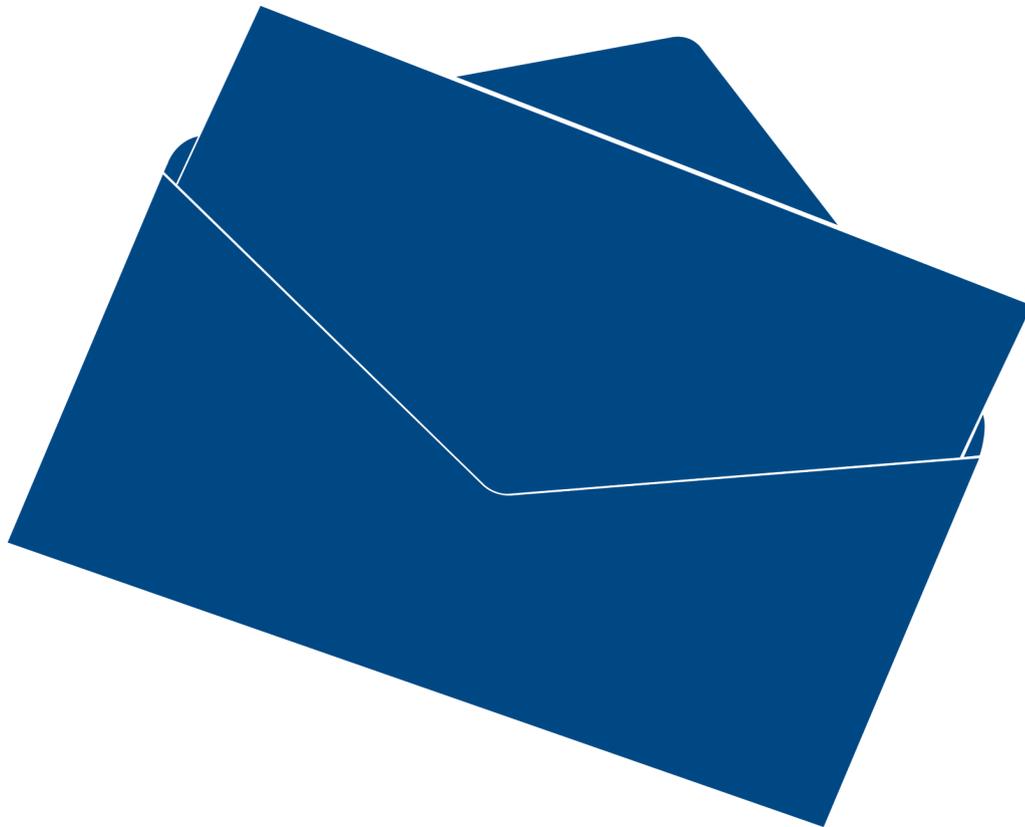


Consumer Use of Post Offices

How consumers use and value post offices and Post Office services today



Annabel Barnett

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Summary

This report is a comprehensive review of how consumers are using post offices in 2017. The findings are from a research study undertaken for Citizens Advice, which included 2,000 interviews with consumers and 1,000 interviews with small businesses.

We have found that despite significant changes in the post office network and wider society, the vast majority of consumers (97%) and small businesses (93%) still use post offices. Most are frequent users and visit once a month or more often.

Consumers told us they value the diverse range of services provided through post offices. Mail services are still used more than any others, and stamps and letter postage are purchased most frequently. However, today parcel posting and mail order transactions are increasingly common.

1 in 5 consumers use a post office to withdraw cash from their bank account, and take-up may increase as bank branches continue to close. But far fewer people now withdraw their state benefits and pensions in cash from a post office.

Despite an overall decline in government-related transactions at post offices, consumers make significant use of government application services. For example, half say they pick up government forms and use the passport application checking service. Far fewer consumers pay their bills or transact with their local councils through post offices.

Although post offices are important for most consumers and small businesses, the research shows us that they are especially crucial in rural areas and for vulnerable groups including older people and people on low incomes.

It is also clear from the findings that distinct demographic groups use post offices differently. Younger people and those on higher incomes use parcel and mail order services more than other groups. Older people and those on low incomes make greater use of cash and banking services and bill payments. The more vulnerable groups and remote rural residents make most use of a post office for informal community services like support and information or as a place to meet other local residents and friends.

The current post office restructuring programme has focused on maintaining the number of post offices and extending the hours branches are open. Our research shows that keeping branches open - localness - is crucial. For key services proximity is consistently the main reason consumers and small businesses use a post office. Providing longer opening hours is less important. We found that the majority of consumers visit during the traditional 9am-5.30pm times.

We recommend that the Government and Post Office Ltd ensure that:

1. **Post offices remain open and local.** The government should confirm appropriate funding for 2018-21 to maintain the current network. Post offices are extensively used by almost all consumers and small businesses, and proximity is crucial. The post office network needs to retain its wide geographic spread.
2. **Post offices continue to offer a wide range of services.** Consumers value being able to access postal services alongside other services. Our research shows that government and bill payment services are particularly important to vulnerable people.

Introduction

The post office network is a crucial access point to the public postal service.¹ Post offices also deliver other essential services to citizens, including banking services, access to benefits, bill payment and a range of central and local government services.

