



Post Office News - October 2017

Cass Business School makes case for a Post Bank

The Post Office should stop providing its financial products through the Bank of Ireland and set up state-owned Post Bank, according to a new [report](#) from Cass Business School. The report argues that a Post Bank could make a much greater contribution to the revenues of the Post Office and increase competition in the banking sector.

The authors say a Post Bank would significantly improve financial inclusion by providing lower cost financial products to a wider range of customers, including consumers on low incomes. The bank would also provide better access to finance for small businesses. The report makes suggestions for how the estimated £2 billion equity could be raised, and looks at successful Post Banks from overseas.

The idea of a UK Post Bank is not new, for example a [case](#) was made for its development in 2009 by the Post Bank Coalition. But in 2010 the government [concluded](#) that it was not the right time to create a state-backed Post Bank, saying it would be time-consuming, risky and expensive.

Surge in UK parcel deliveries

UK Parcel deliveries grew by 12% to 2.5bn over the last year and spending on parcels rose by 8%. Globally parcel volumes have increased by 48% in the last 2 years.

Other findings from Pitney Bowes' Parcel Shipping [Index](#) 2017 show Royal Mail remains by far the biggest parcel carrier in the UK, with 47% of the market by volume. The next largest are Hermes (11%) and Yodel (8%).

Parcel delivery innovations

Pitney Bowes [comments](#) that parcel market growth will lead to companies focusing on improved customer shipping experience by shortening delivery times, lowering delivery costs and adding customer choice. Last month saw new developments from parcel carriers.

Royal Mail has [launched](#) tracked email notifications for international parcels. This service provides overseas customers of UK-based retailers alerts about the progress of their parcels.

MyHermes now provides an estimated time of arrival (ETA) [service](#), giving consumers a four hour time window for their parcel delivery or collection. Notifications are sent to the consumer via email on the morning of their parcel delivery.

Young people communicating less by post

A [poll](#) of 2,000 people finds 43% of millennials have never sent a handwritten letter, thank you card or parcel to someone they know. However, 80% are sad that these are not sent as much anymore, according to the research which was carried out for [ipostparcels](#).

A research [study](#) for Citizens Advice found 45% of people aged 18-34 use post (letters, cards or packages) to contact others. In contrast, 67% of those aged 55-74 use post for personal communications. However despite these findings, recent Citizens Advice [research](#) confirms 98% of people aged 16-30 are using post offices for postal services.

Post developments around the world

Recently a number of overseas national postal services have announced the provision of additional post office services by delivery workers out on their rounds:

- **Jersey** - Jersey Post is expanding its Call & Check [service](#). Jersey Post workers offer a regular visit to check on the wellbeing of vulnerable members of society while making their usual postal rounds.
- **Switzerland** - Swiss Post now offers a 'cash inpayment at home' [service](#), enabling customers to make cash payments to Swiss Post workers on their delivery rounds. The service is available in towns where Swiss Post has agency branches run by partners, as these branches are not permitted to offer cash payment transactions.

- **Lithuania** - Lithuania Post has closed 77 'rarely visited' post offices and replaced them with 124 [mobile](#) postmen/women who provide all postal services by visiting people's homes or in 'designated service provision locations'. The mobile posties are equipped with tablets, mobile phones, portable receipt printers and scales.

More on Citizens Advice post policy work

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