



Post Office News - January 2017

Post Office industrial action over busy Christmas period

The industrial dispute between Post Office Limited (POL) and the unions over Crown Post Office franchising and pensions continued until Christmas Eve. Crown Post Office staff [went on strike](#) on 19, 20, and 24 December, with cash handling staff doing the same for 48 hours over 22-23 December.

The strike action fell on the same days as Royal Mail's last recommended posting dates for 2nd and 1st class Christmas parcels and letters sent within the UK. Based on information provided by POL on its website over the strike days, fewer branches were affected than during previous strikes - between 28 and 35 branches on 19 and 20 December. No further industrial action concerning the post office network has been announced.

Citizens Advice responds to BEIS consultation on Post Office network

In November the Department for Business, Energy and Industrial Strategy (BEIS) launched a [consultation](#) on the future of the post office network. Responses will be used to inform the decisions on future government funding for the Post Office, including the Government's next European Commission [state aid](#) application. The consultation closed on 21 December 2016.

In response to the consultation, Citizens Advice said:

- The current access criteria should be preserved as top level targets. But there must be continued monitoring of other essential factors which affect access such as: distance consumers have to travel along the road network, public transport provision, the number of services provided at local branches, and accessibility for disabled people.

- As the formal restructuring programme comes to an end it is crucial that changes to branches continue to be scrutinised by consumer bodies and that local communities are consulted.
- POL should work with the banking sector to ensure that there is a comprehensive standardised over the counter banking service in every post office.
- There should be an 'emergency brake' on large scale structural changes to the post office network, whether or not these are part of a formal restructuring programme. If more than 5% of post office branches close, relocate, or substantially reduce the number of services they provide within the next funding period, POL should be required to report to both the government and consumer bodies on what action they are taking to ensure that access to the network is not substantially reduced.

Citizens Advice Transformation Health Check report

The post office network is undergoing the biggest restructuring programme in its history, with the aim of maintaining its size and financial viability. Most post offices are being converted into new Post Office Main and Post Office Local models.

As the programme is nearing its end stage, it is an important time to review performance and identify factors and ideas that could be used to boost consumer outcomes. Newly published [research](#) from Citizens Advice adds a fresh perspective to our evidence base. It asks post office operators about their perspectives of the new post office models and how the models affect consumers.

Operators say that in the new models, consumers like the convenience of being able to access Post Office and other retail services at the same time. The new models have more space and improved physical accessibility and consumers like the longer opening hours.

But operators raise a number of concerns of how changes may affect consumers, who often experience long queues and do not always receive high service standards. Some also report that the reduced range of services available in Post Office Locals can be inconvenient for customers.

Operators also indicate a number of future warning signs. Post Office Main operator income guarantees end after 3 years, which may leave these post offices at financial risk. Other financial pressures on many post offices are likely to grow, due to falling pay rates for Post Office transactions, rising National

Living Wage, higher overheads and increasing competition. Operators express uncertainty about future Post Office strategy and whether it will make the new models more viable.

These findings must be taken in the context of the network's biggest ever transformation, with both operators and consumers still adjusting to the working of new models. They should also be seen as one perspective in the context of the broader evidence base.

Citizens Advice recommends POL should ensure staff conduct Post Office transactions confidently. This could include improving training and support for operators and also a simplification of Post Office transactions. Citizens Advice says POL should consider adding greater flexibility to branch model types, for instance around opening hours and product range - in order to respond better to local demand. In addition, POL needs to continue monitoring the medium term financial viability of the new models.

Citizens Advice report on communicating post office changes

The Post Office is required to communicate with consumers about the changes it plans to make before converting a post office to a Post Office Main or Post Office Local model, under the Network Transformation Programme (NTP).

However, Citizens Advice [research](#) shows for the second successive year that many branches are not adequately advertising these changes to customers before they happen.

Under the Code of Practice ('the Code') and POL's guidelines, as a minimum, individual branches must communicate changes through the display of certain materials, such as posters and letters, which vary depending on the type of changes.

The Citizens Advice study looks at how well proposals are being communicated in branch, using the Code and POL guidelines as a benchmark.

