

# 2024 begins with 600 UK communication workers at Communisis facing redundancy

Margot Miller  
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On December 28, 196 workers at printing and business services company Communisis at its base in Liverpool, UK received the gut-wrenching news that they were losing their jobs with immediate effect, victims of the growing use of digital technology in the communications industry under capitalism.

A total of 638 of the company's employees at its Liverpool, Leeds and Cramlington (in Northumberland) sites will lose their jobs. The business, with its UK headquarters in Leeds employing 1,000 in the UK and 200 overseas, has gone into administration.

According to financial advisory service Interpath, the Communisis Customer Experience, the side of the business dealing in printed communications on behalf of high street banks like Lloyds, was hit by declining demand and cost hikes in energy and paper. Figures for 2021 show a 20 percent fall in demand for paper bank statements, postal mail and cheque books.

Communisis had hoped to restructure and modernise, securing a deal with Indian outsource company Tech Mahindra in 2022, but it proved too costly.

The redundancies followed parent company OSG Holdings, based in the US, filing for bankruptcy. It "exited its UK business" in December. With a reported annual turnover of almost £256 million, Communisis was nevertheless hitting shareholders profits of OSG, according to *Printweek*.

Parts of the business, including delivery of services to the Lloyds Banking Group and the Brand Deployment wing, which provides marketing services for companies such as Proctor and Gamble and operates in 20 countries, were immediately bought up by rival Paragon Customer Communications. The remaining 581 employees are being transferred to Paragon.

Not only is half the workforce being made redundant, but it is unclear to what extent their pensions will be protected. In 2021, Communisis had a £20.8 million

deficit in its pension fund accounts.

The workers cannot look to their union, Accord, to begin a fight back as it makes clear in a January 2 "Newsflash for Communisis members". Accord first addresses employees who have not lost their jobs, stating, "We'd encourage questions relating to immediate changes such as pay dates to be directed to Paragon."

As for members who have lost their jobs: "We'll be taking legal advice on claims that may be possible as a result of the collapse and immediate redundancy. There's some guidance on our website which may be helpful including CV writing and ways to find new work."

Then the final insult: "...you may be able to use the services of either... the Print workers charity... [or for those employed by Lloyds before Communisis] the Bank workers charity".

According to its website, Accord is a "grown-up union" with staff in the Lloyds Banking Group, TSB and subsidiary companies. It boasts that "by keeping the lines of communication open, even when we disagree or can't get what we want, we can find a way to make the situation better."

The job losses at Communisis are only the latest in a series of redundancies in the banking sector announced in the UK in December. Just before Christmas, almost 500 proposed job losses were announced at the Nationwide Building Society, as part of a major restructuring, affecting the chief operating office, retail operations, mortgages and financial wellbeing division.

Lloyds confirmed 2,800 jobs were threatened due to cost cutting which will affect middle management roles such as analysts and product managers.

Up to 2,000 jobs are at risk at Barclays in a £1 billion drive to cut costs and increase profits to shareholders. Jobs affected will be in Barclays Execution Services, which supports its retail and international operations.

The Metro Bank is in line to cut 20 percent of its

workforce or 800 jobs to save £50 million a year. Shares fell by 67 percent last year. While bank lending is more lucrative with higher interest rates, borrowing is much riskier with the danger of defaults.

According to consumer group *Which*, 189 local bank branches will be cut in 2024 as customers switch to online banking. The Bank of Scotland, Halifax and Lloyds were expected to close 276 branches in total over 2023/24.

The UK's largest recruitment agency, the Recruitment and Employment Confederation, warned the Bank of England ahead of its decision on December 13 whether to increase interest rates further, that the recruitment of permanent staff across different sectors had fallen by its second highest rate since the pandemic.

In response to the strike wave in 2022/23, only prevented from coalescing into a general strike by the betrayals of the trade unions, the Bank of England (BoE) followed the US and raised interest rates from a historic low to 5.25 percent to try and depress wage demands. Bank governor Andrew Bailey said rates would need to stay high to tackle inflation, though the rate remained the same.

Skills and productivity partner Claire Warnes at accountancy firm KMPG said "sustained economic slowdown" due to high interest rates among other factors was impacting the hiring of permanent staff, with London hit hardest, and driving forward redundancies.

Towards the end of the year, the number of those seeking jobs rose as major companies implemented layoffs. The unemployment rate in Britain reached 4.2 percent at the beginning of December, with 1.4 million seeking work, an increase of 13,000 from the previous quarter and 206,000 up from the previous year. The unemployment rate showed an increase of 77,000 from its level before the pandemic hit.

In the second quarter of 2023, the age-group with the highest rate of unemployment was the youngest, between 16 and 24.

PwC recently announced job cuts of between 500-600 due to falling demand for advisory services. PwC partners were awarded £906,000 in 2022.

Deloitte is planning to cull 800 jobs in the UK, while EY and KPMG are looking to hundreds of redundancies in their advisory and consulting departments.

Over the coming year, tech companies globally are expected to make layoffs, a trend begun last year. According to online publisher *tech.co*, most tech companies including Netflix, Microsoft, Twitter, Shopify, and Tesla lost staff in 2023. Amazon and Salesforce have

begun the new year with redundancies.

UK-based British Telecom has declared it will cut its global workforce by 55,000 or more than 40 percent by 2030, a fifth of which will be replaced by AI.

The rise of social media and turn to online publishing is hitting print newspapers and their advertising revenue hard. Reach, the largest commercial news publisher both print and online in the UK and Ireland, plans to lay off 450 journalists. Reach plc has acquired more than 130 brands, like national dailies the *Mirror*, *Express* and *Daily Star*, as well as local brands such as MyLondon, the *Manchester Evening News* and BelfastLive.

The National Union of Journalists (NUJ), which accepted previous redundancies in the industry, appealed to the company for it to be party to implementing the job cuts. National organiser Laura Davison said, "Reach must act in the spirit of genuine and meaningful engagement, allowing for a flexible and transparent consultation process..."

The digital revolution and turn to online shopping have had a major impact on retailers, forcing the closure of long-established stores in the UK like Debenhams and more recently 400 Wilco stores.

This latest round of redundancies not only underscores the refusal of the trade union bureaucracy to defend jobs, but the need for workers to adopt an anti-capitalist and internationalist programme of struggle.

Production for profit based on the nation state is a barrier to developments in technology being used for the benefit of mankind. Instead of making workers redundant, advances in computer technology and communications could be used to slash working hours without loss of pay so workers could spend more time with their families and pursue cultural activities. But this is predicated on taking the ownership and control of production out of the hands of the global corporations, to be democratically run by the working class, not for the pursuit of profit and defence but for human need.



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