



## Post Office News - August 2018

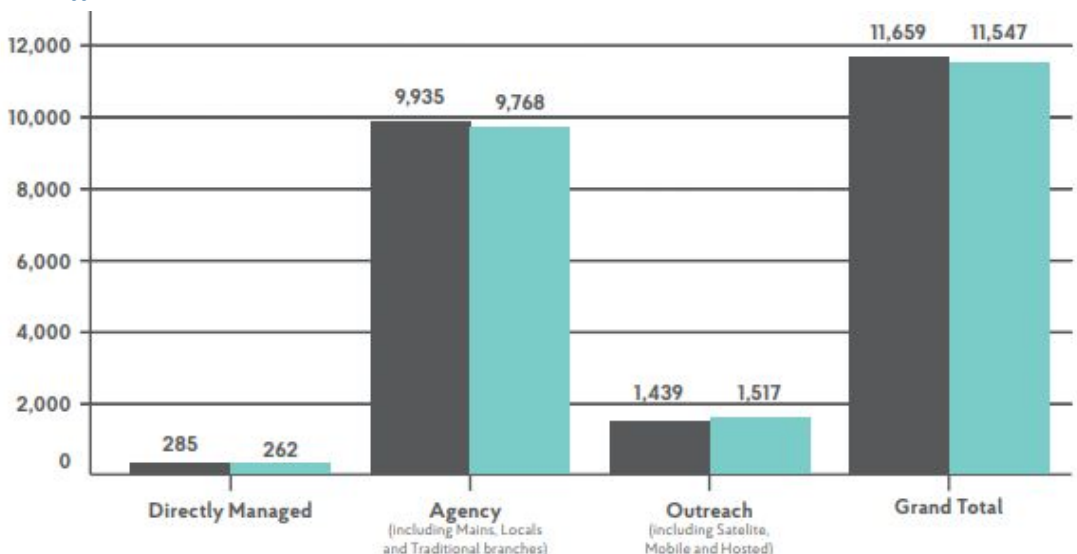
### Outreach increases and Crown branch numbers fall

At the end of March 2018 there were 11,547 post offices. This represents a 1% drop in overall branches compared with the previous year, according to Post Office Ltd's (POL's) latest network [report](#).

The number of post offices directly managed by POL (Crown offices) continues to decrease, but outreach services including mobile post offices have increased by 5% over the last year. The figures indicate a good coverage. Over half (53%) of the network is based in rural areas, and 99.7% of the total population is within 3 miles of the nearest post office.

Throughout this year, Citizens Advice will be looking to monitor any changes to branch types and the potential impacts on consumers.

*Post office numbers in 2016/17 and 2017/18*



### Post 'indispensable' to Scottish small businesses

Post offices and postal services remain very important to small businesses based in Scotland, according to new [research](#) from Citizens Advice Scotland

(CAS). 2 in 5 (40%) Scottish small businesses say the Post Office is extremely or very important to their business, and a further 32% say it is fairly important. Scottish businesses are highly dependent on post offices - 66% would actively seek a new post office if theirs was not available.

Scottish small businesses appear to be more frequent users of post offices than their counterparts in other areas of Great Britain. CAS finds almost half (47%) of Scottish businesses visit a post office at least once a week. This is considerably higher than [Citizens Advice research](#) findings that 28% of small businesses in Britain use a post office at least once a week. CAS suggests that is because of the higher proportion of rural post offices in Scotland and a greater reliance on Post Office business-related services, such as banking.

1 in 5 (19%) Scottish small businesses say they could not function without post, rising to 29% in remote rural areas. CAS believes there may be some correlation between the quality and availability of broadband in an area and the usage of postal services. In addition, Royal Mail is used by almost all Scottish small businesses and the findings suggest that when selecting a postal supplier, small businesses ultimately value convenience over cost.

CAS concludes that even as more communications and business transactions move online, the need for post offices and postal services is unlikely to diminish.

### **MSPs acknowledge both 'potential' and 'concerns' for PO banking**

A Scottish parliamentary committee [inquiry on the impact of bank closures](#) agrees that there is great potential for using post offices to provide banking services. However, the committee also expresses deep concerns about the details of this plan because of issues relating to security, privacy, staff capability and remuneration of operators/postmasters.

Evidence to the committee indicated that the processes for banking through the Post Office are 'overcomplicated' and different depending on the bank. Focus groups told the committee that some staff in post offices are not sufficiently trained to deal with banking transactions. Some written submissions raised concerns that the range of financial services offered by post offices remains limited compared to banks. Operators complained about the low levels of remuneration for banking transactions. Other witnesses expressed fears about security and privacy in post offices that are part of retail shops.

POL responded that staff are trained in all Post Office processes, but stated that they are working to address remuneration for postmasters in the wake of increased business transactions following bank branch closures. POL agreed that there is a problem with awareness levels for the service, and said the banks, Post Office and government need to raise awareness collectively.

