



**Unite response to the Office of Fair Trading
invitation to comment on the proposed merger
between Lloyds TSB and HBOS**

1. This response is submitted by Unite the Union. Unite is the UK's largest trade union with 2 million members across the private and public sectors. As well as the finance sector the union's members work in a range of industries including manufacturing, print, media, construction, transport and local government, education, health and not for profit sectors. The finance section of Unite is the largest industrial sector of the union with around 180,000 members.
2. Unite has significant membership in both Lloyds TSB and HBOS and has concerns over future job security for our members and is therefore keen to respond to the OFT invitation to comment on the proposed merger between the two companies.
3. The primary reason for our response is based upon the fact that the Secretary of State can set aside competition rules in relation to Section 42 of the Enterprise Act 2002 without independent oversight.
4. The ability to set aside normal competition rules governing the market and to intervene in a situation where normal competitive forces may well have resulted in a very different outcome, concerns Unite.
5. Unite believes that the new organisation could command a disproportionate influence in the market place and it is not unforeseeable that the new group could adopt aggressive selling techniques on the high street reducing choice for consumers and leaving the workforce to bare the brunt of consumer anger.
6. The demutualisation of the Building Society sector within the UK was further meant to increase competition and strengthen consumer choice. The reality, through mergers and take-overs has been a reduction in competition and the complete eradication of all the businesses who chose to demutualise.

7. Unite believes that the best interests of consumers and employees is for a diverse and varied financial services sector which offers both plurality and protection.
8. When the dust settles as it eventually will, concern will remain over the share of the market that the new group would have, (holding one third of the UK mortgage and savings market), and does not bode well for competitive high street banking and a thriving competitive finance sector.

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