



Post Office News - December 2021

Citizens Advice publishes first parcels league table

Parcel services are increasingly important to the UK's economy. Whilst the post office network provides high street pick up and drop off services, [new Citizens Advice analysis](#) shows urgent action is needed in the delivery part of the market.

Our first [parcel company league table](#) finds consistent problems with parcel deliveries. We compare top firms against criteria like customer service, delivery problems and accessibility, and find that no delivery company received more than 3 out of 5 stars overall.

Rank	Company	Cost	Customer problems	Accessibility	Customer service	Trust	Overall score
1	Amazon Logistics	1 N/A	3.25 ★★★★★	2.25 ★★★★★	2.75 ★★★★★	4.25 ★★★★★	2.75 ★★★★★
2	Royal Mail	1.75 £££	3.00 ★★★★★	2.00 ★★★★★	2.50 ★★★★★	4.00 ★★★★★	2.50 ★★★★★
3	DPD	2.75 £££	1.50 ★☆☆☆☆	2.25 ★★★★★	2.50 ★★★★★	3.75 ★★★★★	2.25 ★★★★★
4	Yodel	1 £££	2.25 ★★★★★	1.25 ★☆☆☆☆	1.75 ★★★★★	2.00 ★★★★★	1.75 ★★★★★
5	Hermes	1.75 £££	1.00 ★☆☆☆☆	2.00 ★★★★★	2.25 ★★★★★	2.00 ★★★★★	1.50 ★★★★★

Notes: There is not data available for all companies for all data points. Amazon logistics does not have a C2C service so is excluded from the Cost metric. Twitter data is used to form part of the Customer problems and Customer service metrics. Royal Mail is excluded from this as not all their twitter activity is related to parcels. Parts of the Accessibility metric are made up from data on consumer perception and as such should not be seen as a judgement on whether or not these options or services are actually available.

We are calling for Ofcom to act now, by bringing in stricter rules for parcel companies, better complaints processes, and fines if company negligence leads to parcels getting lost or stolen.

Post Office to expand PUDO service

The Post Office is set to double the number of branches where people can pick up Amazon and DPD purchases. A trial offering click and collect services for Amazon began in March, and an agreement with DPD was signed in the summer. The service is now in 3,100 post offices and this is expected to double to more than 6,000 next year.

Reportedly Post Office Ltd (POL) estimates the parcel pick up and drop off (PUDO) market could be worth £400 million by 2026, and [aims to acquire a 30% share](#).

There are already a significant number of other players in the market. CollectPlus is available in 10,000 outlets such as convenience stores and since last year offers parcel services with a range of couriers including Yodel, Amazon, DHL, DPD and FedEx. The UK also has 5,400 Hermes ParcelShops, 4,500 DPD Pickup Shops, and 3,500 DHL Service Points.

Calls for greater use of PUDOs

Concerns are rising about the environmental impact of parcel deliveries, especially in bigger cities. The [Centre for London](#) is calling for the Mayor of London to work with parcel delivery companies to provide a large network of universal PUDOs. It argues that introducing more of these pick up points would allow companies to deliver large numbers of parcels at once to fewer locations, reducing vehicle traffic on the roads.

In the run up to Christmas, [Transport for London](#) (TfL) is encouraging people to ensure deliveries are arranged for when they are at home or to nominate an alternative place where they know it will be delivered. TfL says failed deliveries can increase the carbon footprint of online orders by up to 75% because of the additional trips that need to be made for re-delivery or collection.

Royal Mail profits from online shopping boom

Royal Mail [revenues have risen to over £6 billion](#) and the company achieved a £311 million pre-tax profit in the 6 months to 26 September. £400 million will be paid out to shareholders.

Increased profits are in part due to the rise in parcel volumes. Domestic parcel volumes are up by a third since before the pandemic. But letter volumes are down around a fifth. Royal Mail says the pandemic has accelerated existing mail trends and that this reaffirms their focus on the parcels service.

Cost of post redirection cut for people on Universal Credit

Royal Mail has announced [cuts in the price of redirections](#) for people on Universal Credit. The cost now ranges from the equivalent of £5 per month for a 6 or 12-month redirection to the equivalent of £10 per month for a 3-month redirection for larger households on Universal Credit.

Citizens Advice has been [calling for a more generous redirections discount](#), and the announcement should make a difference to people in receipt of Universal Credit. But questions still remain about the affordability for people who aren't eligible for the discount.

Our [research](#) found that 3 in 10 home movers who didn't redirect their post were put off by the price. Since March 2019, an estimated 3.3 million households have missed important letters or risked fraud because they couldn't afford to redirect their post.

Redirection fees increased by more than 60% between 2013 and 2020, far in excess of inflation. We're [calling on Ofcom](#) to explore introducing price controls on Royal Mail's redirections service to prevent prices from continuing to rise so steeply.

Individuals and small businesses can [arrange mail redirection at post offices](#) or apply online via the Royal Mail website.

HMRC benefit claimants given extra time to switch from POCA

People who currently have HMRC benefits, such as tax credits and Child Benefit, paid into a Post Office Card Account (POCA) have been given an [extension until 5 April 2022](#) to provide alternative account details. Around 13,000 HMRC benefits claimants are still receiving payment into POCAs.

The POCA had been due to close in November this year, and has already been [extended](#) until November 2022 for DWP benefit payments.

People who are unable to use a bank account for their payments can use the Payment Exception Service. This voucher based service contains a barcode that can be scanned at post offices and PayPoint outlets in exchange for cash.

Post Office sees boom in travel services

Prior to the news of the new Covid-19 omicron variant, POL was reporting a significant increase in sales of travel products. This was welcome news for the many larger post offices that generate significant income through travel services.

Post Office [travel insurance sales](#) surpassed pre-pandemic levels for the first time, following a surge in demand after travel restrictions eased. Compared with May this year, sales of policies in October were up 560%.

Post offices also saw significant demand for [foreign currency](#) this autumn. The network offers around 60 currencies for pre-order at around 7,000 branches. 3,600 larger post offices stock the leading currencies and around 7,000 offer euros over the counter without pre-order.