



## Post Office News - February 2018

### **Last chance to respond to Citizens Advice work plan 2018/19 consultation**

Citizens Advice is encouraging responses to our work plan for next year. We have a formal role representing consumers in the postal and energy markets, and this includes our post office policy work. Our work plan sets out our agenda for improving markets for consumers and is open for [consultation](#) until 13 February.

We welcome written responses from our stakeholders on specific projects and our work in general - you can email us directly or send responses to [consumerworkplan@citizensadvice.org.uk](mailto:consumerworkplan@citizensadvice.org.uk).

### **New postal services minister**

Following January's Cabinet reshuffle, Andrew Griffiths has been appointed as the new minister responsible for post offices and postal services, replacing Margot James.

Andrew Griffiths, MP for Burton and Uttoxeter, is also responsible for small businesses. He recently [welcomed](#) the government's new post office funding announcement, stating that "With this funding the Government is ensuring that our post offices are fit for the future ... and can continue to improve services for local people." Citizens Advice is looking forward to working with the new minister.

### **Post Office opening new branches in central London**

The Post Office has [announced](#) that a new branch on New Oxford Street will be the first of 25 set to open in central London over the next year. This branch will also be the only one in the city open for 24 hours, 7 days a week.

Post Office Ltd (POL) says the new branches will supplement existing post

offices and serve growing customer demand. POL states the new locations and longer hours will encourage new customers to use Post Office services and offer greater flexibility to people collecting and returning online shopping.

### **Post offices have 'most positive impact' on rural areas**

Consumers and local councillors say that post offices are the outlet with the most positive impact on rural areas, according to the Association of Convenience Stores' (ACS) latest rural shop [report](#). Convenience stores and specialist food shops rank second and third.

ACS finds 1 in 3 of the UK's 19,164 rural convenience stores has a post office. Although many other rural shops offer similar services to those provided by the Post Office. For example, 54% offer bill payment services, 44% have free to use cash machines and 29% provide parcel services.

Citizens Advice [research](#) emphasises the particular importance of post offices for rural residents. We find that nearly 1 in 3 (31%) rural residents use a post office at least once a week, whilst in urban areas only 1 in 5 (21%) do so.

### **Post offices trusted for picking up undelivered online shopping**

The latest [study](#) from Royal Mail shows an increasing proportion of shopping being undertaken online. The research finds online shoppers claim to make 80% of purchases (excluding groceries) online, up from 74% in 2016.

Royal Mail says 68% of shoppers would like their items to be delivered to home. But other than home, the most trusted alternatives are a post office, Royal Mail delivery office or a friend's place. All 3 of these locations received a 72% trust score as alternatives to home.

Citizens Advice [research](#) confirms significant post office use, with nearly 4 in 10 (38%) consumers collecting undelivered online shopping from a post office. The same number, 38%, go to a Royal Mail delivery office or ParcelForce depot. Fewer people use an alternative parcel shop such as CollectPlus (14%) or click and collect at the retailer from which the item was bought (11%). Currently very few (2%) pick up from a parcel locker.

### **Government services increasingly moving online**

Concerns have been raised in [parliament](#) and the [media](#) about the removal of the HMRC self assessment tax bill payment service from post offices.

Consumers can still make these [payments](#) at their high street bank and online. But the Federation of Small Businesses has [warned](#) that reducing the number of ways in which tax bills can be paid may mean more self employed people and small businesses are fined for missing the payment deadline.

The Home Office has [announced](#) plans to introduce a cheaper fee for online passport applications, whilst the new higher fees for postal applications will rise above the rate of inflation. This is part of the government's push to increase the use of online services. Almost half of all consumers ([48%](#)) currently use the Post Office's Passport Check and Send service, and the change is likely to result in fewer people using the service.

In its recent [response](#) to the 2016 Post Office Network Consultation, the government acknowledges many services previously available at post offices have moved online. The government says this ensures best value for money for the taxpayers, and the moves are typically welcomed by customers who find online and direct channels more convenient.

However, non-digital channels remain important for many consumers. For example, 1 in 5 of Citizens Advice's face-to-face [clients](#) have no internet access at all and nearly half (46%) lack basic digital skills.

### **Further bank branch closures could boost demand for PO banking**

[Reports](#) suggest 2017 was a record year for bank branch closures, with 259 Royal Bank of Scotland (RBS) and Natwest branches [announced](#) at the end of the year.

At an [inquiry](#) by the Scottish Affairs committee on the RBS closures, Post Office Ltd (POL) has highlighted the increasingly important role for its outlets in providing banking services. MPs asked questions about whether post office operators are sufficiently remunerated for banking transactions, staff training standards and the potential for post office closures. POL responded robustly and confirmed that the Post Office 'absolutely' had the capacity to replace bank branches.

Bank branch closures have also been raised in the Welsh Assembly. Assembly members [discussed](#) local Citizens Advice research on the effects of the closure of the last bank in town.

In [response](#) to parliamentary questions about bank closures, the Prime Minister emphasised last year's [agreement](#) which allows 99% of personal

banking customers to undertake transactions at post offices.

Recent [research](#) by Which? also shows many rural areas suffer from poor ATM provision. Which? is warning proposals from LINK - the UK's largest cash machine network - to lower its fees by 20% may result in mass ATM closures and consumers struggling to access free withdrawals.

The government has [confirmed](#) it is working with POL and the wider banking industry to improve public awareness of the banking services provided at post offices.

### **Post Office withdraws face-to-face mortgage advice**

The Post Office is to [stop](#) offering mortgage advice in its branches. Advice about Post Office mortgages has been available in around 100 of the larger post office branches. In future customers will apply for Post Office mortgages by phone or [online](#).

Like the majority of Post Office branded financial services, Post Office mortgages are provided by the Bank of Ireland. Other personal financial services offered by the Post Office include savings, credit cards and insurance. Citizens Advice [research](#) indicates 12% of consumers have used Post Office personal financial services.

### **National postal operators offer more financial services**

Financial services provision is becoming increasingly important to national postal operators throughout the world. [Research](#) from the International Post Corporation shows financial services now make up over a quarter (26% in 2016) of total industry revenue, compared with 17.5% in 2011.

Recent post office [data](#) from the UK regulator Ofcom, finds financial services use - including paying for bills, other payment and banking services - is highest in Italy where they have been used by 53% of consumers. Amongst the countries studied, Ofcom finds use is also higher in Australia (46%), USA (42%) and the UK (42%).

Separate [research](#) by Citizens Advice shows Post Office cash, banking and payment services are particularly important to older people, those on low incomes and rural residents.

### **Royal Mail strikes averted**

Threatened postal strikes appear to have been averted after Royal Mail and the Communication Workers struck a deal over pensions, pay and working

hours. The two sides issued a joint [statement](#) on the proposed agreement, although it must be approved by the Royal Mail board and a ballot of CWU members.

### **More on Citizens Advice post policy work**

- See our section on the Citizens Advice [website](#)
- Follow our Twitter account for regular updates: @CABPost