



Post Office News - February 2022

Citizens Advice research highlights gaps in the network

Although the post office network continues to provide access to essential face-to-face services at a time when many other providers are deserting the high street, our new research finds significant and growing gaps in coverage.

Our [Gaps in the Network report](#) shows

- Nearly 1 in 5 (18%) people visit a post office every week, while nearly half (45%) visit at least once a month
- But across Britain almost 1,300 post offices are temporarily closed
- 1 in 3 rural post offices are now part-time outreach services, open for an average of only 5.5 hours a week

Increasing numbers of temporary closures and part-time services make it significantly harder for people and small businesses to access services.

When post offices close people are forced to take on the additional costs and inconvenience of travelling further - something that can be particularly challenging in rural areas and for those who face barriers to travelling long distances.

And although for some people outreaches may be better than nothing, many find the service inadequate. Provision is too infrequent, opening hours inconvenient, queues too long, and vital services missing.

Urgent action is needed to reverse this trend to ensure that the post office network really is convenient and accessible to everyone. Citizens Advice will continue to work with stakeholders to develop workable solutions and push for their implementation.

Rural post offices are 'essential' and 'necessary'

Two new reports add to the mounting evidence of the vital role rural post offices are playing.

[Research](#) from Rural England shows almost 7 in 10 rural residents (68%) found a local post office was vital or necessary to them whilst Covid-19 restrictions were in force. Only 11% said a local post office was not relevant or unimportant. Post offices were considered far more important than local banks, and more important than convenience stores and local parks.

And in the Association of Convenience Stores' (ACS) latest [Rural Shop Report](#), post offices ranked in the top 3 services for 'most positive impact' on local areas and 'most essential rural service' in 2021.

3rd Post Office banking agreement is secured

Post Office Ltd (POL) has secured an [agreement](#) from the major high street banks which will enable people to continue to access banking services at branches.

The new deal, Banking Framework 3, runs from January 2023 to December 2025. This means customers from 30 banks, building societies and credit unions can withdraw cash, make deposits and check balances at post office counters.

Citizens Advice research finds increasing numbers of people are currently using Post Office banking services - almost 3 in 10 (29%) in 2021. It is particularly important in rural areas, and in remote parts of the country almost half (46%) of the adult population are using it.

The announcement follows months of negotiation amid a backdrop of bank branch closures and concerns from groups representing businesses, older people and vulnerable members of society about their ability to access, spend and deposit cash.

Post Office reports high levels of use over festive period

The ongoing importance of Post Office banking is further confirmed by the latest [figures](#) from POL which show over £800 million in cash was withdrawn by personal banking customers over post office counters during the festive period.

More broadly, POL is reporting high levels of [customer use](#) during November and December, with 14.6 million customer transactions on Monday 13 December, the network's busiest day of the year.

Mails and parcels volumes were up compared with the same period in 2019, reflecting broader trends in e-commerce growth. And over 3,100 post offices offered click and collect services for DPD and Amazon for the first time.

Unsurprisingly with the easing of travel restrictions, the Post Office saw increased use of its travel services. Travel Money saw a 100% increase in sales compared with the same period in 2020. Post Office travel insurance saw a 445% increase compared with last year, and 13% rise on 2019, pre-pandemic.

215,000 [warm home discounts](#) over November and December were issued through the Post Office's 'Payout' voucher service.

Further scrutiny of Horizon compensation programme

The compensation paid to former postmasters and post office workers who were wrongly convicted of theft and fraud following problems with the Post Office Horizon IT system continues to receive high levels of parliamentary scrutiny.

The Business Energy & Industrial Strategy (BEIS) committee has held the second of 2 planned [evidence sessions](#) looking at the issue. And 93 MPs signed a [letter](#) to BEIS secretary, Kwasi Kwarteng, expressing concerns that the compensation scheme excludes 555 litigants from the civil proceedings from claiming. A [debate](#) in the House of Lords saw peers pressing the government about the number of outstanding claims and total costs involved.

[Reports](#) indicate the government is providing POL with significant sums to assist in compensation of individuals, under the Post Office Historical Matters Compensation and the Historical Shortfalls Scheme. This is understood to include £685 million in December 2021, and could reach as much as [£1 billion](#).

The [independent public statutory inquiry](#) led by Sir Wyn Williams, is now seeking details from former and current postmasters and post office workers about the impacts the failures of the Horizon system have had.

Ongoing concerns about long letter delays

MPs have continued to raise concerns about the impact of letter delays on their constituents. [Over 120 postal districts](#) were reported to have been hit across the country over the Christmas and new year period. Postal workers are said to have been encouraged to [prioritise parcels](#) over letters.

[Royal Mail](#) says that Covid has resulted in a reduced workforce, with 15,000 staff sick or isolating in early January. Acknowledging the hard work of postal delivery workers, [Citizens Advice](#) has stressed the impact delays have had on people - from missed hospital appointments to unpaid bills. We are calling for an investigation by the regulator Ofcom, if Royal Mail doesn't improve reliability.

[Ofcom](#) says Royal Mail must take steps to improve performance. At the start of the pandemic Ofcom recognised an emergency situation and Royal Mail was able to change its operations as a result. However, this period ended on 31 August 2021, and [Royal Mail is now expected](#) to be meeting delivery targets including the delivery of at least 93% of first class post within one working day of collection.

Separately, Royal Mail has provided further information on its transformation programme which includes a [reorganisation](#) of operation management expected to lead to a reduction of around 700 managers. The union [Unite](#) says it will fight the job cuts and may ballot for industrial action.

Citizens Advice work plan consultation 2022/23

Citizens Advice has a formal role representing consumers in the postal and energy sectors, including our post office policy work. Our work plan sets out our agenda for improving the sectors for consumers.

The [plan is now published in draft](#) as part of a consultation ending on 18 February 2022. We welcome feedback, which will be reflected in our final work plan. Please send your feedback to consumerworkplan@citizensadvice.org.uk.