There are around 11,600 post offices in the UK. They have a unique reach across all parts of the country - almost 93% of people live within 1 mile of a post office, and 99.7% within 3 miles.²

Post offices - and the ways in which individuals and small businesses use them - have undergone very considerable change in recent years. These changes reflect the enormous social, economic and technological developments within wider society. A range of factors including the increasing digitisation of communications and transactions, pressure on high street retail and ongoing bank branch closures are likely to continue to have a significant impact on post offices and their customers in future.

Vulnerable consumer groups, such as older people, disabled people and people on low incomes, as well as rural residents, are likely to be disproportionately affected by such changes. They tend to have a greater reliance on face-to-face transactions rather than electronic transactions and less choice in service providers. The post office network with its extensive geographical coverage is key in providing services to these groups.

However, the network has been loss-making since 2000, and in order to maintain its size and financial viability, the Post Office is undergoing a major transformation programme. The Government has committed £2 billion to this restructuring programme which involves changes to traditional branches, many of which are being integrated into retail outlets and open for longer hours.³

This report looks at how consumers and small businesses are currently using post offices, and the value they place on them.⁴ In the report we use the term 'consumer' to refer to individuals/members of the public (not businesses).

¹ Royal Mail, [Universal Service Obligation](#)

² Post Office Ltd, [Network Report](#), 2016

³ Citizens Advice, [The State of the Post Office Network](#), June 2017

⁴ Unless otherwise referenced, the figures quoted in this report are from Accent/Citizens Advice, [Use of Essential Services Traditionally Provided at Post Offices](#), June 2017. See Appendix.

1. Consumer use

Almost everyone uses post offices. The vast majority of consumers (97%) and small businesses (93%) use a post office at least once a year.

Despite this extensive use, the total number of visits have dropped over time. In 2000 around 28 million people a week visited a post office⁵, by 2015 this had fallen to 17 million a week.⁶

Important and trusted

Overall, the Post Office is important to most consumers. 81% describe it as important to them and almost half (49%) say it is either very or extremely important.

The Post Office is particularly important to vulnerable groups. 2 in 3 (65%) people aged over 65 see the Post Office as very or extremely important to them. Over half (55%) of people in socio-economic group DE and residents of remote rural areas (60%) say the Post Office is very or extremely important.

Although vulnerable groups are most likely to see the Post Office as especially essential, the network also has significant value for others too. For example, over 1 in 3 (36%) of people aged 16-30 say the Post Office is very or extremely important to them, with just 13% saying it is not important.

Almost all consumers (97%) describe the Post Office as 'trustworthy', and nearly as many (92%) view it as 'professional'. Only a minority (17%) view the Post Office as 'outdated' or 'just another retailer'.

Views amongst small businesses are very similar. Nearly 7 in 10 (68%) small businesses say the Post Office is important and over 1 in 3 (36%) say it is either very or extremely important. 95% say it is 'trustworthy'.

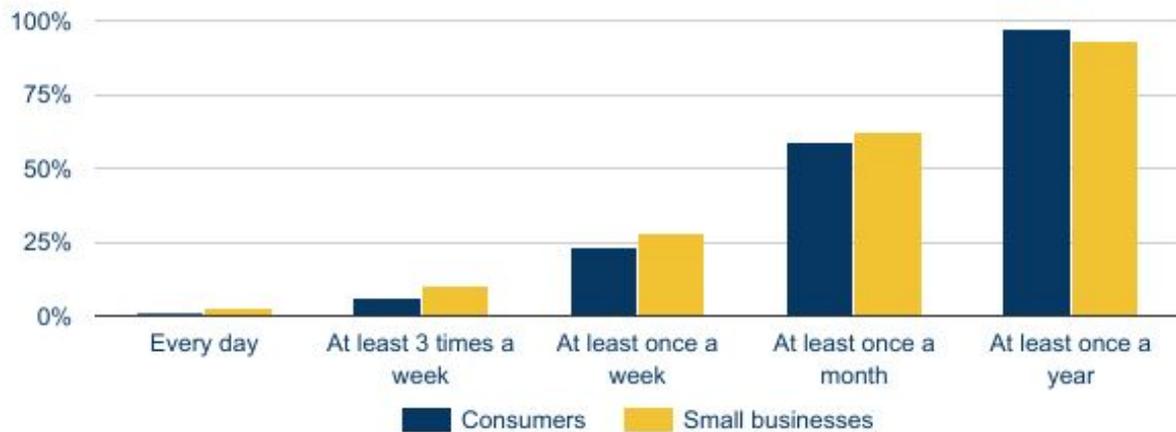
Frequency

The majority of consumers and small businesses use a post office frequently. Small businesses visit post offices more often than consumers, even though they are slightly less likely to have visited a post office overall. As shown in figure 1, 6 in 10 consumers (59%) and small businesses (62%) visit a post office once a month or more often. 23% of consumers and 29% of small businesses use a post office once a week or more often.

