



Post Office News - June 2021

Post Office Ltd plans network expansion

The Post Office plans to increase the size of the post office network from its current 11,600 outlets. This is due to include the introduction of [new post office models](#) - Express and Basics formats.

Express post offices are expected to offer bill payment and parcel pick up and drop off services. Basic post offices will offer a wider range of Post Office services. These new formats are currently being trialled, and will operate in addition to the existing Post Office Local and Main models. Post Office Ltd also operates around 120 directly managed (Crown) post offices.

The new Express and Basic formats are expected to be set up mainly in urban areas. This will compete against other parcel pick up and drop off (PUDO) services such as CollectPlus and Hermes ParcelShops and bill payment services provided through PayPoint.

Treasury highlights post office access to cash role and announces consultation

Following last year's call for evidence on access to cash, the Treasury has [announced a consultation](#) on its legislative proposals. The consultation, which is to be launched this summer, will set out proposals for establishing requirements that ensure people can access cash withdrawal and depositing facilities within reasonable travel distances.

The Treasury expects banks to continue to play a key role in ensuring these facilities are available either through bank branches, ATMs or at post office counters. The consultation will set out proposals on which organisations should be in the scope of the legislation.

Separately, from June, new [cashback without purchase](#) legislation will allow people to get cashback from shops and businesses without having to buy anything first. The Treasury says this opens up new ways for people to access

their money. However, it's uncertain how many retailers will choose to provide the service.

[Citizens Advice research](#) confirms that for many people Post Office banking is the only local place that offers access to cash. Our study confirms rural residents are most likely to use Post Office banking. Older people, disabled people and people on low incomes use the service more frequently.

Horizon IT inquiry bolstered with statutory powers

The government has strengthened the Post Office Horizon inquiry, giving it more powers and converting it into a [statutory inquiry](#). The move follows the Court of Appeal judgment that saw 39 postmasters' convictions overturned.

A judge-led enquiry had been set up by the government, but it had been dismissed as inadequate by campaigners and some MPs. The inquiry can now compel witnesses to give evidence and demand documentary evidence.

In a follow up to its 10-part series on the Horizon computer system problems, Radio 4 broadcast [the latest update on the story](#) on 31st May.

Concerns about rising numbers of PO outreaches

Increasing concerns are being expressed about the growing number of post offices operating as part-time outreach services. The number of [outreach services has doubled](#) in the last 10 years. Today, 15% of post offices are now run as outreach branches, run from a mobile post office van or host premises such as a village hall. Outreach post offices are open for an average of 6 or 7 hours a week, leaving many rural communities with patchy access to services.

In response to a recent [parliamentary question](#) on the adequacy of outreaches as substitutes for traditional post offices, Paul Scully (Minister for Small Business, Consumers and Labour Markets) stressed that in rural areas over 95% of people are within 3 miles of their nearest post office. He added outreach post offices provide the same products and services as bricks-and-mortar branches.

Citizens Advice is currently undertaking research into the impact of post office outreaches on local communities. For more details, contact:

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Royal Mail profits double following pandemic parcel boom

Royal Mail saw its [annual profit](#) more than double in the year ending March 2021. The company reports operating profit was up 116% over the year, with parcel revenue rising by 39%. Letter revenue declined by 13%.

Simon Thompson, chief executive of Royal Mail, said that the company remains “laser focused” on accelerating the pace of change. “It has been challenging at times, but we have learnt that we can deliver results and change at lightning pace when we are united by a common purpose. From starting to deliver on Sundays through trialling drones, we’re changing. And it is working.”

But the company held back from providing a forecast for the current year, warning that the outlook for 2021/22 contains a number of uncertainties that could influence the number of parcels it delivers. Some commentators suggest the re-opening of shops and dropping mail volumes and revenue may ultimately result in Royal Mail parcel price rises.