

Post Office Locals Review

Customer experience and
service standards at
Post Office Locals



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Summary

The post office network is approaching the end of the biggest restructuring programme in its history. By 2018, around 8,000 branches will have been modernised and moved to new business models. Almost half of the total network is being converted to the Post Office (PO) Local model, with many moving away from traditional stand-alone post offices into other businesses. Our previous research showed that this had, in some cases, led to a drop in consumer experience and quality of service.

This report provides a unique overview of PO Locals by combining analysis of branch performance and consumer satisfaction. It compares how PO Locals are performing in relation to our previous waves of research. And, for the first time, it compares performance of PO Locals to traditional sub-post offices.

Our research suggests that PO Locals are currently performing well, with particular improvements in some areas (such as parcel collection services) compared to previous waves. Moreover, PO Locals are generally performing in line with - or in some cases slightly better than - traditional models. Almost 9 in 10 (86%) customers report that their PO Local is accessible and a similar proportion (84%) are satisfied with the service they receive.

The model appears to have been successful in maintaining traditional Post Office features while being located alongside other retailers. Mail services still dominate, with 93% of customers having used first and second class services in the last 12 months. PO Locals have a loyal customer base, with 3 in 4 visiting at least monthly.

The new model is affecting consumers in different ways. PO Locals appear most popular among younger and more affluent customers, who are particularly likely to use premium mail and parcel services. They are also more likely to access Post Office services outside core hours. Conversely, many of the Post Office's core customers, such as older, disabled and lower income consumers, are slightly less satisfied with PO Locals and are less likely to use extended hours.

While our research shows that PO Locals are generally performing in line with sub-post offices, the new model appears to have led to some trade-offs. Customers are more likely to be happy about improved access to counters and queue times, but more likely to be unhappy about counter space and privacy. And while queue times are generally lower outside core hours, so are service standards at the counter. We find 4 areas that Post Office Limited (POL) and operators should address to avoid consumer detriment and to protect the network's sustainability:

Accessibility is better than for previous waves and sub-post offices, but still leaves significant room for improvement. Over 1 in 5 disabled customers do not feel that PO Locals cater to their needs. Our mystery shopping shows that

hearing loops were only visible in 1 in 4 cases and portable PIN pads were only available in 3 in 5 (61%).

Service communication and provision should be improved, as 17% of customers say they have been unable to access services that they expected to be available. Some consumers appear unsure of what services their branch should provide, but our evidence also shows some branches are failing to offer their full contracted range of services. For example, almost 3 in 10 failed to support general cash deposits.

Single, appropriate recommendations were generally not made without additional prompting. The majority of staff across 3 of our mail mystery shopping scenarios - particularly outside core hours - provided a correct product but *alongside* other options. This can be confusing for customers and lead to them buying a less appropriate service.

Waiting times have increased for customers who are not served immediately. Although 2 in 3 are served without having to wait, the remaining consumers are waiting for an average of 2 minutes 35 seconds. This figure has increased steadily over consecutive waves of research, up from 45 seconds in 2012. It is also slightly longer than the equivalent figure for sub-post offices.

We make 4 recommendations to support continued improvement of the PO Local model:

1. POL and operators should ensure that disabled access measures are in place and clearly communicated in branches. They should particularly focus on improving portable PIN pad and hearing loop provision.
2. POL should ensure that PO Local staff are sufficiently trained and aware of their obligation to ask appropriate questions to enable them to offer a single recommendation to customers.
3. Operators should ensure that they have clear signs to communicate their post office opening hours and the services they provide. This will help promote extended hours (where relevant) and ensure that customers have appropriate expectations of services.
4. POL and operators should seek to build on recent improvements in the availability of services, particularly focusing on current and business account deposits as well as parcel collection services.

Background

Citizens Advice

Citizens Advice is the statutory watchdog for post offices and postal consumers in Great Britain. In accordance with Section 16 of the Consumer, Estate Agents and Redress Act, we investigate matters relating to the number, quality and location of public post offices. We promote the consumer interest and aim to promote a sustainable, accessible service that is capable of responding to changing consumer needs.

We have particular regard for the needs of vulnerable consumers, and consumers living in rural areas. Consumers with vulnerabilities may include elderly citizens and those with one or more disabilities. Through our policy and scrutiny functions, we promote the interests of consumers and small businesses in decisions on both the future of the post office network and access to the essential social and economic services that the branch network provides.

Network Transformation Programme

The post office network is currently undergoing its biggest ever restructuring programme. The aim of the Network Transformation Programme (NTP) is to maintain the size of the network and place it on a more stable footing by converting traditional sub-post offices to new operating models: PO Locals and PO Mains. We estimate that by the end of the NTP, in March 2018, around three quarters of the 11,600 branch network will have converted to one of the new models. Citizens Advice anticipates that there will be approximately 5,500 PO Local and up to 3,000 PO Main conversions.

