



Post Office News - December 2019

Post Office to increase postmaster remuneration by 10%

Post Office Ltd (POL) has [announced](#) that the fees subpostmasters receive for providing Post Office services will increase by around 10%, or £37 million a year. POL says this move forms part of “a major drive to reset the relationship with postmasters, to reflect a much improved commercial partnership between the Post Office and ... business owners”.

The announcement follows a [survey](#) earlier this year by the National Federation of SubPostmasters (NFSP) which found 76% of postmasters were making less than the hourly National Minimum Wage from working in their post office and 22% were planning to close.

The increase in remuneration follows a 6-month review. [Increases](#) will cover banking, foreign currency exchange, digital passport applications and Special Delivery. There will also be increases to fixed payments for Community branches which are often the last or only shop in the village.

Post Office in the party manifestos

Post offices and high street businesses featured in some of the party manifestos in the run up to the general election.

The [Conservative](#) Party announced that they would establish a £150m Community Fund to encourage “local takeovers of civic organisations or community assets that are under threat”, including post offices. To promote thriving high streets, the Conservatives said they would reduce business rates for small retail businesses.

[Labour](#) said they would “stop Crown post office closures” and bring Royal Mail back into public ownership, “reuniting” it with the Post Office. Labour also reiterated their plan to create a publicly owned Post Bank run through the post office network. A Business Development Agency would also be based in the Post Bank, providing free business advice and support.

The [Scottish National Party](#) (SNP) emphasised the role of post offices in protecting access to cash. They said they would “fight against” bank, ATM and post office closures and demand the UK government and major banks guarantee communities’ access to cash. The SNP supports the [Treasury Committee recommendation](#) that the banks pay more to the Post Office when they leave it as the last place in town to do basic banking. The party would also like to see a strategic review of support provided to the Post Office.

The [Liberal Democrats](#) said they would help protect high streets by scrapping the rule which allows developers to convert offices and shops into residential premises. The Lib Dems would also finance the transformation of town centres by expanding the Future High Streets Fund.

Government considers new Post Office banking rules

Following Barclays attempt last month to pull out of the Post Office’s cash withdrawal service, it is reported that the [government is considering new rules](#) to govern the Post Office’s role in the banking system. Discussions are understood to be at an early stage, and next steps may depend on the outcome of the general election.

Currently, 28 UK banks have signed up to a voluntary [Banking Framework agreement](#) with POL. Under the agreement post offices offer individuals and small businesses a range of everyday banking services including cash withdrawal and cheque deposits. The government continues to promote post offices as an [alternative option](#) in the context of ongoing bank branch closures, such as the 82 [TSB branch closures](#) announced last month.

Citizens Advice is undertaking research into Post Office banking. For further details contact annabel.barnett@citizensadvice.org.uk.

Post Office and Payzone to become exclusive British Gas bill payments provider

From 1 January 2020 all British gas customers can pay bills and top up prepayment meters at any post office or Payzone outlet. The new exclusive long-term [contract](#) means consumers will be able to use all over-the-counter bill

payment services at any one of 24,000 locations. However, the service will no longer be available through [PayPoint](#) outlets.

British Gas is the second significant contract win since POL's acquisition of the Payzone bill payment business in 2018, a move that more than doubled the company's number of bill payment outlets. Payzone provides payment terminals for bills, tickets, lottery and mobile top up in convenience stores. In May 2019 the combined networks won the contract for [Scottish Power's](#) smart meter top ups.

[Citizens Advice research](#) shows that there has been a considerable drop in the number of people using post offices for bill payment over the past decade. However, these Post Office services are used more by people who are digitally excluded, on low incomes or aged over 65.

Royal Mail parcel-focused reforms delayed

Royal Mail has [warned](#) of potential financial losses next year and says its transformation to focus on parcels is behind schedule.

Royal Mail plans to invest £1.8bn in a 5-year [programme](#) to improve productivity. This includes installing more machines in its mail centres to automate the sorting of parcels. Royal Mail says that it will reduce the number of employees and deliver more parcels through their usual combined delivery of letters and parcels. In order to tap into the growing demand for larger parcels and next day items, the company intends to process these separately and deliver them through a discrete van delivery network.

Rico Back, chief executive said: "People are posting fewer letters and receiving more parcels. We have to adapt to that change." The company forecast that the volume of letters sent across the UK would drop by as much as 9% in 2020/21.

[Financial results](#) for the half year ending 29 September 2019 show group revenue is up 5%, with UK parcel revenue growth more than offsetting letter volume declines.

Royal Mail wins high court injunction to stop postal strike

Royal Mail has [won a high court injunction](#) preventing the first national postal strike in a decade, which it said could have disrupted postal voting in the general election.

Royal Mail staff voted overwhelmingly for action over job security and terms and

conditions of employment. But Royal Mail argued that the ballot had “potential irregularities” and was null and void.

The [Communication Workers Union \(CWU\)](#) said its members were “extremely angry and bitterly disappointed”. The CWU lodged an appeal, but the Court of Appeal [upheld](#) the High Court’s decision and industrial action cannot currently be taken.

Post developments around the world

- **Ireland** - An Post has launched a service aimed at helping homeless people get connected on mobile devices. An Post says that although many of Ireland’s homeless people have phones, few can afford data all the time. The [Shared Network](#) donates data from An Post’s mobile network and redistributes it to homeless people.
Separately, An Post has launched [Click & Post](#), an online service that allows customers to print off a label at home or download it to their phone for printing at a post office. Customers can then drop off their item at any post office or parcel locker.
- **Denmark** - PostNord is installing around 2,000 [Nærboks parcel lockers](#) across the country. Nærboks is an agnostic parcel network and the intention is that all Danes can pick up their parcel in a parcel locker, no matter which logistics provider delivers the parcel. PostNord hopes to expand the network to 10,000 parcel lockers in future.
- **Australia** - Australia Post is working with Doodle to extend its [network of collect and return locations](#). Consumers will be able to collect and return online shopping at a diverse network of locations including 4,300 post offices, parcel lockers, street posting boxes, pharmacies and department stores nationwide. Customers will be able to select their most convenient location in checkouts of online retailers. Returning items will be easier, with shoppers able to register returns online which will generate a barcode for them to present in-store.