is agreed}

Background

In previous discussions on Pay in 2021 and 2020, we agreed a number of commitments as to how we will work together and expectations for negotiations.

- We still call for a robust review and agreement on a new pay increase structure, promised for a number of years – performance-related pay does not support the values and ethos that NatWest Group espouse. Studies (Pfeffer 1998) show that performance-related pay focuses on individual contribution over teamwork and short-termism over sustainable long-term results. Financial incentives have also been shown to work primarily in incentivising mechanical skills and that, when cognitive skills are required, tying reward to performance resulted in poorer performance. We also note that several comparable competitors, including Lloyds Banking Group and Virgin Money, have decisively moved away from performance-related pay.

- We have agreed to understand and review how shift allowances are calculated, applied and reviewed.

- Our members tell us there are still salary ranges that have remained the same for a number of years.

While we appreciate the immense effort put in by the Pay & Reward and Industrial Relations teams to ensure a collaborative approach to pay, and we welcome the work done by Jimmy and Simon regarding the role regrades announced this year across retail and customer contact (something for which we have been campaigning for a number of years) we are very aware that previous measures have been described as separate and distinct from the upcoming pay budget and our claims are not impacted by NatWest rectifying these underpaid roles. Likewise, the cost-of-living increase agreed for some workers is entirely separate from the upcoming negotiations.

> "The **stress** of the cost-of-living crisis and inflation, knowing my pay won't increase, has left me stressed, worried and **I fear for my mental wellbeing**."
>
> *~Unite Pay Survey comment*

Tone from ExCo

Unfortunately, despite the positive work described, the tone from Alison and her executive team has been unhelpful and incredibly out of touch with our members. Alison's comments to the Sunday Times around the cost-of-living crisis 'not hurting yet' were intensely inflammatory to our members struggling to make ends meet.

The recommendation from Alison for staff to go to the Bank Workers' Charity, the fact that the cost-of-living support excluded most staff, the fact senior Coutts management directed their frontline staff to food banks against an announced profit larger than the GDP of a small country, the purchase of businesses (such as rooster.com) and an intention to buy a wealth management company all point towards a management team far out of touch with their employees.

The cost-of-living payment was announced to us and our request for formal negotiation refused. The Recharge Day as a response to COVID was presented as a spontaneous act of generosity by the CEO and the bank has refused to negotiate on a working from home allowance, a COVID recognition payment and now a cost-of-living increase to all staff.

The divide in wage growth between the workers at NatWest and the CEO is part of an urgent problem that HR professionals agree needs urgent attention. Continued wage divides like this will impact the wellbeing and engagement of your employees.

"I have worked for the bank for 22 years and on average received a 1.5% pay rise each year. I am a one income family and I no longer have any savings to fall back on. I am using my credit card to buy food and petrol to get to work (that will soon be maxed out). I have to do a weekly food budget of £25 to feed 3 people breakfast and evening meal; currently **I miss one meal a day to help with the budgeting**."

~Unite Pay Survey comment

Members' Feedback

We have listened to significant feedback from our members in a comprehensive survey on pay produced in August 2022. Our pay survey, collective grievance and fair pay petition have had the largest response from members and non-members alike that we have seen in recent years, with outraged staff replying in their thousands.

"As the cost-of-living crisis gets worse, the bank needs to fairly remunerate its staff. This year, I got a 2% pay increase which means a **10% pay cut** in real terms. If it can find the money to pay dividends to shareholders, then it can find the money for its staff first!"

~Unite Pay Survey comment

Members have been very clear on the issues that are important to them:

- **77%** feel they are not paid fairly for the work they do.
- **65%** would not accept a below inflation pay offer.
- **67%** have had to make cutbacks or choose between essentials (i.e. heat or eat).
- **79%** told us that they experience symptoms of stress at work.
- On the issue of performance-related pay, **only 40%** actively support this.
- Shockingly, **89%** of respondents have had to rely on benefits, borrowing from family, charity or food banks to make ends meet.

95% of respondents told us a basic cost-of-living pay rise should be given to every member of staff.

Economic Context & Cost-of-Living Campaign

> "The cost-of-living challenge cannot be ignored – it impacts the staff and customers. If our most valuable asset is our people, then protect them. If not, accept that knowledge and experience will simply go somewhere that does."
>
> *~Unite Pay Survey comment*

The overall economic context is also important and we have developed our claim conscious of, but not limited by, the following:

- The Living Wage increased by **10.1%** in the last year.
- NatWest has made staggering attributable profits of approx. **£2.1bn**, equating to **£42,000** per member of staff.
- Recent inflation was approx. **12.6%** and is indicated to rise.
- The removal of banking benefits for staff.
- Feedback that our members are being asked to do more and more work, from different consolidation of roles for no further reward.
- Pay approaches and industrial unrest at our competitor banks via our finance combine.

NatWest faces unprecedented times with the industrial relationship, our members – your staff – are financially stretched to breaking point and extremely angry. Since 2009 your workers have been told to accept job losses, sub-inflation pay rises, additional work, toxic brand decisions and scorn from the general public. Each year there was a reason for the bank to plead poverty: the bailout, government share buyback, Brexit uncertainty, covid-19; and our members were patient and sacrificed for the bank – now it is time for the bank to recognise that in real and tangible terms rather than telling us on the intranet that **our shareholders** have been patient.

While not part of these negotiations, we are still running a collective grievance and further campaign work to support our members – this unrest could be easily quietened with a fair and transparent pay offer without jargon or platitudes that will actually help our members who cannot face another year of real terms wage slashing. The unprecedented profits announced during this time underlines the fact

that the cost-of-living crisis can be effectively eliminated for our members if the bank is willing to reward the workers generating these bumper profits through their tireless efforts.

I look forward to commencing negotiations shortly and reaching a satisfactory outcome for our members

Caren Evans,

National Officer for Finance
Unite the Union