The PO Local model is a subtle but fundamental change in the provision of post office services compared to traditional sub-post offices. Millions of consumers are now accessing post services in locations offering a wide range of other retail services. Unlike sub-post offices, at PO Locals post office transactions are usually performed by general retail staff at a retail counter, rather than by dedicated staff at a separate counter. PO Locals also offer a more restricted range of services than sub-post offices. Some manual banking and international parcel services are not provided at PO Locals.

For PO Locals situated 5 miles road distance or more from the nearest full service branch, the range of post office services is enhanced to include some of the manual banking and international parcel services that would otherwise be unavailable. These branches are known as a PO Local Plus ('Local Plus').

We support the NTP as an effort to ensure the post office network is placed on a more stable financial footing, maintaining its current size and resulting in benefits for consumers such as increased opening hours. However there are potential consumer risks from the change in the provision of and access to

services through the PO Local model. These risks focus on ensuring consumers are provided with an adequate experience and levels of service that meet their needs.

We are now into the last 14 months of the NTP. And as PO Locals will make up nearly half of the network by the end of the programme, ensuring the model meets consumer needs will be crucial to the future use and sustainability of the network. This is important in the context of increasing competition from other parcel operators, the continued face-to-face provision of services for those unable to use online methods and the ability of the network to fill the gap left by bank branch closures.

Research method

We have undertaken research to understand and assess:

- service standards of PO Locals compared to our previous PO Local research and to benchmark performance by traditional sub-post offices
- customer experience of PO Locals and whether the model is meeting their needs

The report presents both the actual service received by mystery shoppers and consumer satisfaction with these new models. It draws on 2 pieces of research: a survey of PO Local customers (conducted by Accent) and a programme of mystery shopping (by GfK) which compares PO Locals to traditional sub-post offices.

For the quantitative survey of PO Local customers Accent conducted telephone interviews with 650 consumers from 164 PO Local branches. An average of 4 customers were interviewed for each branch. Consumers were questioned about their use of the branch and their experience of the quality of service, branch reliability, privacy and how the range of services meets their needs. Interviews were conducted in February 2016.

To participate in the survey, consumers had to have been to a branch at least 3 months after it converted to a PO Local.¹ This ensured both that consumers could recall their experience of using the branch and that any recently converted branch was provided with sufficient time to resolve operational difficulties.

For the mystery shopping programme GfK mystery shoppers made a total of 901 visits. They visited 602 PO Locals that had been operating for 3 months or more. This is the fifth wave of mystery shopping research commissioned by Citizens Advice and its predecessor bodies. For the first time the research also includes

¹ For branches that converted to a PO Local more than 12 months prior to the start of fieldwork consumers had to have used the branch within the last year. For branches that converted to a PO Local within 12 months of the start of fieldwork consumers had to have used the branch 3 months or more after it converted.

299 visits to sub-post offices. Each PO Local and sub-post office was visited once with the fieldwork conducted between January and February 2016.

Mystery shoppers acted as normal customers and conducted between 2 and 3 product scenarios on each visit consisting of a mixture of purchases and enquiries. Shoppers were provided with detailed briefing notes on how to conduct each scenario, independently assessing if staff provided the correct product and pricing advice to meet their needs. Shoppers also assessed branches on a number of branch attributes such as accessibility, privacy and queuing times. The type and number of scenarios conducted and branch attributes assessed varied at PO Locals and sub-post offices.

1. Use and importance of PO Locals

Our findings show that PO Locals are maintaining the characteristics of traditional post offices. 3 in 4 PO Local consumers visit the branch at least once a month and overall, PO Local consumers are most likely to have used mail services when using the branch. PO Local consumers express a preference for maintaining the footprint of the network or increasing the number of branches over having longer opening hours.

The post office network provides access to mail, banking, financial and government services to 17 million customers each week.² The network offers unrivalled access to postal services: its 11,600 branches have a greater reach than all high street banks combined. It is particularly important for small businesses and vulnerable consumers.³ By the end of the Network Transformation Programme (NTP) we anticipate that PO Locals will form almost half the entire network, so it is crucial to understand the use and importance of these branches to consumers.

Frequency of use

PO Local customers generally use them frequently: more than 3 in 4 (76%) visit at least once a month. Nearly 2 in 5 (38%) customers visit once a week or more, including 6% who visit more than 3 times a week. Urban deprived consumers are twice as likely (12%) to use the branch more than 3 times a week, while consumers with household incomes below £10,000 (10%) and using a wheelchair (9%) are also more likely to be frequent weekly users. Figure 1 shows the broader trend of vulnerable consumers using PO Locals more regularly, which is in line with our recent research on the future of consumer needs for postal services.⁴

Figure 1. Frequency of use

	More than 3 times a week	Weekly or more (total)	Monthly or more (total)
All consumers	6%	38%	76%
Urban deprived	12%	45%	69%
DE socio-econ group	9%	49%	80%
Mobility/age impairment	8%	49%	82%
Other impairment/illness	0%	39%	74%

² Department for Business, Energy and Industrial Strategy, [2016 Post Office Network Consultation](#), 2016.

