



Post Office News - July 2019

Citizens Advice reviews Network Transformation Programme

Citizens Advice has published a [review](#) of the government funded 6-year post office restructuring, which was designed to maintain the number of post offices and improve financial sustainability.

We conclude that overall the Network Transformation Programme (NTP) has achieved its stated aims. By the end of the programme, 2 in 3 branches have converted to new operating models integrated into retail outlets. Post office numbers remain stable and Post Office Ltd (POL) is reporting positive financial results. Branches have been refurbished, and many offer improved accessibility, shorter queues and longer opening times.

But there are also significant challenges. New services have not been developed and many post office operators are worried about the viability of their branches. There is also uncertainty over the future of 3,000 Community branches, and an increasing proportion of branches are operating as part-time outreach offices.

Early indications are that new branches perform broadly in line with traditional post offices. However, disabled access across the network is still patchy, advice from staff is not always accurate, and consumers cannot always access the full range of services that should be available.

Citizens Advice will continue to closely scrutinise the post office network to ensure it is meeting the needs of all consumers. We will monitor consumer satisfaction whilst working with POL to ensure improvements to disabled access and self service kiosks are implemented. We will also be exploring the potential for the Post Office to develop new services, including expanded banking and parcel services and allowing homeless people to access mail at post offices.

Minister gives evidence on the future of the post office network

The increasing number of outreach post offices, postmaster remuneration, Post Office banking, government services and Crown franchising were key topics discussed when the [Minister gave evidence to the Business, Energy and Industrial Strategy \(BEIS\) inquiry](#).

When pressed on the future of the government's subsidy to the network, Kelly Tolhurst MP confirmed that the government is committed to maintain the network at 11,500 post offices. Ms Tolhurst said she "cannot see a time when the Post Office will ever be in a situation where we are not there to guarantee rural and community services, which are vital and not financially viable...". She stressed that this summer POL is working on a [review of postmaster pay](#).

The Minister admitted that post offices are "picking up the slack" as banks retreat from the high street. Following the current renegotiation of the Banking Framework agreement between POL and the banking industry, Ms Tolhurst said the next stage is to look at extra banking services that post offices could provide.

Post Office banking is high on the political agenda

Post office provision of banking services continues to be discussed very widely elsewhere in Westminster. MPs stressed the increasing importance of Post Office banking at the [Scottish Affairs Committee inquiry into access to financial services](#), and during debates on [local bank closures](#) and [consumer access to financial services](#).

However, MPs also highlighted the limitations of the Post Office service, which does not offer transactions such as setting up direct debits, transferring money between accounts and opening or closing accounts. Supporting the recent [Treasury Committee recommendation](#) for developing post offices as 'banking hubs' - many MPs called for post offices to be "properly funded" by the banking industry and offer "proper facilities that people have confidence in".

John Glen MP, Economic Secretary to the Treasury, acknowledged the limited functionality of Post Office banking, and said that he is engaged in work "to solve that challenging problem".

Separately, the Labour Party has released a list of all the post offices that would be part of their planned [post bank network](#). Labour said this would give local people guaranteed access to a bank in their neighbourhood with face to face support.

ATM-finding app now shows nearest post office

As numbers of free-to-use cash machines continue to fall, [Link's app](#) which shows nearby ATMs where consumers can withdraw cash, now also gives the location of the nearest post office.

The app covers the location of all 62,500 Link ATMs, as well as most post offices and their opening times. [Previously](#) the app only showed the 2,500 post office branches with Post Office branded ATMs (provided with the Bank of Ireland), but now around 10,000 of the 11,600 post offices are included.

Postal services minister, Kelly Tolhurst, recently said that she hopes to make sure that [POL extends](#) its ATM service.

MPs probe on Post Office government services

At the start of the Network Transformation Programme, the government proposed that post offices should provide more services for both central and local government. However, in recent years the Post Office has seen substantial reductions in government services, for example leading to a [13% drop in revenue](#) between 2016/17 and 2017/18. Services no longer available at post offices include the [biometric residence permit](#), [HMRC payments](#) and [payments to asylum seekers](#).

Increasingly MPs have been asking about the future of current government services at post offices. Last month, responses to Parliamentary Questions reveal that the [Driver and Vehicle Licensing Agency](#) (DVLA) contract (driver licensing, vehicle registration, excise duty collection and international driving permits) expires in March 2020. The DVLA is currently considering its options for a 3 year extension. In addition, the Environment Agency is in the process of renewing its contract for the sale of [fishing rod licences](#) with the Post Office. The government also confirmed the [Post Office card account](#) contract ends in November 2021, and there are currently no plans to extend this contract.

However, the post office network has recently increased the number of branches where consumers can access some identity services. Over 3,000 post offices now provide the international driving permit. The number of branches providing documentation certification has tripled to more than 3,500.

In her oral evidence session at the BEIS committee (see above), [the Minister said](#) that BEIS has made a commitment to do a "good selling piece" on behalf of the Post Office when government departments are looking to procure services from external providers.

Royal Mail launches new purchasing and printing app features

Royal Mail has launched [new features in its mobile app](#). Senders can now check a price and buy one-off postage directly through the app. When buying postage on the app, consumers receive a QR code allowing them to print postage labels at a Royal Mail Customer Service Point (delivery office). The service is not available at post offices.

The app also keeps customers updated with automatic notifications as their parcel moves through Royal Mail's network.

Post developments around the world

- **Spain** - a controversial report for the Spanish government has [recommended a drastic downsizing](#) of the national post office, Correos. This includes removing the requirement for a minimum number of post offices and post boxes. It also recommends reducing the number of days a week on which deliveries are made.
- **Finland** - Finns can now pick up their parcels and groceries at the same time from a [Smartmile parcel machine](#). The new service is available in a limited number of Finnish supermarkets, and groceries are kept in insulated boxes.
- **Canada** - Global [money transfer](#) providers, Moneygram, now allows customers to start a transaction online and complete it at a post office. This new digital money transfer service is available at 5,200 Canada Post outlets.
- **Singapore** - [SingPost](#) is launching a new product that will allow customers to be notified when an item is delivered to their letterbox. SingPost will also be introducing a system so residents can rate postmen. Under a further initiative, postmen will specialise in either letterbox or doorstep deliveries, instead of doing both as currently. Doorstep delivery hours will be extended from 9am-6pm, to 9pm - a move that is intended to increase delivery success rates.
- **Asia-Pacific region** - [Pakpobox](#), a leading parcel locker supplier in the region is looking to create a carrier agnostic parcel network. The plan is to provide lockers which allow consumers to collect and return parcels delivered by multiple delivery companies. The company is working with national postal organisations in a range of countries including Singapore, Australia, Hong Kong and Malaysia.