



Post Office News - March 2021

Post Office sells telecoms business

In a move that underscores recent shifts in the Post Office's business focus, Post Office Ltd (POL) has confirmed that it is to [sell its broadband and home phone service](#) to Shell Energy. The Post Office currently has around 500,000 home phone and broadband customers, and telecoms has provided a significant revenue stream for the company. In 2018/19, telecoms brought in 16% (£153m) of POL's total revenue.

POL says the sale will allow focus and investment in the Post Office's core products and services - mail and parcels, cash and banking, bill payments and travel. This represents a significant change in the network's four 'pillars' which until recently included both telecoms and government services.

POL says customers will be automatically moved to the new supplier on 15 March with no service interruption, and can continue to pay their bills at post offices if they currently do so.

Post Office expands digital identity services

POL is to offer new [online identity verification services](#) in partnership with the digital identity company Yoti. This will include a free-to-use Post Office digital identity app that will combine customers' personal data and biometrics to create a secure, reusable ID on their device. This will launch in the spring.

Consumers will be able to use the app for a range of online and in person transactions such as one-click bank account applications, job applications, mortgage applications, proof of age, collecting parcels and for travel purposes.

POL already provides a range of identity verification services, including driving licence and passport renewals. The network also offers access to Gov.UK Verify services such as tax self-assessment, Universal Credit and basic Disclosure and Barring (DBS) checks. In 2020, despite lockdown restrictions 7 million

identity-related transactions were completed at post offices.

In July, the Post Office is expected to launch a pilot for new in-branch services, allowing people to prove or confirm their identity. The pilot is due to take place in 750 post offices.

Concerns as POCA due to close in November

The Department for Work and Pensions (DWP) is [writing to all claimants](#) who currently receive their state pension or benefit payments into a Post Office card account (POCA). The letter informs claimants that the POCA is closing in November 2021 and asks them to provide alternative account details.

The POCA has been available since 2003, and was designed to offer a simple payment facility for people to receive their benefits. But successive governments have increasingly encouraged claimants to have benefits paid directly into their bank accounts instead.

Around 700,000 people still have a POCA. [MPs and other stakeholders](#) have expressed concerns that many of the remaining POCA users will be unable to open a bank account. The POCA was popular with many users as it is a very simple account, with no overdraft facility or charges. However, it was costly for the government to support and did not allow non-benefits deposits. The 7 year POCA contract has a [value](#) of £250 million.

Previously, the DWP has said it will provide a [“suitable replacement service”](#) after 2021 for people who are unable to use a suitable banking product. But no further details have been announced.

Rural POs are wanted, essential and have positive local impact

Post offices are available in over 1 in 4 (28%) rural stores, according to the latest [research](#) from the Association of Convenience Stores (ACS).

Rural consumers say that post office services are the second most valuable service offered in their convenience store (cash machines come top). The survey also finds that whilst convenience stores have the most positive impact on local areas and are regarded as the most ‘essential’, post offices rank second and pharmacies third. Post offices are the third ‘most wanted’ service, after banks and specialist food shops.

During the pandemic many rural residents have become more dependent on their local shop - 1 in 5 (21%) say they depend on it more now than a year ago. 37% say they have visited their local store more than this time last year.

Citizens Advice finds 16.5m people hit by letter delays in January

Almost 1 in 3 people (31%) across the UK experienced a delay in sending or receiving letters during January 2021, according to [new research](#) from Citizens Advice.

We found

- almost 1 in 20 people (4%) received no letters for the entire month
- 1 in 14 (7%) experienced serious negative consequences of struggling to receive post, like being unable to pay a bill, missing a GP appointment or job interview - this doubled (14%) amongst people who were self-isolating or shielding

Citizens Advice also saw a 365% increase in the number of people looking for advice on Royal Mail delays on our [website](#) in January, compared to January 2020.

Following our research and discussions with Royal Mail, Royal Mail has revised its [website](#) and [social media](#) account service updates. Royal Mail now gives reassurances that they will do everything they can to deliver at least every other day (some exceptions apply). And says that they're prioritising delivery of vaccination letters.

Royal Mail has also publicly conceded that its service during the Christmas period "was not always as we would have wished". The company reports unprecedented parcel volumes and the [busiest quarter in its history](#).

Importance of mail during lockdown

New [research](#) from Royal Mail highlights the importance of letter post for many people during the pandemic. The study found 40% of people agree or strongly agree that being in lockdown made them realise how important mail was to them. Only 20% disagreed.

When it came to serious matters, the research found people think mail is a good way to send information and messages. For instance, 7 in 10 people (72%) said mail was the right way for the government to communicate. And 63% thought using mail showed the government was taking Covid-19 seriously.

The findings also back previous [evidence](#) that paper-based communication is especially memorable. 80% of those surveyed remember a government mailing, and 58% recall the "Boris letter".