³ These include those who are digitally excluded, older and disabled, on low incomes or living in rural areas.

⁴ Citizens Advice, [The future of consumer needs for postal services](#), 2016.

Wheelchair or other aid	9%	51%	79%
Income ⁵ < £10K	10%	51%	78%
Income >£50K	2%	23%	74%

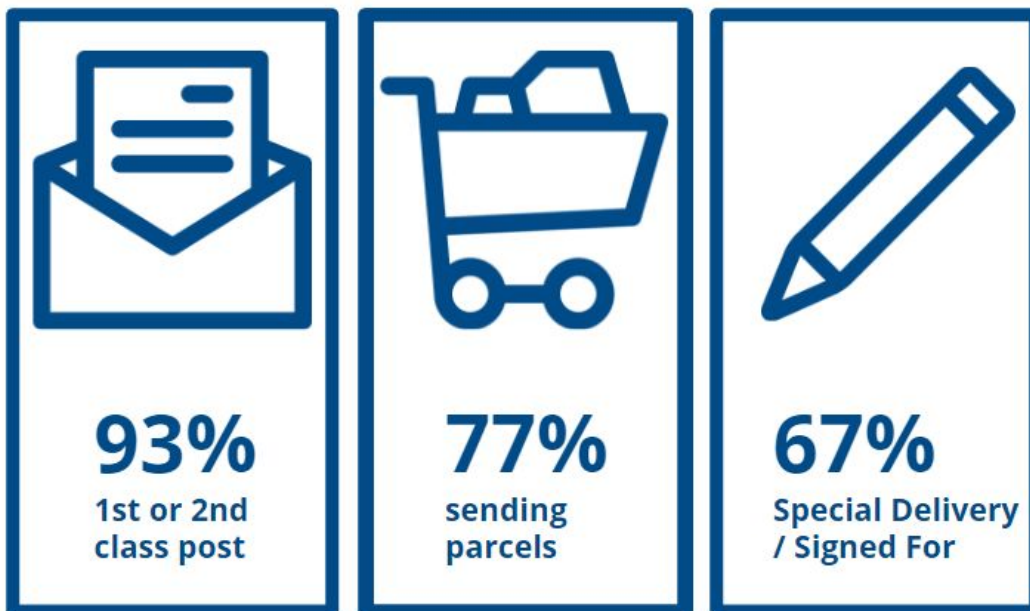
The remaining 1 in 4 (24%) consumers use their PO Local branch no more than a few times a year. 16-34 year olds are twice as likely (48%) to use the branch a few times a year.

A key objective of the NTP is to preserve the network’s footprint and comply with its access criteria. Our polling shows that almost 9 in 10 (88%) consumers report living or working within a mile of a branch, including 2 in 3 who are within half a mile. A similar majority (86%) report that it is convenient or very convenient to access the post office. This figure is lower among pensioners, those living over a mile away and those with mobility issues. In Chapter 2 we present findings on accessibility issues and explain the importance of these consumers to the sustainability of the model.

Services used

The Post Office remains the biggest provider of Royal Mail services following separation from Royal Mail in 2012, and mail remains the most popular service at PO Locals. As illustrated below, nearly all (93%) PO Local consumers use the branch for first or second class post, and 3 in 4 (77%) use it for sending parcels. 2 in 3 use PO Locals for premium mail services such as special delivery or recorded signed for. Premium mail and parcel services are disproportionately used by consumers aged 34-54 and those using business services.

Mails services used at PO Locals in last 12 months



⁵ All survey figures on income are based on household income.

