



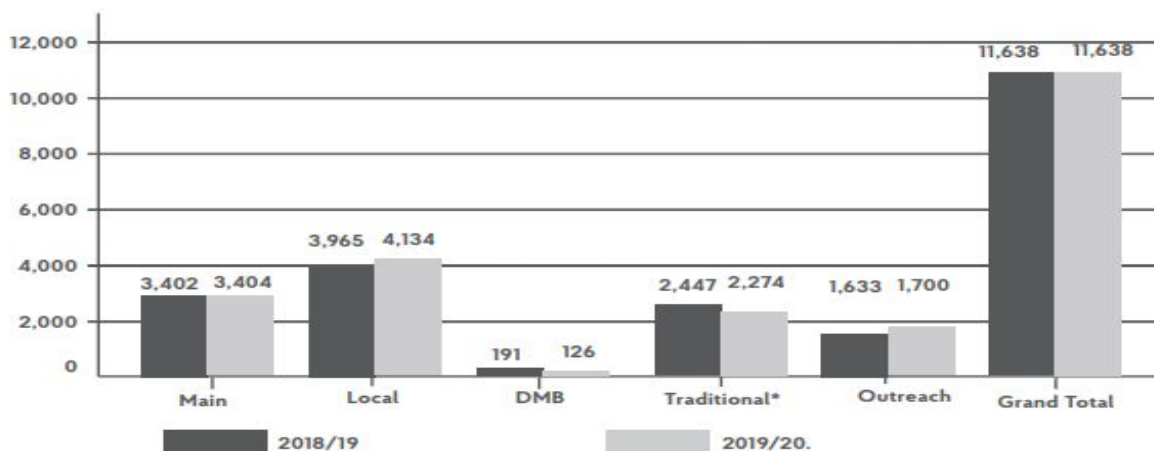
## Post Office News - January 2021

### Post office numbers remain steady, but outreaches increase

The latest annual Post Office Network report shows total network numbers haven't changed over the past year, with a total of 11,638 post offices open in March 2020. However, there has been a slight increase in the proportion of post offices based in rural areas (53.8% in 2019/20, compared with 52.7% in 2018/19). And a slight decrease in urban deprived post office numbers (11.4% compared with 12.1% the previous year).

The number of directly managed branches (DMBs or Crown post offices) has fallen (see below), whilst the number of outreach branches continues to rise. This long-term trend is a [significant concern](#) as these services, usually serving rural areas, are open for an average of just 7 hours a week.

Post Office Ltd (POL) easily meets the vast majority of its accessibility targets, with 99.7% of the total population within 3 miles of a post office, and 92.7% within 1 mile. However, temporary post office closures resulted in 7 postcode districts with less than 95% of the population within 6 miles. Citizens Advice has also raised flags about the impact of [temporary closures](#) - particularly as 2 in 3 stay closed for over a year, and 2 in 5 for over 2 years.



The report shows the government's spring lockdown measures resulted in the closure of 5.6% of all post offices, leaving 10,987 open in April 2020. The lockdown had the greatest impact on Outreach branches, nearly 1 in 4 (23%) of which were unable to open.

## **Post Office and Royal Mail end exclusivity deal**

POL and Royal Mail have agreed a [new deal](#) which will see the companies no longer working in an exclusive partnership. For the last 10 years an agreement has been in place which only permitted the Post Office to distribute parcels via Royal Mail and Parcelforce. But under the second Mails Distribution Agreement, which runs from 21 March 2021 until 28 March 2032, the Post Office will be [allowed to work with other parcel companies](#).

[Amazon and Hermes](#) are currently in talks to offer pick-up and drop-off services at post offices, according to media reports. In the long-run, this could result in the Post Office acting as a 'mega parcel shop hub', selling services and accepting parcels for multiple couriers.

## **Challenging season for mail delivery**

Delivery companies dealt with exceptionally [high volumes](#) of mail this year due to the greatly increased uptake of online Christmas shopping and ongoing Covid restrictions. This resulted in people [waiting longer](#) to receive letters and parcels.

Late December also saw Royal Mail temporarily [suspend European services](#) when the port of Dover was closed and numerous flights banned over fears of the new coronavirus variant. Royal Mail brought forward [Special Delivery deadlines](#) after tier 4 restrictions introduced in London and parts of south east England led to increased demand from customers.

The first day of the new year saw the price of a first class stamp jump by 9p to 85p. This means [prices have increased](#) by 12% since March. Second class stamps also increased by 1p to 66p. Prices for parcels, signed for letters and other items rose too. Citizens Advice has called for [clear evidence that Royal Mail's services are affordable](#) for everyone.

## **Brexit changes to parcel posting**

Following the UK exit from the EU customs union, anyone posting a parcel to an EU country from England, Scotland or Wales is required to attach a [customs declaration](#) form to their parcel. The new regulation does not apply to people posting from Northern Ireland. POL says that around 45% of total international parcel traffic received by GB post offices goes to EU destinations. The Post Office

is advising customers to pick up customs forms at branches and complete them at home before returning to post offices to hand over their parcels.

Temporary [guidance](#) is now in place for parcels moving between Great Britain and Northern Ireland. The guidance allows a 3 month grace period for online orders and all consumer parcels. But in future Northern Irish businesses receiving a parcel with goods valued over £135 will have to submit a declaration. The Consumer Council for Northern Ireland is concerned this could also “[impact on NI consumers](#) in terms of additional cost, or a reduction in the number of retailers selling to NI.”

### **Delivery problems worst for time-poor and vulnerable people**

Citizens Advice has seen a huge increase in the problems people have with parcel delivery, according to [Citizens Advice research](#) undertaken before the busy Christmas period. 1 in 2 people had issues with parcel delivery during lockdown. Our [Consumer Service](#) has had 3 times more complaints since March than over the same period last year.

The top 3 issues include parcels arriving late (47%), getting lost (24%) or not being delivered even when consumers are at home (30%). Our data shows delivery problems are affecting time-poor and vulnerable consumers more than others. This includes people who are self-isolating, those with young children, and those working irregular shifts, like carers and healthcare workers. People who are shielding and/or disabled also have more delivery problems.

Whilst the number of parcels sent by online businesses has increased by almost 300% since 2011, often regulations, market structures and consumer protections haven't kept pace. Without the standards and safeguards of other essential markets, service quality is patchy and complaints processes unreliable. The market needs urgent review, and Citizens Advice is asking the government and the Consumer and Markets Authority to take action to address this.

### **Post Office banking hub pilots**

The Post Office is due to start [trials](#) of banking hubs in high street premises based in 3 small towns in England and Scotland. As well as providing counter services to customers of all major banks, customers of the largest high street lenders will be able to book meetings with bank staff to discuss more complex issues. The trials are part of a wider scheme - the [Community Access to Cash Pilots](#) - designed to improve access to cash in communities with few or no financial outlets. The pilots are to be closely monitored by the Treasury and Financial Conduct Authority, which are expected to lay out their approaches to ensuring cash access later in the year.