



Post Office News - May 2022

Postal regulator should be “more proactive” in preventing consumer harm

In our critical response to the current [review](#) of postal regulation, [Citizens Advice tells Ofcom](#) it should work to prevent harm from occurring, rather than waiting to fix problems after something has already gone wrong.

We say that Ofcom appears to base its regulatory approach on a long-standing assessment that the postal market is in decline and therefore isn't as much of a priority for intervention as the other sectors it regulates. However, our evidence shows letters remain crucial in facilitating access to services, and e-commerce has seen the parcels market evolve into a critical pillar of modern retail.

We also state that when Citizens Advice has uncovered evidence of consumer harm, Ofcom has been reluctant to intervene, placing its faith in the market and competition to resolve these issues. Our research and advocacy work has uncovered a wide range of issues across postal services, including

- The [disproportionate harm](#) caused by parcel delivery problems on disabled and time-poor people
- The problems people have [fixing](#) parcel delivery problems
- The scale of parcel [misdelivery](#)
- The unaffordable nature of postal [redirections](#)
- Substantial and persistent [delays](#) to universal service mail delivery
- An increase in people saying they [can't afford](#) postage stamps
- Issues [accessing post](#) for people without a fixed address or people experiencing domestic abuse

Citizens Advice calls on Ofcom to use this review to focus on securing positive outcomes for consumers, as it works to make sure the postal market is universal, affordable, consistent and fair for post users.

MPs continue to express concerns about letter delays

Some parts of the country continue to report problems with Royal Mail services. Residents of at least two [Cambridgeshire](#) villages said their deliveries mysteriously stopped for almost 3 weeks. Sarah Green MP ([Chesham and Amersham](#)) says the service in parts of her constituency has been “completely unacceptable” with people missing medical appointments and suffering financially with important letters arriving weeks late.

During a Westminster Hall [debate](#) on the provision of Royal Mail services during the pandemic, MPs stressed how the pandemic highlighted the importance of the postal industry. Whilst MPs recognised the challenges of providing services during this period, they were also critical of a “persistent failure” to meet delivery targets as the effects of the pandemic subside.

The accompanying House of Commons Library [debate pack](#) clearly shows a drop in Royal Mail performance against quality of service targets in 2020/21, alongside rising revenue and increased profits for the company. Royal Mail received over 1 million complaints during that year, an increase of 88% compared with the previous year.

These concerns are raised against the backdrop of last month’s inflation busting stamp price rises within the context of a cost of living crisis. The price of a 1st class stamp is up nearly 50% in the last 5 years. [Citizens Advice says](#) consumers are shouldering a ‘double penalty’ of paying a higher price for a bad service.

Post Office workers to strike

Post Office workers are due to stage a one-day nationwide strike over pay on 3 May. The [Communication Workers Union](#) (CWU) says that all 114 Crown post offices, directly run by Post Office Ltd, will close. And there will be no cash deliveries or collections from the UK’s 11,500 sub post offices.

The strike is over a pay freeze for 2021 and the offer of a 2% increase from April this year, alongside a £250 one-off lump sum. Union officials describe the offer as “exceptionally poor”, especially as inflation has reached 9%.

[Post Office Ltd](#) (POL) has said the vast majority of branches are unaffected by this action and will remain open throughout the day.

Separately, the CWU is also [negotiating with Royal Mail over pay](#) for postal workers. The union holds Royal Mail’s current offer is “an absolute disgrace”. Postal worker strikes remain a real possibility if no agreement is reached in early May.

New warnings over access to cash

Almost 1 in 4 free-to-use ATMs have vanished since 2018 and nearly 1 in 2 UK bank branches have closed since 2015, according to new [analysis from Which?](#). The consumer champion says that bank branches have been shutting at a faster rate in rural areas than in urban ones.

Which? is calling for the government to deliver on its promise to include legislation to protect cash in May's Queen's Speech. Which? warns another year of inaction "could risk an irretrievable collapse of the country's cash system."

The [government says](#) it has considered responses to last year's access to cash consultation and will "set out next steps in due course." The government continues to highlight the post office network as an alternative provider.

The latest figures from POL show [post office branches](#) handled a record £3.2 billion in March, including rises of 15% in both personal and business cash deposits. Personal cash withdrawals at post office counters also rose 20% month-on-month.

Citizens Advice energy leaflets in post offices

All 24,000 UK post offices and Payzone outlets have been issued with energy advice leaflets. The leaflets offer consumers energy saving tips amid the cost of living crisis. They also provide advice on checking for grants or discounts and how to contact suppliers to discuss ways to pay in instalments. Signposting to further advice, including the Citizens Advice [consumer helpline](#) is included. The leaflets were produced by Citizens Advice in [partnership](#) with the Energy Saving Trust and POL.

The latest research from Citizens Advice finds 13% of adults use post offices to pay bills - a high proportion of which are utility bills. And this service is disproportionately used by certain groups. People with no internet access (26%), low incomes (24%), and disabilities or long term health conditions (23%), are almost twice as likely to pay bills at post offices as average.

Horizon inquiry hearings continue, whilst wrongly convicted postmasters wait for compensation

The [public inquiry](#) into the wrongful convictions of hundreds of postmasters and post office workers will take further human impact hearings in Glasgow and Belfast this month. Postmasters were wrongly accused of theft and false accounting by POL, due to faults with the Horizon software system.

These hearings form part of the first phase of the inquiry which began in

February. The second and third phases were due to start in the summer but have been delayed to September due to the vast amount of documentation the inquiry has received.

Meanwhile, it is reported that a year since wrongful convictions postmasters were first overturned, most say they are [no closer to agreeing](#) a financial compensation settlement. However, following [intervention](#) from the Business, Energy and Industrial Strategy (BEIS) Committee, the [government](#) has conceded that compensation for postmasters caught up in the Horizon scandal must be fair for all and cover all consequential losses.

Verify digital identity system to close

The government's Verify system was designed as a way for people to prove their identity online so they could use government services. It was set up in 2014 and users provided details to either the Post Office or a company called Digidentity, which checked and verified their identity. The Post Office service is only available online.

However, the Cabinet Office has announced Verify will close in April 2023. The Government Digital Service is currently creating a new single sign-on system called [One Login for Government](#).

The Post Office provides a range of [other identity verification services](#) in selected branches. These include document certification and Disclosure and Barring Service (DBS) checks.

POL annual report and accounts delayed

Post Office Ltd (POL) has delayed filing its annual reports and accounts for the financial year 2020/21. [POL says](#) this is because it has been in detailed discussions with government as to the level of both subsidy and investment funding following last year's Comprehensive Spending Review. POL expects to file the accounts in early May.

Advocate role transfers from CAS to Consumer Scotland

Since 2014, the consumer advocacy bodies on post have been Citizens Advice (England and Wales), Citizens Advice Scotland (CAS) and the Consumer Council for Northern Ireland. From May the consumer advocacy function in Scotland transfers to the new independent statutory body, [Consumer Scotland](#).