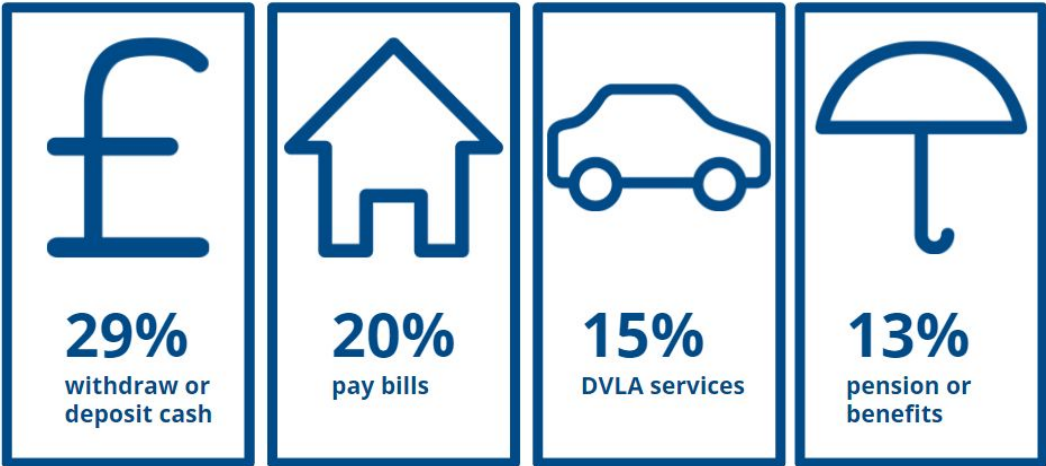
First and second class post services are used fairly consistently across the income spectrum. Premium services have a much clearer link between income and use. For example, while 93% of consumers with incomes over £50,000 report having used a PO Local to send a parcel, this drops to 63% for those earning less than £10,000. Strikingly, those earning over £50,000 are more likely to have sent a parcel than used standard first or second class services (90%).

Figure 2. Use of mail services by income



Non-mail services are becoming more important to the network’s future sustainability, already providing nearly a third of POL’s turnover.⁶ Previous research by Citizens Advice and our predecessor bodies highlights the trust in the Post Office brand to use and access banking services and products.⁷

Non mail services used by PO Local customers in last 12 months



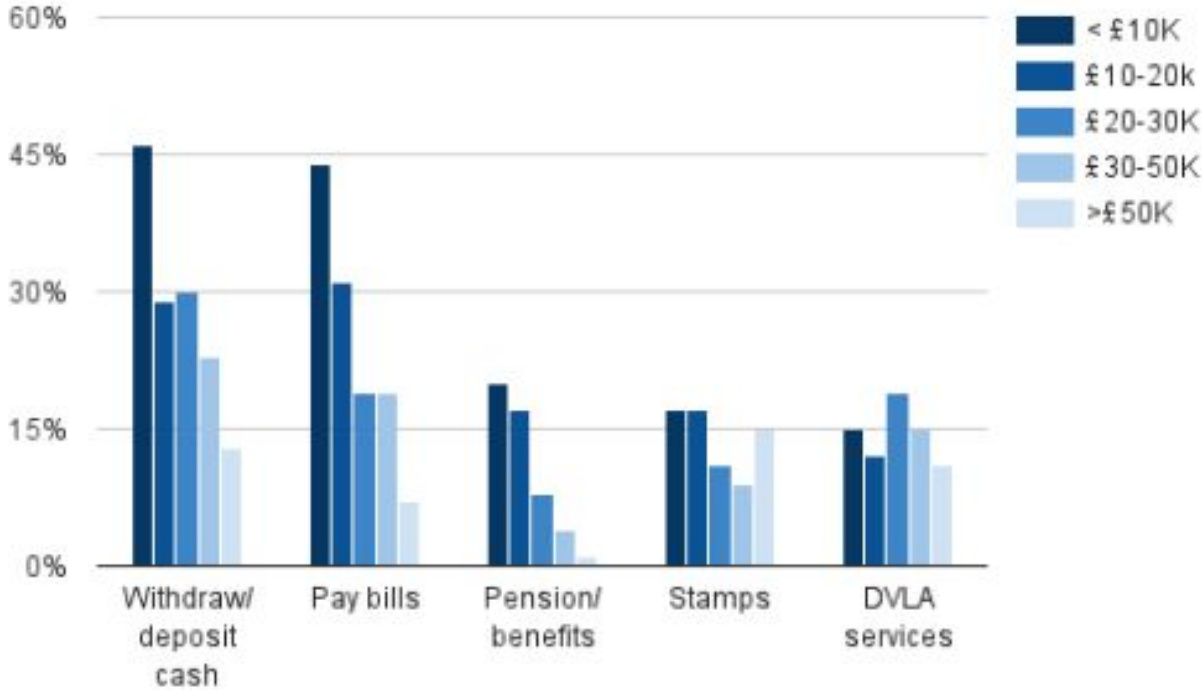
⁶ Post Office Ltd, Annual Report and Financial Statements 2015/16, 2016.

⁷ Citizens Advice, [Banking with Benefits: Exploring the need for basic banking in a world of Universal Credit](#), 2016.

Nearly 3 in 10 (29%) consumers use a PO Local to withdraw or deposit cash from a current or basic bank account. Consumers aged 65+ and those in the DE socio-economic groups are most likely to use these services (36% and 38% respectively). 1 in 5 use PO Locals to pay utility or council tax bills and 15% use Driving and Vehicle Licensing Agency (DVLA) services. Again, consumers in the DE group are particularly likely to use bill payment services (31% compared to 20% overall) and pension or benefit services (24% compared to 13% overall). Consumers also use branches for other reasons such as: buying stamps, buying or selling foreign currency, using passport check and send services or small business accounts.