⁵ Cabinet Office, [Counter Revolution](#), 2000

⁶ Post Office Ltd, [Annual Report](#), 2014/15

Figure 1. Frequency of post office use



Some groups use post offices more frequently than others. People aged 65 and over (34%), carers (34%) and people who are digitally excluded (30%) are most likely to use a post office once a week or more often.

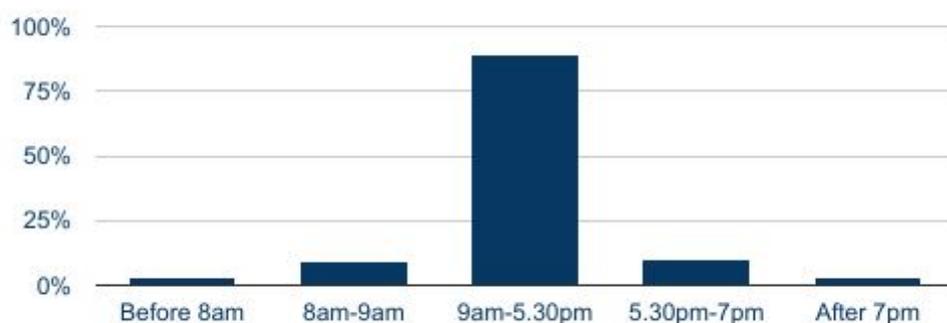
Times and days of visits

A key part of the Post Office's current restructuring programme is a huge expansion of opening hours in post offices across the UK.⁷ Despite the considerable increase in the hours many post offices are open, people overwhelmingly use post offices during the traditional opening days (Monday to Saturday) and times (9am-5.30pm). In total, only 24% of consumers and 12% of small businesses ever visit a post office outside Monday-Saturday 9am-5.30pm.

Whilst 9 in 10 (89%) consumers visit post offices 9am-5.30pm, there is some usage either side of these hours. 1 in 10 consumers visit 8am-9am (9%) and 5.30pm-7pm (10%). Some branches are open even outside these extended hours. However, consumers are much less likely to use post offices very early or very late in the day, with only 3% of consumers visiting post offices before 8am and 3% visiting after 7pm.

⁷ Post Office Ltd [reports](#) an increase in UK post office availability by an extra 200,000 hours between 2012 and 2016. (Not all branches are open outside 9am-5.30pm core hours.)

Figure 2. Times consumers visit post offices

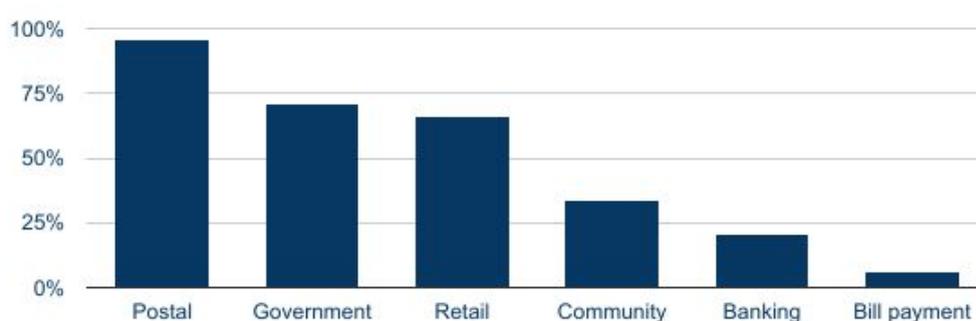


More consumers (87%) visit during the week. Although 1 in 3 (33%) visit on Saturdays, fewer than 1 in 10 (8%) ever visit on a Sunday. Small businesses are less likely than individual consumers to use a post office early, late or at the weekend.

Range of services

Postal services⁸ are the most used service at post offices, used by 96% of consumers. Nearly 3 in 4 consumers (71%) access at least one government service, while 1 in 5 (21%) use banking services.⁹ A very high proportion of consumers (67%) buy non-Post Office retail goods¹⁰ at branches and many (34%) use the less formal community services¹¹. Few consumers (6%) pay their utility bills¹² at post offices.

Figure 3. Services used by consumers



⁸ Sending 1st or 2nd class letters, stamps, Special Delivery, Signed For, international letters, parcels, mail order returns and collections.

⁹ Government services are: state pension and benefit withdrawals, government forms, pay vehicle tax, local council services, Passport Check & Send, ID checking services. Banking services are: cash withdrawal, cheque and cash deposits from a bank account.

¹⁰ Groceries and household goods, fresh food, bakery, newspapers, stationery/cards, petrol.

¹¹ Community information, informal help and advice, meeting friends and local residents.

¹² Utility bill payments or charging of electricity/gas meter tokens/keys/cards, mobile top ups.

Small businesses are far more likely to use postal services than any other Post Office service (91% of small businesses use them). 17% of businesses use government services¹³, 15% undertake banking transactions.

