



Post Office News - August 2022

Ofcom publishes statement on its review of postal regulation

In a major announcement, [Ofcom published its decisions on the regulation of postal services for the next 5 years \(2022-2027\)](#). The regulator decided to, among other things:

- Maintain the current overall framework, including the 2nd class price caps and stretching quality of service targets
- Introduce new consumer protections, requiring parcel operators to have policies and procedures for the fair and appropriate treatment of disabled consumers, and issue new guidance on complaints handling.

[Citizens Advice welcomed Ofcom's decision](#) to look at how people can complain about deliveries and to make parcel deliveries easier for disabled people. This follows years of campaigning for better service for [people fixing parcel delivery problems](#) and [protections for disabled consumers](#). However, we're concerned that without proper monitoring of parcel companies' performance and action against those that fall short, many consumers will continue to receive a poor service. Our response to Ofcom's consultation on the review of postal regulation earlier this year can be found [here](#).

New Postal Affairs Minister

Following a cabinet reshuffle [Jane Hunt MP](#) was appointed as the new Postal Affairs Minister. She was elected as the MP for Loughborough in the 2019 General Election and was the Parliamentary Private Secretary to the Cabinet Office from 2020-2022. She succeeds [Paul Scully MP](#) as Postal Affairs Minister. He held the position from 2020-2022, and was appointed Minister of State at the Department for Levelling Up, Housing and Communities in the same reshuffle.

Update on Horizon Compensation

In a [statement to parliament](#), the government announced that interim payments will be made to the 555 former postmasters who were part of the High Court Group Litigation Order (GLO) case against the Post Office in 2019.

The then Minister for Postal Affairs, Paul Scully MP, stated that these interim payments would total £19.5 million. It brings the total amount of compensation these postmasters have received to approximately £30 million. This follows the Chancellor's announcement in March that further funding would be made available to ensure members of the GLO will receive similar levels of compensation as their non-GLO peers.

The Minister mentioned that the government is still working on a compensation scheme for members of the GLO group and as part of this he confirmed that they will be able to claim reasonable legal fees.

The statement also contained updates on overturned historical convictions and the historical shortfall scheme.

Post Office and postal worker industrial action

July saw more strikes by Post Office staff and looming action from postal workers in disputes over pay.

On 11 July [staff at over 100 Crown post offices went on strike](#). This included counter staff, as well as those in clerical, administrative and call centre roles. Crown post offices are some of the biggest town and city centre branches, directly managed by Post Office Limited (POL).

A few days later, [supply chain and administrative workers at the Post Office resumed strike action](#). They provide cash delivery and collection services, and transport other essential goods and valuables to the post office network. Both sets of industrial action follows strikes by Post Office workers earlier in the year.

The following week [the majority of over 115,000 UK postal workers, those delivering our letters and parcels, voted in favour of strike action](#). Any dates for strike action are still to be confirmed and are dependent on any further discussions between the Communication Workers Union and Royal Mail. If the strikes go ahead it will be the first time in a decade postal workers have taken this action.

Royal Mail warns of split

[Royal Mail posted adjusted operating losses of £92 million or £1 million per day for the first quarter of the financial year.](#) It blamed the results on the decline in parcel volumes, and a lack of progress in delivering efficiencies.

In response, bosses raised the prospect of splitting its international business General Logistics Systems (GLS) from its UK postal service unless “significant operational change” takes place. They also propose changing the name of the holding company, Royal Mail plc to International Distribution Services.

The announcement comes [just a few months after Royal Mail posted adjusted operating profits of £758 million for 2021-2022](#) and warned that it may impose further stamp price increases, despite putting up the cost of 1st class stamps to 95p.

Citizens Advice research shows that [despite the ongoing fall in letter volumes, people still regularly send and receive letters](#), and that even before the cost of living crisis deepened many people struggled to afford stamps. We’ve called on Ofcom to make sure that USO postal services are truly affordable for consumers.

NFSP calls for MP support over pay and conditions

The National Federation of SubPostmasters, which represents approximately 9,000 post offices, the vast majority of the network, [urged its members to contact their MPs to address concerns about the post office network.](#)

The Federation cited falling income their members receive for providing post office services as no longer justifying providing a service to local communities. They also raised concerns about the impact this would have on people in vulnerable circumstances, such as those who are digitally excluded and rely more on post offices for support. This is in the context of no new services being introduced to compensate for the loss in post office income, lower footfall, and more government services being provided online.

Citizens Advice has recently undertaken research with post office operators to understand the challenges they face and why there has been a significant increase in part-time outreaches and decline in full-time post offices. We’re planning to publish the findings from this research in the autumn. It follows [our report earlier in the year](#) looking at the impacts on consumers from these changes in the network.

New parcel locker network

Quadient, a global parcel locker operator, [announced the installation of carrier-agnostic parcel lockers across the UK.](#) It plans to role out 500 parcel

lockers this year, rising to 5,000 in the coming years. They will be available to all UK carriers and retailers. This follows moves in recent years by other parcel operators to open up their pick up and drop off points to other carriers and retailers.

In an update [DPD announced it will be partnering with Quadient](#), allowing its customers to select one of Quadient's locker locations to receive their parcels. More details were also provided on the initial 500 parcel lockers Quadient plans to install this year. 200 will be located at 24/7 outdoor facilities such as shopping precincts, housing estates, serviced car parks and higher-education sites.

For DPD the tie up with Quadient adds to its existing 6,000 parcel pick up points, some of which are provided at post offices.

Earlier in the year, [InPost announced a new partnership with WHSmith](#) that will see it roll out its parcel lockers in WHSmith's high street stores, adding to its existing network of more than 3,500 parcel lockers.

Further calls to protect access to cash

[The Scottish Affairs Committee has published a report](#) on the findings from its inquiry on access to cash in Scotland. The committee raises concerns about the ability of people in vulnerable circumstances to access cash, including those living in rural and isolated areas. This is in the context of continued bank branch closures and changes to the ATM network.

The report explores the role of the post office network in maintaining access to cash through the voluntary Banking Framework agreement that POL has in place with the main banks and building societies. However, the Committee says that "it is clear that an issue of such importance should not be reliant on short-term, voluntary agreements". Their report calls on the government to "seek a long-term commitment from banks to maintain appropriate banking services for their customers using the post office network".

This follows an announcement earlier in the year from the government that it will bring forward long awaited [legislation](#) to protect people's access to cash.

The Committee also recommends measures to investigate and monitor cash acceptance levels across the UK, that ATM operators and card issuers' membership of LINK should be mandated, and the government should set up a working group to introduce a network of deposit-taking ATMs.

Meanwhile, [questions about what the government is doing](#) to make sure banks commit to maintaining access to cash continues to be a regular feature in Parliament.