Figure 3 shows the relationship between income and use of non-mail services. Use of stamp and DVLA services is fairly consistent across different incomes. However, for cash, bills and government payment services, there is a clear trend of consumers on lower incomes using these services more (the opposite of premium mail services above). For example, consumers with incomes of £10-£20,000 are more than twice as likely to pay in or withdraw cash from a PO Local than those earning over £50,000 (29% compared to 13%). They are also over 4 times more likely to use bill payment services (31% compared to 7%). This highlights the core role that post offices can play for vulnerable consumers.

Figure 3. Use of non-mail services by income.



We found that the youngest (16-34) and oldest (65+) consumers in lower socio-economic groups, on lower incomes, benefit and pension recipients and those with impairments have a higher than average use of PO Locals for withdrawing or depositing cash or paying bills. This is particularly the case for consumers aged over 65, who are more likely to use all non-mail services than overall consumers. Again, this was broadly reflected in our previous research on

future consumer needs for postal services.⁸ This is perhaps an encouraging sign of the continued trust placed in the post office network and may be linked to ongoing bank closures.

Availability of services

Both our mystery shopping and our polling show that services are available when they are supposed to be in the majority of cases, but that a small proportion of branches appear to be failing. The vast majority of consumers (91%) report that they have been able to use the PO Local when it was supposed to be open. However, a small minority (7%) said they were not able to. This increased for consumers on lower incomes (17% with household incomes below £10,000) and those using a PO Local operated by One Stop (14%). As figure 4 shows, branches that had converted either within the last 6 months or more than 2 years ago performed less well.

Figure 4. Consumers reporting not being able to use PO Local

	Customers unable to use PO Local
Overall	7%
Converted to a PO Local within last 6 months	14%
Converted to a PO Local 6-12 months ago	3%
Converted to a PO Local 1-2 years ago	5%
Converted to a PO Local more than 2 years ago	13%

We found that in a similar proportion of mystery shopping scenarios (5%) at PO Locals, shoppers couldn't access the service they required. 3% consisted of the store not being open or the store being open but the post office counter closed and 2% consisted of staff saying that the service was not available. This represents an improvement on the equivalent figure last year (9%).

As we report in Chapters 3 and 4, while our mystery shopping identified generally good performance, it also shows room for improvement in cash deposit and parcel collection services.

In our consumer survey 1 in 6 (17%) customers reported having not being able to access the service they needed at the PO Local. This appears to be partly because services that should have been available were not (as above) but also because consumers expect to be able to access services that their PO Local is not contracted to provide. The range reported includes Driver Vehicle Licensing Agency (DVLA) services (45%), passport check and send (20%), to send large or

⁸ Citizens Advice, [The future of consumer need for postal services](#), 2016.

heavy parcels (11%) or small packets and parcels (6%).⁹

In some cases reported consumer problems could be addressed with better signage: in 16% of mystery shopping visits opening times advertised at the branch did not match those on the website, up from 9% in the last wave. In others, the problems could be caused by deeper challenges. Our recent operator experience research suggested that due to staffing issues, some operators find it hard to keep branches open in line with the contractual hours, particularly if they had to extend their usual hours to host a post office.¹⁰

Our research suggests that branches could do more to promote which services they provide. In nearly 2 in 5 (38%) visits mystery shoppers did not see a full menu of services on the outside of the PO Local branch. Although this represents an improvement on 52% of PO Local visits last year, these branches are potentially making it harder to improve consumer awareness and understanding of any changes by not displaying the full menu of services.

Recommendation: Operators should ensure that they have clear signs to communicate their post office opening hours and the services they provide. This will help promote extended hours (where relevant) and ensure that customers have appropriate expectations of services.

Trade-offs

We asked consumers about their preferences from potential trade-offs in the context of the NTP, the conversion of their branch to a PO Local and any potential future changes to the network. As illustrated in figure 5 PO Local customers are significantly more likely to favour having more branches or more services over having longer opening hours. Consumers were over 11 times more likely to want to have more branches shutting at 7pm than fewer that remain open until 9pm (78% compared to 7%). They are also more likely to want the branch to offer more services than remain open until 9pm (70% compared to 11%) or than to have Sunday opening (75% compared to 15%).

The picture is less clear when comparing product range with the number of branches. We found a slight preference for more branches (46%) than for more products (34%). Post Office Local customers also reported a preference for having branches open 7 days a week but shutting earlier. Over half (52%) favoured having a branch close at 7pm every day rather than having it close at 9pm 6 days a week.

⁹ For example, car tax is only available at a PO Local if it was previously available at the outgoing sub-post office branch, whilst passport check and send is only available at larger town and city centre branches, sub-post offices and outreaches.

¹⁰ Citizens Advice, [Transformation health check, an operator perspective on how new post office models are affecting consumers](#), 2017.