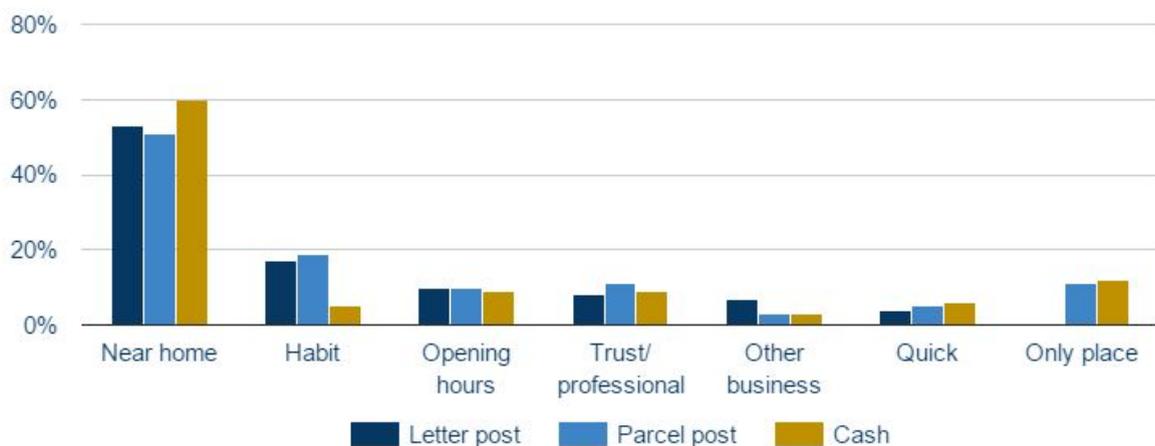
Most consumers value the diverse range of services provided by post offices. 8 in 10 of post office users (80%) say they value the fact that they can access both postal and other Post Office services in the same place. Consumers aged over 65 and small businesses in remote rural areas find this diversity particularly useful.

Localness

Localness or proximity to home is the most important aspect of a post office.¹⁴ For key services, proximity is consistently the main reason consumers and small businesses use a post office. This applies to people using letter post, posting parcels as well as for withdrawing cash from a bank account.

For postal services, habit, or because they have always done it that way, is often a reason people use a post office. Other reasons such as long or convenient opening hours, regarding the service as professional or trustworthy, perceiving it to be quick or because they can do other business at the same time, are significantly less important. Sometimes, especially for cash withdrawals or parcels, consumers say the Post Office is the only place locally where they can access the service.

Figure 4. Top reasons why consumers use post office for services



The extensive geographical reach of the post office network means that half of consumers (49%) are within 5 minutes' journey of the post office they use most. 81% are within 10 minutes. Consumers and small businesses with the shortest travel times to their post office use the post office more often.

¹³ Government services for businesses are: government forms, vehicle tax, local council services.

¹⁴ YouGov, [Social Value of the Post Office Network](#), 2016
Postcomm, [The Social Value of the Post Office Network](#), 2009

2. Postal services

Postal services are the most commonly used Post Office service. Almost all consumers (96%) and small businesses (91%) use postal services at a post office.

Range of postal services

The way people use mail has changed over the past decade. Consumers have been sending less letter post and more parcels.¹⁵ The rise in online shopping has resulted in an increase in the number of mail order-related transactions.

Today, 7 in 10 of all consumers (71%) buy stamps or pay for postage for letter post (letters, cards, documents etc) at a post office. This falls slightly for sending parcels, with over 6 in 10 of all consumers (63%) posting parcels (excluding mail order returns) at post offices.

Online shopping or mail order transactions at post offices are undertaken less than stamp purchases or parcel post. Nevertheless, nearly 4 in 10 consumers (38%) use a post office to return mail order purchases. 2 in 10 consumers (21%) collect a mail order purchase from a post office, when the item has not been delivered to them at home or work.

Figure 5. Postal services used by consumers at post offices



Although stamp purchasing and sending standard 1st and 2nd class mail are the most commonly used postal transactions at post offices, 69% of consumers use the Royal Mail premium services Special Delivery or Signed For. A large minority of consumers use international mail services at post offices. Over 4 in 10 (43%) send international letters and 1 in 3 (31%) send international parcels.

¹⁵ PwC, [The Outlook for UK Mail Volumes to 2023](#), 2013
Ofcom, [The Communications Market Report: UK](#), 2016

Similar proportions of small businesses use post offices for letter services, including paying for standard postage and premium mail services. However, small businesses are less likely than consumers to use international and parcel services or undertake mail order transactions at post offices.

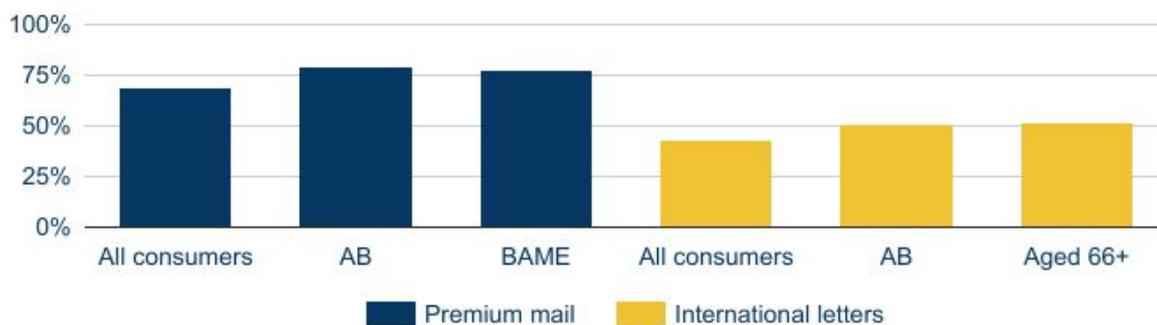
Who is using postal services

Small businesses use postal services more frequently than consumers, 6 in 10 (61%) use them once a month or more, 1 in 3 (28%) once a week or more. Half of all consumers (53%) use a post office for postal services once a month or more, and 17% use them once a week or more. Older consumers and rural residents are the most frequent postal services users at post offices.

