



Post Office News - February 2017

Post Office agreement extends banking services available in the network

The Post Office has [announced](#) a new arrangement with UK banks which will see a significant expansion in the banking services available at post offices. The agreement should standardise the services and bring to an end the patchy service where who you banked with determined the type of banking transactions you could access.

Post Office Ltd (POL) says that following the agreement, 99% of personal bank customers and over 75% of small business customers can do their day-to-day banking at post offices.

The new agreement brings together the Post Office's existing arrangements with individual banks into a single set of cash and cheque services available to customers of almost all UK banks. Card-based transactions enable real-time credit and debit payments into customer accounts. The agreement has been made against the backdrop of increasing bank branch closures, with over [1,000 branches shutting](#) in the last 2 years.

Citizens Advice has welcomed the move, which we called for in our [response](#) to the Griggs review of the Access to Banking [Protocol](#). Consumer organisations, including Citizens Advice's predecessor [bodies](#), have been calling for the standardisation of high street banking services at post offices for many years. The deal results in a particularly significant extension of banking services for small businesses.

Stressing the importance of face to face services for those who need it, Citizens Advice [said](#) that it is now for banks and the Post Office to make sure that people know about the changes so they can make the most of them. It is also important that the availability of local post office services are considered as part of any decisions on further changes to bank branches.

Post Office to franchise more Crown branches

POL has announced [plans](#) to franchise a further 37 Crown post offices. The proposals will transfer branch ownership to other operators, such as large retailers or newsagents. This follows announcements of proposals to franchise around 60 Crown post offices last year.

Crown offices are directly run by POL, in POL-owned or leased premises and staffed by POL employees. The plans follow the trend of the last 30 years which has seen a steady fall in the proportion of Crown offices within the network. The current 300 branches account for less than 3% of the overall network, but are large and located in town centres.

Citizens Advice [stresses](#) the importance of ensuring that consumers have uninterrupted access to their local post offices. We also think that new venues must be accessible to all consumers - near existing branches in town centre locations, with good access to parking and public transport routes.

As the statutory consumer watchdog for the post office network, Citizens Advice will review all proposed changes and consultation feedback to consider the potential impact on consumers following the change.

Citizens Advice report on quality of service at PO Locals

Under the Post Office's restructuring programme, almost half the total network is being converted into Post Office (PO) Locals, with many branches moving into the premises of other businesses. Previous Citizens Advice research showed that this had led to a drop in consumer experience and quality of service in some cases.

In a new [report](#), we compare how PO Locals are performing in relation to our previous waves of research, and also performance in comparison with traditional sub post offices.

Our research suggests that PO Locals are generally performing well, and a large majority of customers are satisfied with their experience. Our evidence suggests that PO Locals have improved compared to previous waves of our research, and are now generally performing in line with traditional sub-post offices.

However, a significant minority of customers report that they have been unable to access the services they want - partly because some branches are not

providing the services they should, and partly because consumers want services that the model does not offer (but are not aware of this).

In our mystery shopping survey, most staff did not ask the correct questions to determine a customer's needs before making a single recommendation. The most common outcome was for staff to offer the correct product alongside others, which can be confusing for customers.

Accessibility for disabled people still needs to improve. Over a fifth of disabled customers do not feel that PO Locals cater to their needs. Our mystery shopping showed, for example, that hearing loops were only visible in 1 in 4 cases and portable PIN pads were only available for 3 in 5.

Waiting times have also increased for customers who are not served immediately. Although 2 in 3 are served without having to wait, the remaining consumers are waiting for an average of 2 minutes 35 seconds.

Citizens Advice consumer work plan 2017/18 consultation

Citizens Advice has 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 now open for consultation with stakeholders and the general public.

We welcome feedback, which will be reflected in our final work plan in March. Please let us know if you would like to discuss the work plan or how to respond.

The consultation closes on Thursday 9 March and we will publish our final version on Monday 20 March.

Rural shops in 2017

1 in 4 convenience stores in rural areas hosts a post office, according to new [research](#) from the Association of Convenience Stores (ACS). However, the ACS reports that many rural convenience stores are struggling to sustain Post Office services in-store due to decreasing consumer demand and remuneration failing to match rising operating costs, such as the National Living Wage and the business rates revaluation.

The research finds that many rural shops offer consumers alternative access to services traditionally provided through post offices.

In addition to the 24% of rural convenience stores with a post office, the ACS reports that

- 73% offer Lottery services
- 64% offer mobile phone top up
- 54% offer bill payment services
- 54% offer cash back
- 39% have a free to use cash machine
- 31% offer parcel services
- 10% offer click and collect

ACS also shows that rural shops are often the only place where people in the local area can get essential goods and services. More than half of rural stores (59%) operate entirely on their own with no other retail or service businesses close by.

Post Offices Advisory Group

As part of our role as the consumer champion for post, we host a quarterly conference on post office issues. If you would be interested in joining the group, please contact Annabel.Barnett@citizensadvice.org.uk.

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