Figure 5. Consumer preferences

Opening hours versus product range		Preference
Branch open until 9pm with a restricted product range		11%
Offered more services but branch closed at 7pm		70%
No preference		19%
Opening hours versus days open		
Branch open until 9pm Monday - Saturday		26%
Branch closed at 7pm but open 7 days a week		52%
No preference		22%
Opening hours versus network footprint		
Branches open until 9pm but fewer branches		7%
Branch closed at 7pm but more branches		78%
No preference		15%
Days open versus product range		
Branches open 7 days a week with a restricted product range		15%
Branches offered more services but open Monday - Saturday only		75%
No preference		10%
Services versus network footprint		
Restricted product range but more branches		46%
More services but fewer branches		34%
No preference		20%

The findings present an insight into the most important attributes for PO Local consumers, particularly in the context of our recent research on the operator experience of running the new post office models.¹¹ This qualitative research suggest that some operators would like further flexibility to offer different opening hours and services in response to local circumstances. This may respond to consumer preferences, but would have to be balanced with a communication challenge identified above to ensure consumers know what to expect.

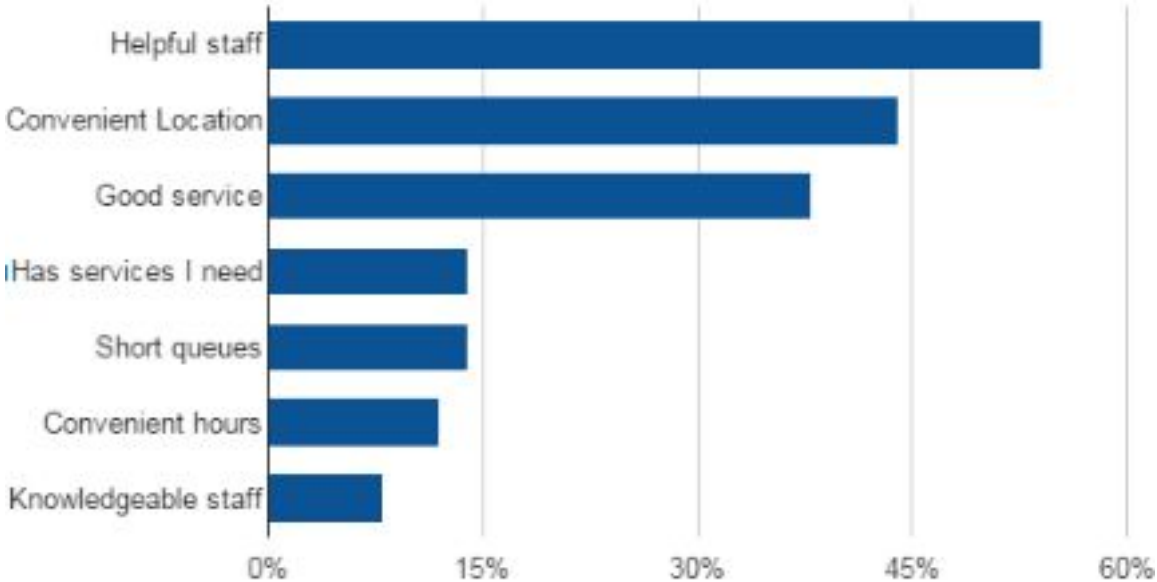
¹¹ Citizens Advice, [Transformation health check, an operator perspective on how new post office models are affecting consumers](#), 2017.

2. Accessibility and branch environment

Our findings show that most consumers are satisfied with the PO Local, with the model providing improved disabled access compared to traditional sub-post offices. We find a number of trade-offs. Consumers are more likely to have seen an improvement in queue times or counter access, but also to have felt a deterioration in privacy and counter space following conversion to PO Local. Access into the branch for disabled people is better than traditional models, but provision and signage for support within branch (such as hearing loops and portable PIN pads) remains low.

Our findings show a high level of overall satisfaction among PO Local customers: 84% are satisfied with their experience.¹² The main reasons for satisfaction are: friendly, helpful and polite staff, the convenient location of the branch and the perceived good service.