Some postal services are used more by particular demographic groups and less by others. Although almost everyone buys letter stamps at post offices, stamp purchasing increases with age. People over 65 are most likely to buy stamps and those aged 16-30 are least likely.

Consumers in socio-economic group AB are more likely to use premium (Special Delivery and Signed For) and international mail services, as shown in figure 6 below. Black, Asian and minority ethnic (BAME) consumers are more likely to use premium services, while people aged over 65 are more likely to use international letters. Conversely, premium services are used least by older people, disabled people and people who are digitally excluded.

Figure 6. Premium and international mail use



Parcel services at post offices are used most by people in the socio-economic group AB and people with higher incomes. People aged over 65, disabled people, people in socio-economic group DE and those on lower incomes use parcel services least.

People in higher socio-economic groups and younger people tend to use mail order returns services more frequently than average.

Alternative outlets for postal services

Mail services are available from an increasing range of outlets but, for letter postage and parcels sending in particular, the Post Office remains dominant.

However, 1 in 3 (30%) consumers now get their stamps from other retailers, although very few (2%) pay for their letter postage online. Similarly, very few consumers (3%) send parcels via a non-Post Office retailer offering a parcel shop service, eg CollectPlus. Similar numbers pay for their postage online and then take it to another retailer or have a courier collect the parcel from their home.

The picture is slightly more mixed with mail order parcels. Whilst most consumers (38%) return mail orders at a post office, 9% of all consumers return their mail order purchases via another retailer. 8% have their return picked up from home.

Where consumers have to collect mail order purchases that have not been delivered to their home or work, they are just as likely to collect from a Royal Mail delivery office or ParcelForce depot (21%) as a post office (21%). Some use other shops (8%) or click and collect from the original retailer (6%).

3. Banking services

In recent years an increasing number of high street banks have been offering a broader range of banking services through post offices. However, prior to January 2017 when services were standardised¹⁶, consumer and small business use of high street banking at post offices was limited, due to patchy provision and a lack of awareness.¹⁷

Range of banking and financial services

1 in 5 (20%) of all consumers withdraw cash from a bank account at a post office, either over the counter or via a cash machine. However, for the majority of these consumers, the Post Office is not the channel they use most for cash withdrawals. Few consumers use a post office to deposit cash (3%) or cheques (3%) into a bank account. But currency exchange services at post offices are growing and are now used by 22% of all consumers.¹⁸

The majority of consumers needing to withdraw cash, or deposit cash and cheques, use bank counters or bank ATMs (cash machines) near to home or near to where they shop. Significant numbers also use ATMs at other locations such as supermarkets, or get cashback from supermarkets or general stores. Small businesses tend to use bank branches near to where the business is located.

The Post Office has also expanded its personal financial services in recent years, which include mortgages, credit cards, insurance and savings products.¹⁹ 12% of consumers have used the Post Office for personal financial services, most commonly insurance.

¹⁶ 24/1/17 An agreement between the [Post Office](#) and the [banking industry](#) enabled 99% of UK personal bank customers and 75% of business customers to do their day-to-day banking at post offices.

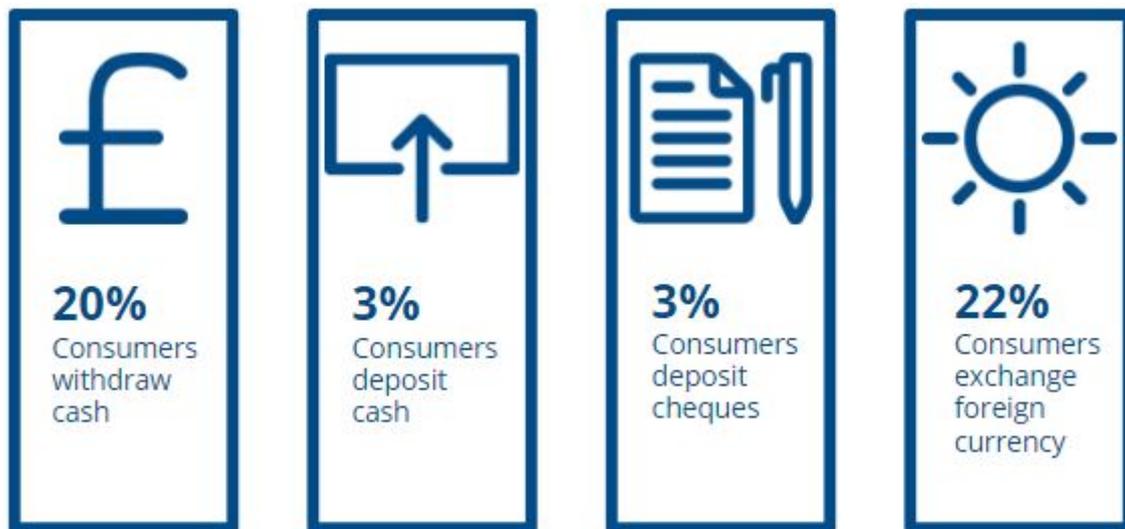
¹⁷ Russel Griggs, [Access to Banking Protocol Review](#), November 2016.