### **Lords highlight community role of rural post offices**

The role of rural post offices was discussed in a [House of Lords debate on public services in rural areas](#). Lords emphasised the social function of post offices, particularly for isolated older people. Citizens Advice [research](#), published last year, finds over 4 in 10 (44%) rural consumers use a post office for at least 1 community service such as providing information about events and local services, a place to meet local residents, informal help and advice.

Responding for the government, Lord Gardiner of Kimble described the Post Office as part of 'the community hub'. Emphasising the relative stability in post office numbers, he stressed POL's chief executive's 'striking commitment to the network in rural areas'.

Separately, the House of Lords Select Committee on the Rural Economy has launched an [inquiry](#). Issues covered are likely to include provision of essential services, support for local amenities and rural isolation. Written evidence should be submitted by 10 September.

### **Post Office loses biometric residence contract**

Since 2010, foreign nationals from outside the European Economic Area have been able to [apply for a Biometric Residence Permit at UK post offices](#). 113 post offices - mainly Crown post offices - currently offer this facility, which includes digital photography and fingerprint scanning. The service is used by people applying for work or study visas, settlement or citizenship from within the UK.

POL will continue to provide the service until [Sopra Steria take it over from October](#). The service will then be provided in 60 locations, including local libraries.

The loss of the biometric residence service is part of a picture of reducing government services through post offices. In recent years a number of government services have been removed from post offices, including the [HMRC self assessment tax bill payment service](#) earlier this year. The public

are also increasingly being encouraged to use digital channels. For example in March the Home Office introduced a [cheaper fee for online passport applications](#), making it more expensive to apply by post or through post offices.

### **Post Office extends worldwide money transfer service**

POL and MoneyGram have [extended their agreement](#) to provide international money transfer services in all UK post offices. The [service](#) allows consumers to send money to over 200 countries worldwide.

The MoneyGram service has been available at post offices since 1996, and the agreement now runs until 2021. The Post Office says it will also be 'exploring opportunities to build new digital money transfer opportunities'.

International money transfer is a competitive market and MoneyGram operates from a range of other venues, including chemists and supermarkets. Other [high street money transfer services](#) are also available through high street outlets such as Western Union and general retailers.

### **Ofcom reviews Second Class stamp safeguard caps**

The postal services regulator imposes key safeguards to ensure that vulnerable consumers are able to afford a basic universal service. This includes a price cap on Second Class standard letters. The cap was set at 55p in 2012/13, to increase by no more than inflation for seven years (in 2018 Second Class stamps are 58p). The safeguard also applies to large letters and parcels up to 2kg.

This approach has been extended to 2022, to ensure that users of postal services are protected from significant price increases. Ofcom is currently undertaking a [planned review of the level of safeguard caps](#). Stakeholder responses to the consultation are due by 4 October.

### **New postal services Minister**

[Kelly Tolhurst](#), MP for Rochester and Strood has been appointed as the new Minister at BEIS responsible for postal services. Her portfolio covers a range of other issues including consumer issues, competition and labour markets. Citizens Advice will be writing to the Minister shortly to welcome her and to request a meeting.

### **Consultation on consumer body for Scotland**

The Scottish government is [consulting on the proposed powers and functions of a new consumer body](#), called Consumer Scotland. This will be an investigatory body, tasked with carrying out a strategic review of

consumer welfare to identify areas of harm that require in-depth inquiry to identify causes and recommend solutions.

### Post developments around the world

- **Jersey** - Jersey Post's traditional mail volumes dropped by 5% last year, and the newly incorporated company [reveals](#) that 30% of its revenues are now generated internationally. The company views itself as a 'global logistics business that delivers mail'.
- **Ireland** - Ireland's national postal service An Post has made its first ecommerce [delivery](#) using a drone. An Post believes this delivery method has considerable potential for Ireland, much of which is remote and rural and includes difficult to reach islands.
- **France** - A partnership between a French PUDO network and prominent delivery company may [threaten La Poste's dominance](#) in the business to consumer parcel delivery sector. [Mondial Relay](#) has 7,000 parcel pick up and drop off (PUDO) points based in convenience stores, newsagents and florists across France. La Poste [manages](#) over 9,000 post offices, with local postal agencies providing an additional 8,000 contact points in France.
- **Netherlands** - Following Post NL's success in the online food delivery market, the Dutch universal postal service provider is [expanding its food network](#). Consumers can now receive morning deliveries of groceries, meal boxes and other fresh food products.
- **Canada** - 24/7 self service shipping stations and parcel drop boxes are available at Canada Post's [new concept stores](#). Canada Post has also opened drive-through parcel centres giving customers the option of picking up parcels without having to leave their car.
- **Japan** - To help preserve public services in underpopulated areas, [Japan Post's](#) 24,000 strong post office network is taking over some of the face to face services normally provided by local government. In addition, post offices may soon take on some of the counter services of train stations faced with declining passenger numbers. The government recently committed about 20 billion yen (£140m) a year to keep the privatised network running.

### More on Citizens Advice post policy work

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