



Post Office News - November 2021

Call on chancellor to support rural post offices

In advance of October's Spending Review, key stakeholders have called on the chancellor to continue to support rural post offices. In an [open letter](#), Citizens Advice, Citizens Advice Scotland, the Consumer Council for Northern Ireland, Age UK, and Action with Communities in Rural England highlight the vital role played by post offices in rural areas.

The government currently provides a £50 million subsidy to support 4,000 post offices to stay open. This includes 3,000 rural 'last shop in the village' community branches. However, this subsidy is due to end in March 2022.

We're calling on the chancellor to extend this support beyond March 2022 to ensure that the post office network can continue to make a vital contribution to our economy and society in rural areas. At the time of writing there has been no announcement on the future of this support.

MPs debate post office closures

In recent months MPs have become increasingly vocal on post office closures and last month these concerns culminated in a [Westminster Hall debate](#) on the subject. Quoting [Citizens Advice analysis](#), MPs pointed out that temporary closures have doubled since 2013, and 2 in 3 remain closed for over a year.

MPs spoke about the high numbers of post office closures in their constituencies which included both rural and deprived areas. Describing post offices as the "lifeline" of communities, especially in rural areas, MPs said in rural communities post offices may be the last shop and the last bank in the village.

MPs stressed post offices offer more than commercial services - underscoring the help and support that post office staff provide to vulnerable people. They also described post offices as a "key touchpoint" between people and

government services.

Several MPs expressed concerns that postmasters aren't always properly remunerated, stating that many hand in the keys because they can't afford to live on the income they make from running a post office. MPs also said they were worried that the network was over reliant on retail chains - citing the case of recent post office closures by CJ Lang (Spar) in Scotland.

Responding, the postal services minister Paul Scully said we have the most stable network in a generation. He affirmed that the government is fully committed to ensuring the long-term sustainability of the network. Whilst the minister acknowledged the network does "fluctuate and change over time", he said the government's access criteria ensure that services remain within local reach of all citizens.

Post Office to open first Drop & Collect branch

Earlier in the year Post Office Ltd (POL) announced plans to increase the size of the post office network through the introduction of new post office models. POL has now confirmed plans to [open the first Drop & Collect branch](#). We understand this new branch type will offer a smaller range of services - providing online shopping collection and returns.

The branch will also use a new cloud-based computer system created to replace Horizon. The new model is designed to be more attractive to operators and compete in the growing parcels market. Around a dozen Drop & Collect branches are expected to be open by Christmas.

Post Office loyalty scheme for parcel senders

POL has launched its first ever [loyalty scheme](#) of its Drop & Go parcel service. [Drop & Go](#) is a free, same-day service for regular senders - marketplace sellers and small businesses - to drop off parcels speedily. Users' parcels are paid for through a pre-paid account, and users leave parcels at a fast track counter, avoiding waiting for staff to weigh and print.

The new loyalty scheme is designed to help post offices challenge the highly competitive parcel market during the Christmas peak trading period. Drop & Go customers are able to earn rewards of up to £100 in both November and December as part of the tiered loyalty reward scheme.

Banking hubs set to expand

Post offices handled [almost £3 billion in cash deposits and withdrawals](#) in

September - the highest figure ever in a single month. POL is also reporting increasing amounts deposited by business customers.

Against the backdrop of increasing bank branch closures, Treasury minister, John Glen, is expected to announce [plans for an expansion of Post Office banking hubs](#). Whilst all post offices offer over the counter access to everyday banking services with the major retail banks, the Post Office has also been [trailing 'banking hubs'](#) at Cambuslang in South Lanarkshire and Rochford in Essex. Customers using these hubs can access the standard Post Office banking services, as well as face-to-face services from staff from high street banks.

It is [reported](#) the Post Office wants to announce about 200 hubs, while banks want to limit the number to between 20 and 50.

POCA closes for HMRC payments

The Post Office card account (POCA) which had been due to close in November this year, has been [extended](#) for 12 months. However, from 30 November 2021, POCA will [no longer be able to receive Child Benefit and tax credits](#) which are paid by HMRC. The extension only applies to payments from the Department for Work and Pensions (DWP).

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

NI reports increases in parcel problems post Brexit

Northern Ireland residents are experiencing a range of parcel problems and difficulties with online shopping following the EU exit, according to new [research](#) from the Consumer Council for Northern Ireland (CCNI).

The research finds that 27% of NI consumers send parcels to Great Britain, and 10% send them to the Republic of Ireland. However, since Brexit 28% of those posting to GB have experienced delivery delays, and 22% report an increase in postage costs when sending parcels. The figures are similar for RoI. Overall, 4 in 10 of people posting to GB report that they have experienced difficulties.

In addition, almost 7 in 10 (68%) of NI consumers have been informed by GB retailers that they no longer deliver to NI. CCNI estimates that currently between 155-170 GB retailers no longer deliver to NI.