Consumer Focus, [Counter Measures](#), August 2011

¹⁸ For example, 24% of rural consumers in 2017, compared with 18% of rural consumers in 2005 (MORI/ERM, [The Future of the UK's Rural and Deprived Urban Post Office Network](#), 2006).

¹⁹ Post Office Ltd, [Annual Report and Financial Statements 2015/16](#)

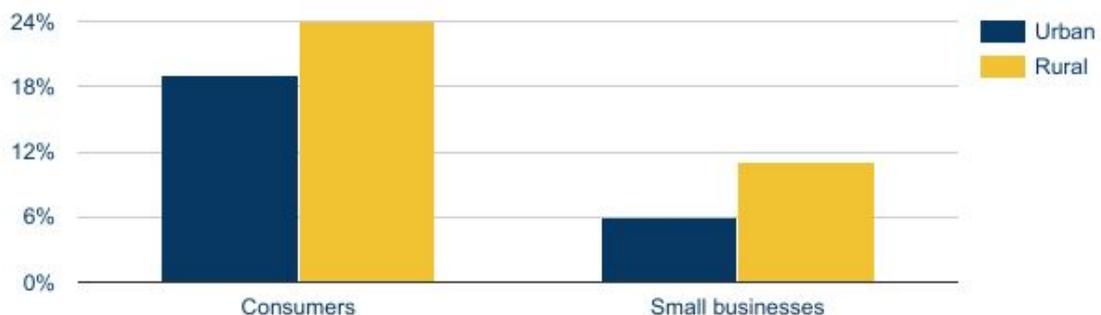
Figure 7. Banking services used at post offices



Who is using banking services

Consumers and businesses in rural areas use banking services at post offices more than those in urban areas. For example, 24% of all rural consumers withdraw cash from a post office, compared with 19% of urban consumers. Rural businesses (11%) are twice as likely as urban businesses (6%) to use a post office for this purpose.

Figure 8. Urban and rural cash withdrawals at post offices



People aged over 65 are also more likely to use post offices for banking services. Other groups that use post offices for banking services more than average include disabled people, carers and people in socio-economic group DE.

Consumers who withdraw cash at post offices tend to do this at least once a month (58%), while 25% withdraw cash at least once a week. People who are

digitally excluded are more likely to withdraw cash frequently. Currency exchange service is used widely but relatively infrequently. It is used least by over 65s and people in socio-economic group DE.

Overall, small businesses use post offices for banking services less than consumers - this is partly because fewer small businesses have a need for cash withdrawal and cash and cheque deposits. Overall, 7% of all small businesses withdraw cash at a post office, 4% deposit cash and 8% deposit cheques. Businesses that use these services at post offices tend to be particularly reliant on them. For example, over half (51%) of small businesses that use post offices to deposit cash do so once a week or more often.

4. Applications and payments

Consumers use post offices for a very wide range of other services. These include accessing government forms, making payments to government agencies and local councils, withdrawing state pensions and benefits payments, and paying for utilities.

The overall use of government services and bill payments at post offices has declined since 2000.²⁰ This is partly due to consumers moving to online transactions, but also because of changes in the way state pensions and benefits are paid.²¹ In addition, a number of key government contracts such as TV licenses were transferred to other providers.²²

Application services

Despite a decline in government-related transactions, consumers today make significant use of government application services at post offices.

Half of all consumers (49%) pick up government forms such as applications for passports, driving licences or fishing rod licences at post offices. These services are used more by people in higher socio-economic groups.

Similar numbers (48%) make use of the Post Office's passport application form checking service, Passport Check and Send. People on lower incomes and in socio-economic group DE and people aged over 65 use this service least.

Fewer consumers (8%) use a post office for identity checking services, for example when applying for a mortgage, new job or Home Office Biometric Residence Permit. These are a relatively new set of services for the Post Office, available in a limited number of post offices across the UK. Usage is significantly higher among under 45s and among BAME people. Typically consumers do not undertake these transactions very frequently - once a year or less often.

Government and council payment services

The number of consumers making payments to government agencies and local councils at post offices has fallen dramatically in recent years. Consumers are increasingly undertaking these transactions online.

²⁰ In 2004/2005, government services accounted for almost half of Post Office Ltd's revenue (Consumer Futures, [At the Front](#), 2013), but by 2015/16 this had fallen to 12%. In 1998/99 bill payments accounted for 15% of Post Office income (Cabinet Office, [Counter Revolution](#), 2000).

²¹ In 2003 the Government moved from paying state pensions and benefits by order books and Giro cheques - usually cashed at post offices - to a predominantly electronic method directly into accounts. Claimants were encouraged to have their payments made straight into bank accounts.

