



## Post Office News - September 2022

### Cash is making a comeback

Post offices are witnessing a return to cash, with £801 million of personal cash withdrawn in July. [New figures released this month](#) show that a record-breaking £3.3 billion passed over post office counters in July.

Post Office Ltd (POL) suggests these records are due to people choosing to 'staycation' over the summer, and using cash for their weekly and daily budgeting to help with the cost of living. Post offices also handled around £90 million in UK Government cash payouts in July, supporting people with their energy bills.

Martin Kearsley (Banking Director at POL) said the "latest figures clearly show that Britain is anything but a cashless society". Meanwhile, the Government recently announced [new legislation to protect access to cash](#) to ensure financial inclusion.

And yet, businesses are increasingly moving towards card-only payment, a trend which accelerated during the pandemic when cash spending fell [by 35%](#).

### Post Office remuneration changes announced to help cost of living

At a Postmaster Conference on 23 August, [Nick Read \(CEO at POL\) announced remuneration improvements](#) for subpostmasters.

These changes include:

- From September, the remuneration postmasters receive for cash and banking transactions will double, and they'll be paid for balance enquiries and failed transactions
- POL will pay a fee for every £100 of a £500+ cash withdrawal
- POL will introduce remuneration for click and drop letters, where postmasters will get 100% of the payment POL receives from Royal Mail

- Remuneration for Payout transactions will double for the rest of the financial year - this will be backdated to 1 April 2022
- In September postmasters will receive a one-off payment worth 7% of their mails and travel money remuneration - this will be calculated on the last 5 months of trading.

Nick Read said that these changes are a “step in the right direction” to help support postmasters through the current cost of living crisis. POL is currently consulting with the National Federation of SubPostmasters (NFSP) on the improvements to postmaster remuneration. However, earlier in the month [the NFSP questioned POL’s timing of the conference](#) and called the decision to hold one on the new remuneration offer without their agreement “reckless and premature”. The NFSP urged POL “to come back to the table with a credible offer as soon as possible”.

### **Consumers say that post offices have positive local impact**

The Association of Convenience Stores (ACS) has released new research, [‘Community Barometer 2022’](#), showing the services that consumers value the most in their local communities.

41% of consumers said that post offices have a positive impact in their local area. Post offices are one of the top three most impactful and essential local services alongside convenience stores and pharmacies.

26% of consumers said that their local area would benefit from more post offices, while 52% said they would like to see more banks. This chimes with a decreasing access to cash due to bank closures.

Highlighting the importance of these services in smaller communities, ACS argues that the Government must consider villages and rural hubs in its Levelling Up agenda. James Lowman (Chief Executive at ACS) says that “the services in our communities, including local shops, need more support and incentives to invest”.

### **Post Office Ltd told to speed up Horizon compensation**

[Chair of the Horizon Post Office inquiry, Sir Wyn Williams, is concerned that the subpostmaster compensation process is making slow progress.](#) He will be publishing a progress update and potentially issuing a formal report to Parliament if he concludes that not enough progress has been made.

Post Office Ltd committed to rolling out a [quick and fair compensation process](#) for subpostmasters wrongly convicted of theft and false accounting, due to problems with the IT Horizon system.

So far, 81 of the 700 convicted postmasters have had their convictions removed, some have received partial payments, and no-one has yet received a full compensation package. Former subpostmasters have spoken out about their experiences trying to claim compensation, including people who have had to rely on loans and credit cards while they wait.

## **Postal strikes go ahead in August and September**

The Communication Workers Union (CWU) [confirmed strike dates for Royal Mail](#) postal workers on 26 and 31 August, and 8 and 9 September. 97.6% of members who voted in the CWU ballot said yes to strike action. According to Dave Ward (CWU General Secretary), “postal workers are being pushed to the brink”, and they have a right to a “dignified, proper pay rise”. The CWU said that Royal Mail’s 2% pay increase would dramatically impact living standards amidst soaring inflation ([10.1% in July](#), and [expected 13% in autumn](#)). Royal Mail said they made an offer of 5.5% including conditional agreement to a number of [“modernisation”](#) changes, which the CWU have rejected.

