



## Post Office News - June 2017

### Political parties launch manifestos

The Conservative, Labour and Liberal Democrat parties have launched their manifestos for the 2017 General Election setting out among other positions their postal policy platforms.

The Conservative [manifesto](#) pledges to “safeguard the post office network”, protecting the availability of services for consumers and small businesses in rural areas. The party considers that rural post offices should offer “all routine small business and consumer banking services”.

In its [manifesto](#) Labour promises to prevent Crown branch closures, and if elected will work to establish a Post Bank to provide the full range of banking services in every community. The party’s manifesto also contains a pledge to renationalise Royal Mail “at the earliest opportunity”.

The Liberal Democrat [manifesto](#) commits to stopping post office closures and to “protect Royal Mail’s Universal Service Obligation to deliver across the UK for the same price”. It also includes a promise to establish a £2 billion Rural Services Fund for local communities to establish co-located essential services, such as libraries and post offices.

Citizens Advice published its [own manifesto](#) at the beginning of the election period with a list of policy asks for the next government, including protection from closure for post offices so that vulnerable and rural consumers continue to have access to post and banking services.

### Royal Mail releases Quality of Service results

Royal Mail has published its [cumulative quality of service results for 2016/17](#), which show that the company exceeded its regulatory target for both First and Second Class mail, but narrowly failed to meet the Special Delivery requirement.

93.1% of First Class mail was delivered the next working day after being posted, surpassing the 93% target and improving on 2015-16 by 0.6%. 98.9% of Second Class mail was delivered within 3 working days, above the target of 98.5% and better than 2015-16 by 0.1%. Special Delivery failed the 99% next day target by 0.5%, equalling last year's results.

Royal Mail is also required by the regulator to meet a target of 91.5% next working day delivery in 118 of 121 UK postcode areas (PCAs). 8 PCAs failed to meet the target in 2016-17, marking an improvement on 2015-16 results where 14 PCAs did not reach 91.5%.

Citizens Advice [publishes a map](#) on its website displaying quarterly and cumulative Royal Mail Quality of Service results by PCA.

### **Royal Mail reports financial results for 2016-17**

On 18 May, Royal Mail announced its [full year results](#) for the tax year 2016 to 2017. Key highlights include:

- Revenues were up by 1% from the previous year to £9.77 billion, after adjusting for movements in foreign exchange, working days and other one-off items distorting the Group's underlying performance
- Parcel revenue was up by 3% while letter revenue declined by 5%
- Adjusted operating profit before transformation costs is reported as £712 million, down by 6% from the previous year
- Parcel volumes increased by 3% while addressed letter volumes were down by 6%, at the higher end of the 4-6% decline forecasted at the beginning of the financial year

### **Access to Banking Standard**

The British Bankers' Association (BBA) has put in place a [new Access to Banking Standard](#) aimed at minimising the impact of bank branch closures. The Standard updates and replaces the industry-wide agreement known as the Access to Banking Protocol, following the recommendation of a 2016 independent review.

Under the Standard, banks commit to engage with customers and local stakeholders when closing a branch, in order to explain the reasons for the closure and to understand its impacts on the community. Banks must also ensure that customers are given information on alternative ways to bank once the branch has shut.

The rise of online banking has seen an increase in the number of UK bank branch closures, with an estimated 939 branches shutting between January 2015 and January 2017. As of March this year, a further [525 closures had been announced](#), including 148

RBS and Natwest branches, 117 HSBC branches and 95 of those operated by Lloyds/Halifax.

Many consumers reliant on the availability of face-to-face banking services are likely to be particularly affected by branch closures, including older people, disabled people and those living in rural and remote communities. Post office banking offers a potential solution for these consumers, and since January 2017 more than 99% of personal banking customers in the UK now have access to their existing current account through the post office network.

However, Citizens Advice research indicates that awareness and usage of banking services through the post office remains low, at 56% and 27% of British adults respectively. We are currently working with our network of local offices to investigate the impact of bank branch closures and awareness of post office banking among consumers in local communities across England and Wales.

### **Postal operators expand offering for consumers**

CollectPlus has revealed [plans to expand](#) the number of parcel collection and drop-off points in its network during 2017. Currently, consumers using CollectPlus can pick up and drop off parcels at around 6,200 sites across the UK, which include convenience retailers such as Londis, McColl's, Spar and Nisa. The company has set a target of 7,000 to be reached by the end of the year, with further growth expected into 2018 and beyond.

CollectPlus operates as a partnership between parcel carrier Yodel and retail payment network PayPoint. The CEO of CollectPlus has spoken of [ongoing negotiations](#) to open up its network for use by other partner carriers, with the first expected to be revealed by the end of summer 2017.

Parcel2Go is also expanding its offering with its [new 'DPD Import' service](#) available for consumers sending parcels to the UK from Europe. The service is exclusive to Parcel2Go, and allows users to drop off their parcels at one of 25,000 DPD sites in Belgium, France, Germany, Luxembourg, the Netherlands and Portugal. The company claims the import shipping service is the cheapest currently available, at a starting price of £12.61 excluding VAT.

### **Post developments around the world**

- **Ireland** - An Post has [reported losses](#) of €15.6 million (£13.5 million), which the company has attributed to declining revenues, climbing costs and a growing pension deficit. Before new stamp pricing arrangements were put in place earlier in 2017, Ireland's national postal operator had been expecting losses of €50 million (£43.2 million).

- **Australia** - The Australian Government has [partnered with Australia Post](#) to develop a new digital ID platform that will help government agencies to provide access to services online and over the counter. The platform will make it quicker and simpler for Australians to prove their identity, for example when accessing essential health and community services. Australia Post is seeking to compensate for its declining letters business by building its profile in the national identity services market, using its large retail network to its advantage.
- **France** - La Poste has introduced a [new check-up service](#) for customers concerned about their older relatives, known as “Veiller sur mes parents” (watch over my parents). From €39.95 per month, postal workers will visit the relative’s home during their rounds for a short chat to enquire into their health and well-being. Afterwards, a summary is then sent to the customer via an app. Anyone with an older relative living in France is able to use the service.
- **New Zealand** - Kiwi Post has [teamed up](#) with online food ordering platform Menulog to expand into the meal delivery business. The postal company is kicking off a pilot in central Auckland with 50 restaurants, following a similar partnership with KFC in the city of Tauranga launched earlier in 2017. As in many countries around the world, NZ Post is seeking to diversify its revenue streams in the face of a persistent decline in mail volumes.

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

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