Figure 6. Reasons for customer satisfaction

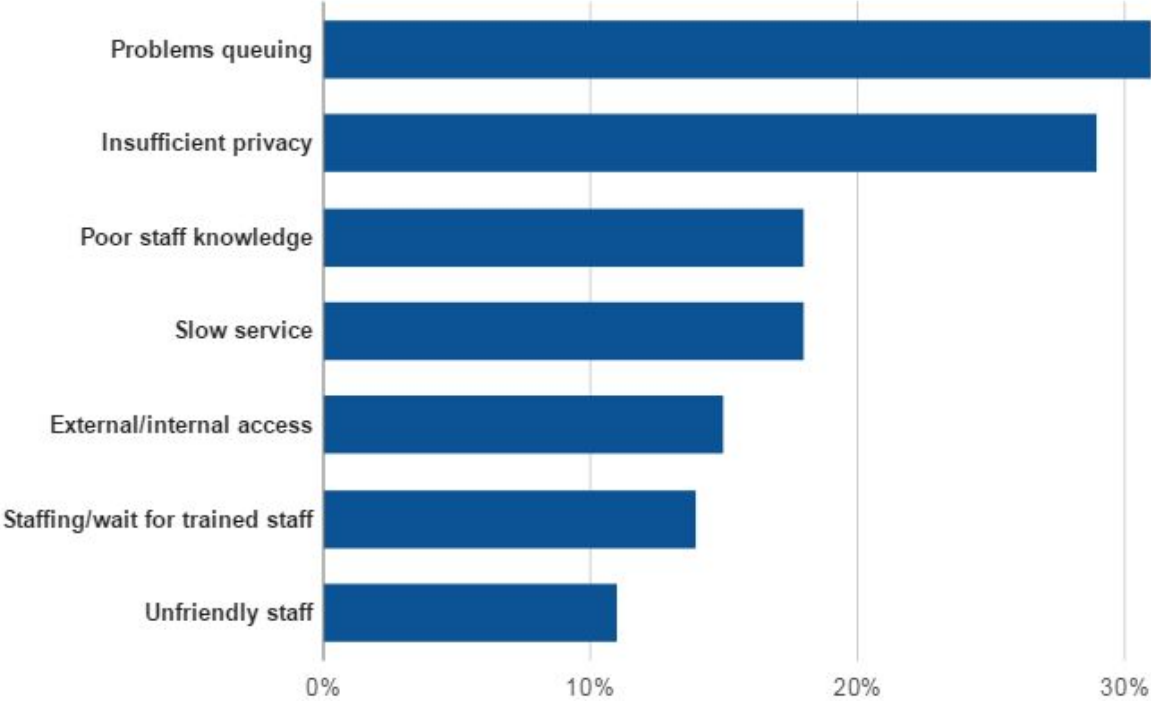


Satisfaction with the PO Local experience was highest amongst younger and business customer. Satisfaction continued to be highest among consumers using branches which have converted to the PO Local model in an existing premises (on-site conversions) and PO Locals operated by independent retailers. Conversely, there was slightly more dissatisfaction with PO Locals was among branches which relocated and converted to the model in a different premises (off-site conversions), PO Locals operated by multiple group retailers, older age groups and those on lower incomes.

¹² Overall, 7% of consumers were dissatisfied and 9% were neither satisfied nor dissatisfied.

As shown in figure 7 the most prominent reasons for dissatisfaction with PO Locals were problems with queuing or a lack of privacy. Other reasons include staff knowledge, slow service or waiting for a trained member of staff and accessibility issues inside the branch. This is a concern given recent government research showing the importance of service quality at post offices.¹³