Citizens Advice found that a third (32%) of branches met all requirements, exactly the same as in our previous wave of research. But a similar proportion (32%) failed on at least 1 major display requirement, including 1 in 5 branches which failed against all measures of a major failure. Major issues are posters not being suitably visible, no letters being available to take away or no materials being available at all.

The communication and consultation process has never been more important. Now into its final 16 months, Citizens Advice anticipates that the majority of remaining NTP changes are likely to involve branches physically relocating,

which presents the most complicated challenges. Thorough, transparent communication and consultation is important both for consumers and in turn for the future use and sustainability of the network.

Citizens Advice recommends that POL improves operator compliance with the Code by undertaking proactive spot checks at branches undergoing changes, on top of and in between what it already does.

Citizens Advice is also calling for all the display requirements to be placed in one document, the Code, to make it easier for consumers, POL and Citizens Advice to monitor compliance.

Consumer experience of parcel delivery problems

The Citizens Advice Consumer Helpline deals with over 200 parcel delivery issues every month. New [analysis](#) of this data indicates that in 2015/16 UK consumers experienced 4.8 million delivery problems, and spent 11.8 million hours trying to resolve them. Once compensation consumers received for these problems has been taken into account, consumers were still left £148 million out of pocket.

The most [common problems](#) people rang Citizens Advice about were:

- Difficulty getting through to the parcel company to find out where their parcel is
- Not knowing who is responsible for sorting out the problem
- Unexpected handling fees when receiving a parcel from outside EU
- Confusion about getting compensation when parcels are lost or damaged

Citizens Advice is advising consumers that it is the responsibility of retailers to sort out the delivery problem and is calling on businesses to uphold people's rights.

Consumer Council Northern Ireland Banking on Change report

In December, the Consumer Council of Northern Ireland (CCNI) published a [report](#) exploring consumer attitudes to accessing banking services in the context of bank branch closures.

CCNI commissioned research consisting of a quantitative survey as well as a wave of focus group sessions aimed at building an understanding of how the banking needs of consumers might be met through alternatives such as post offices and credit unions.

The research suggests that consumers more likely to bank through the Post Office are those who are aged 55 and over, on a low income or unemployed. The most popular banking service at post offices is cash withdrawal, used by nearly three quarters (72%) of survey respondents. Convenience seems important to why consumers use the Post Office to access banking services, as stated by almost two in three (65%) respondents. Respondents also indicated a high overall level of satisfaction with Post Office banking.

One of the key findings of the research is that many consumers lack awareness of the banking services offered by providers such as the Post Office. The report therefore recommends that the banks, CCNI and POL discuss ways of improving communication to consumers about the ability to bank through the Post Office.

LINK develops app to help consumers access cash

The LINK Consumer Council is working on a [mobile application](#) which will make it easier for consumers to locate ATMs. All 70,000 UK ATMs will be searchable, including the more than 2,600 free-to-use Bank of Ireland ATMs located in post office branches. The app will provide maps and directions to the closest cash machine.

Additional features include the ability to search for advanced criteria such as whether the ATM is free-to-use, belongs to a particular bank or is able to dispense £5 notes. Consumers can also store their favourite cash machines on the app and provide feedback to LINK on their experience with individual ATMs.

The ability to access and make payments in cash remains important for UK consumers, particularly those who are disabled and those on low incomes. The LINK app will be free of charge and made available for consumers to download in early 2017.

CollectPlus growth plans

The growing parcel shop market gives consumers alternative outlets to the post office network for parcel services.

CollectPlus, the UK's second biggest high street parcel services provider after the Post Office, has [announced](#) expansion plans. Collect Plus - a joint venture between PayPoint and the parcel operator Yodel - offers parcel sending, parcel returns and click and collect services. Services are available at the 5,800 convenience stores, supermarkets and petrol stations that are part of the PayPoint network.

The companies say they intend to substantially increase coverage and volumes. In addition, under a new agreement, CollectPlus can be made available to carriers other than Yodel, for the first time.

Post Offices Advisory Group

As part of our role as the consumer champion for post, we host a quarterly conference on post office issues. If you would be interested in joining the group, please contact Annabel.Barnett@citizensadvice.org.uk.

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