²² Television licence purchases and renewals were transferred to PayPoint in 2006.



For example, today 13% of all consumers pay vehicle tax at a post office. This represents a dramatic drop of two-thirds using a post office for vehicle tax over the past 5 years.²³ People who are digitally excluded, over 65 or on low incomes are most likely to use this service.

Consumers can access a range of local council services at post offices. These vary on an area-by-area basis. They can include payment services - such as paying for rent, council tax or parking fines, payments to consumers eg paying back overpayments, or accessing services eg transport passes.²⁴

The vast majority of consumers transact business with local councils by direct debit (for payments), and some transact online. Relatively few consumers now access council services at post offices.²⁵ Only 4% of all consumers use post offices to engage with their local council. But this is around twice as likely among people who are digitally excluded, over 65 or in socio-economic group DE. Consumers who use a post office to transact with local councils tend to do so quite frequently (72% once a month or more often).

State benefits and pensions payments

The fall in the number of consumers withdrawing their state benefits and pensions in cash is probably the most significant change in service use at post offices over the last 20 years.²⁶

Today only 4% of all consumers say they withdraw their state benefits or pensions in cash at a post office. However, this is 1 in 4 (27%) of consumers who collect state benefits or pensions in cash from anywhere - a considerable drop from the 45% of claimants who withdrew benefits and pensions at a post office in 2012.²⁷ The fall may be partly due to people now viewing these payments as general money in a bank account, rather than specifically as a pension or benefit payment. The majority of people who report withdrawing benefits or state pensions in cash now use a bank counter or bank ATM.

This service is used far more in rural than in urban areas. 36% of those in rural areas who withdraw benefits and pensions in cash use a post office counter, compared with 21% in urban areas. Post office counters are also used more by people who are digitally excluded and those aged over 65.

²³ In 2017 20% of consumers who need to pay vehicle tax, pay at a post office. In 2012, 60% of consumers who paid vehicle tax paid at a post office (Consumer Futures, [At the Front](#), 2013)

²⁴ Post Office Ltd, [Network Report 2016](#)

²⁵ Use of post offices for council services has dropped. For example, in 2012, 18% of council tax payers paid at a post office, 34% of social housing rent payers paid at a post office (Consumer Futures, [At the Front](#), 2013)

²⁶ In 1998/99 cash payments of benefits was the Post Office's biggest source of income (Cabinet Office, [Counter Revolution](#), 2000).

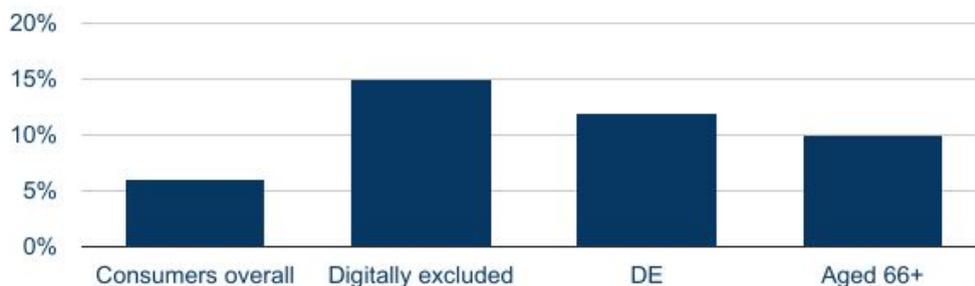
²⁷ Consumer Futures, [At the Front](#), 2013.

Utility payments

Relatively few consumers use post offices to pay for their utilities (gas, electricity or water). The vast majority pay by direct debit, consumers say this is because it is more convenient. There has been a considerable drop in people using post offices for bill payment over the past decade.²⁸

6% of all consumers pay utility bills, top up prepay electricity, gas meters or mobile phones at post offices. However people who are digitally excluded, people in socio-economic group DE and people aged over 65 use these services far more than others. Those who pay utility bills at a post office tend to be frequent users, with half (50%) paying once a month or more often.

Figure 9. Consumers paying for utilities at post offices



²⁸ In 2006 approximately 38-46% of consumers/Post Office users paid bills (unspecified) at post offices. (MORI/ERM, The Future of the UK's Rural and Deprived Urban Post Office Network, 2006. Postwatch/Ipsos MORI, Stakeholder Consultation, 2007.)

5. Consumer needs

Different groups of consumers tend to have slightly different needs from post offices. Whilst almost all consumers buy stamps at post offices, some Post Office services are relatively more important for certain demographic groups. Figure 10 illustrates general trends in usage across different demographic groups.

Figure 10. Relative importance of Post Office services²⁹

Younger consumers	Older consumers	Higher income	Lower income	Urban	Rural
Parcels and mail order returns	Stamps	Premium and overseas mail	Cash and banking	ID and passport checking	Cash and banking
ID checking	Cash and banking	Parcels and mail order returns	Payments to central and local government		
	Payments to central and local government	Passport checking	Bill payments		

Small businesses use postal services more than any other type of Post Office service. Businesses use stamps for letter post most, but also make significant use of premium mail and parcel services.