Around 115,000 Royal Mail posties were expected to strike over the four days, which [Royal Mail projected would cause the business to be “materially loss making”](#) in this financial year. During the strikes, [Royal Mail prioritised special delivery](#) and medical deliveries, and [over 1,500 Collect+ locations were accepting sealed bags](#) from Royal Mail account holders who had prepaid their postage. Citizens Advice published [advice to consumers](#) on what they can do if their letters or parcels were delayed due to strikes.

Coinciding with Royal Mail strikes, the CWU announced [strike dates for Post Office workers](#) on the 25, 27 and 30 August. This was the fifth strike for many post office staff and included employees in Crown branches, administration and the supply chain. POL increased their pay offer from 3% to 5%, [but members don’t think this is enough](#). Andy Furey (CWU Assistant Secretary) said “it’s a step in the right direction, but it’s still less than half the rate of inflation”.

Post Office Ltd said it was disappointed by the strike action, and assured customers that most post office branches would remain open.

## **Royal Mail delivery times may be changing**

[Royal Mail has announced proposals to change the way parcel deliveries work](#). Royal Mail says that beginning parcel deliveries later in the day will improve

opportunities for customers to receive their parcels the next day. This would mean that over 100 areas in the UK would receive post after 5pm, whilst 17 areas could be receiving deliveries after 6pm.

This proposal is part of negotiations between Royal Mail and the CWU, who suggest that these changes “would see our members delivering for up to five hours in the height of darkness of winter”. The CWU does not currently accept Royal Mail’s proposal.

## **Introducing barcoded stamps**

[Royal Mail has introduced a stamp ‘swap-out’ scheme](#) to make way for new barcoded stamps. Barcoded stamps will allow consumers to scan the barcode and access the Royal Mail app. Most non-barcoded stamps will no longer be accepted as postage after 31 January 2023. Consumers can either use their non-barcoded stamps before this deadline or use Royal Mail’s Swap Out scheme to exchange them for barcoded ones. [Citizens Advice published a blog this month](#) with consumer information on the scheme.

## **How Ofcom put people at the heart of its letters regulations**

Last month, Ofcom published its statement on postal regulations for the next 5 years. In response, our Senior Policy Researcher, Charlotte, published a [thought leadership piece](#) setting out the 3 ways Ofcom centred people in the statement. We are pleased to see Ofcom maintain the 2nd class price cap, support an improved Royal Mail redirections discount, and affirm their commitment to investigating Royal Mail’s quality of service. But she highlighted the large cost-of-living pressures and that more people will be cutting back on post products to pay for essentials. She set out why it’s time for Ofcom to commit to a full USO post price review.

## **Royal Mail Parcel Collect offered free of charge**

Royal Mail has announced that, in 2022, [Parcel Collect will run at no cost to the consumer](#). This means that consumers wanting to send or return parcels can have their parcel collected from home by Royal Mail posties for free. This will last until 31 December 2022. The consumer will still need to buy or arrange a postage label before collection.

Parcel Collect previously cost the consumer 60-72p.

Royal Mail also revealed that they have now collected over six million items through their Parcel Collect service since 2020. Findings from their research to [explore online selling and home collection](#) found that 42% of people who use online platforms - like eBay, Facebook Marketplace and Vinted - do so to save

money. 31% of people also like online selling as it gives items a 'new lease of life'. The findings indicated that many plan to develop their online selling hobby into a main source of income.

Nick Landon (CCO at Royal Mail Parcel Collect) said "we aspire to make our services as convenient as possible, so everyone can manage their business from home".

### **InPost lockers reach a milestone**

[InPost now has 4,000 parcel lockers across the UK](#), double the number they had in August last year. This comes after their announcement of a WHSmith in-store partnership in June, which will see further out-of-home expansion.

Michael Rouse (CEO at InPost International) says that this growth "proves that there is a serious appetite for convenient and sustainable alternative modes of delivery".

### **Consumer Scotland publishes first workplan as postal advocate**

As the new advocate for postal consumers in Scotland, [Consumer Scotland has published their first workplan for the year 22/23](#). This role was previously fulfilled by Citizens Advice Scotland from 2014 until May 2022.

Consumer Scotland's post priorities over the coming year include: tackling post exclusion, promoting a fairer postal market, exploring consumer choice in the parcels market, and protecting consumers via regulation.