Overall, people today have different needs to people a decade ago. Whilst fewer people need a post office for withdrawing their state pensions and benefits or for paying bills, a rising number need post offices for parcel services. Figure 11 illustrates general trends in the use of a range of Post Office services in recent years.

²⁹ Illustrates where Post Office services are used significantly more by one demographic group than another.

Figure 11. Trends in need for Post Office services over time

	Stamps Stamp purchases have fallen
	Parcel posting and mail order Parcel and mail order services have risen
	Pensions and benefits Withdrawal of state pensions and benefits in cash has fallen
	Banking Banking transactions have remained steady in recent years, but are expected to increase
	Bill payments Bill payments - including utility bills and payments to central or local government - have dropped
	Currency exchange Foreign currency exchange transactions have risen

Convenience of a local post office

As we have seen, consumers and small businesses say geographical proximity is one of the most important aspects of a post office. However, if their local post office was not available, over half (56%) of all consumers who use a post office say they would use an alternative branch. Almost 1 in 4 (23%) say they would use online services as an alternative, but this is most common with younger age groups.

Post office closures would adversely affect consumers in a variety of ways. Most consumers (81%) believe that it would take them more time to access services if their local post office was not available. And 6 in 10 (61%) say it would cost them more to access services, rising to 7 in 10 (71%) of those in rural areas.

Fewer, but still a large minority (41%), would be more dependent on others to access services. Disabled people, particularly those with limited or reduced mobility (65%), are most likely to say they would become more dependent on others if their local post office was not available.

Figure 12. Impact on consumers if local post office was not available



Small businesses are also most likely to say that if their local post office was not available, the business would spend more time accessing services (80%). Businesses in rural areas are particularly likely to say there would be a cost impact for their businesses (76% in rural and 80% in remote rural areas, compared with 55% in urban areas).

Community role

As well as offering formal and commercial services, post offices often play a role in providing more informal and social services ('community services'). This has traditionally been a very important function of post offices³⁰. Recent polling for Citizens Advice finds people rank post offices as the second most important service in their local community (convenience stores rank top), above bank branches, pubs and community centres.³¹

Today, over 1 in 3 (35%) of consumers who visit a post office, use it for community services. These functions are particularly well used by people in lower socio-economic groups, older people and remote rural residents. They include providing:

- **Community information** - about events and local services
- **Help and advice** - informal assistance with services, state benefits, reading official letters and form filling
- **A focal point** - a place for meeting friends or local residents

A minority (15%) of post office users say they would lose contact with neighbours or friends without their post office. People who are digitally excluded, disabled people, over 65s and rural residents are more likely to be affected.

³⁰ National Federation of SubPostmasters, [Subpostmasters' Service to the Community](#), 2014

³¹ ComRes, Citizens Advice Post Office Polling, March 2017

Future needs

Demand for post offices is likely to remain high. Nearly 9 in 10 consumers (89%) and small businesses (87%) say they expect to be using post offices just as much or more in 2 years' time.

This anticipated high level of demand applies across the range of consumer groups. People aged 16-30 (88%) and those in socio-demographic group AB (89%) are just as likely to say they expect to be using a post office just as much or more in 2 years' time.

Conclusion

Almost all consumers and small businesses use and trust post offices. The wide range of services available is particularly valued. But rural residents and vulnerable consumers, including older people and those on low incomes, visit post offices most.

People use post offices differently from in the past, although mail remains the most commonly accessed service. Letter post transactions are falling, but consumers are using parcel services more. The number of people paying bills and withdrawing pensions and benefits at post offices has dropped dramatically, but those who need these services use them frequently. A high proportion of consumers go to post offices for government forms and application services.

Distinct demographic groups tend to have different needs from post offices. Older people are more likely to buy stamps and those on higher incomes make greater use of parcel services. Banking services are used more in rural areas. Those on low incomes are the most likely to pay bills or access council services through post offices. Older people, people in lower socio-economic groups and rural residents make the greatest use of post offices for informal information and advice, and meeting friends and neighbours.

We will publish further reports this year to show in more detail the importance of post offices for small businesses and for different groups of vulnerable consumers.

Localness is one of the most important aspects of a post office. Proximity is the main reason consumers and small businesses use a post office, where there is a choice of outlets for accessing a service.

The evidence from this research suggests that:

1. Post offices need to remain open and local. The Government should confirm appropriate funding for 2018-21 to maintain the current network. Post offices are extensively used by almost all consumers and small businesses, and proximity is crucial. The Government and Post Office Ltd must ensure the post office network retains its wide geographic spread.

2. Post offices should continue to offer a wide range of services. Consumers value being able to access postal services alongside other Post Office services. Our research shows that government and bill payment services are particularly important to vulnerable people.

Appendix

Unless otherwise referenced, the figures quoted in this report are from a research study undertaken by Accent for Citizens Advice, Use of Essential Services Traditionally provided at Post Offices (June 2017).

A total of 2,000 telephone interviews were undertaken with a representative sample of consumers and 1,000 interviews with small businesses (fewer than 50 employees).

Consumers and small businesses were based in Great Britain and interviews took place between 14 January and 12 March 2017.

The research was undertaken in accordance with the market, opinion and social research international quality standard ISO 20252:2012.

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