Figure 7. Reasons for customer dissatisfaction

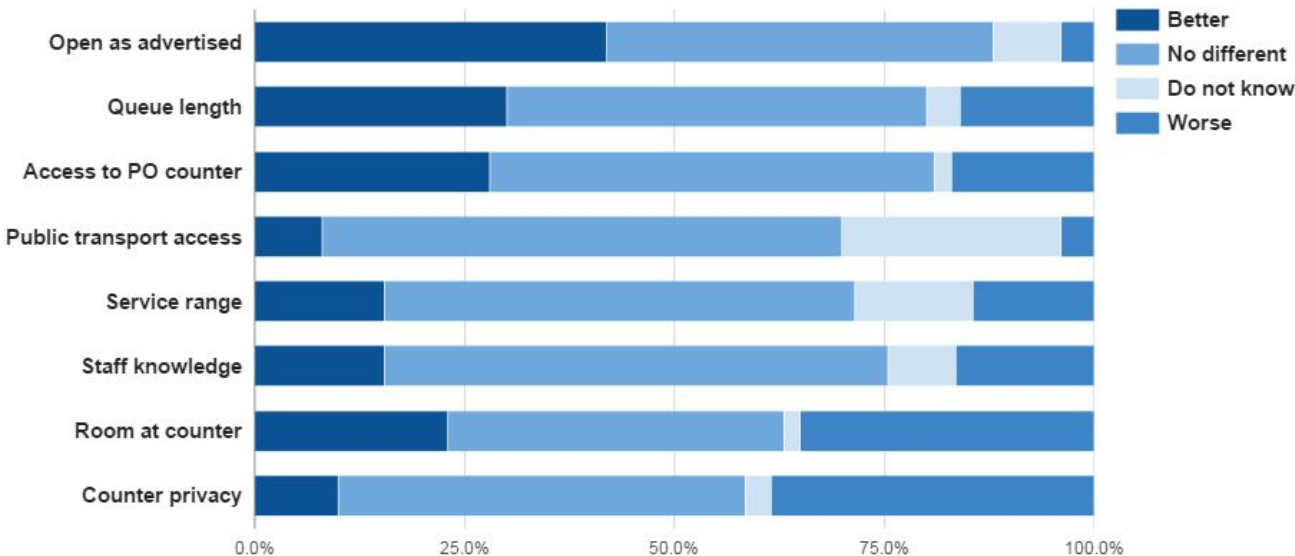


We asked consumers who had noticed changes to their branch since it converted to a PO Local about how they felt. Overall it appears that more consumers are happy about improved access to the counter and queue times. Conversely, consumers generally feel that privacy and room at the counter had deteriorated.

The picture is less clear for staff knowledge and services provided. On-site conversions customers are happier with both, whereas in off-site transfers they feel things have got worse. This feeds into a broader overall pattern of higher satisfaction for on site than off site conversions. Dissatisfaction is higher for off-site conversions across all measures except for branch being open in line with hours. For example, consumers are twice as likely (21% compared to 10%) to think that staff knowledge has got worse when the conversion has moved off-site. Our previous research found that post offices are failing to clearly communicate changes in branch.

¹³ Department for Business, Energy and Industrial Strategy, [The social value of the Post Office Network](#), 2016.

Figure 8. Consumers who think the following changes are better or worse following conversion of the branch to a PO Local



Accessibility

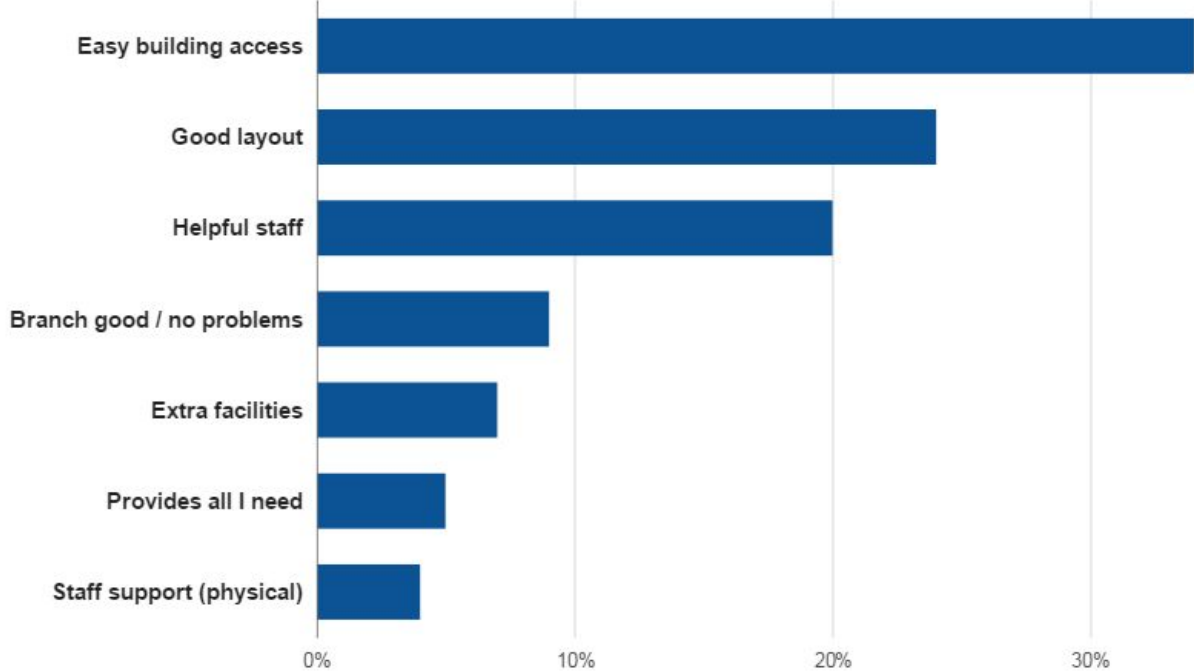
The NTP has involved investment of approximately £2 billion which is partly designed to improve physical accessibility inside new post offices. Post Office Limited (POL) has committed to maintain level access across the threshold if similar arrangements are present at the outgoing branch. As a minimum, POL has committed to ensuring PO Locals include portable PIN pads and hearing loops. Although not part of the PO Local model, low level serving positions and scales are desirable and form part of POL’s guidance to operators to improve accessibility. Operators must also make reasonable adjustments to provide sufficient aisle widths and turning circles to comply with the Equality Act.

Citizens Advice supports the investment through the NTP to improve physical accessibility at post offices converting to PO Locals. Our delivery advisors meet with POL on a weekly basis to review NTP branch changes, focusing on consumers’ ability to get to, into and around a new branch to access products and services. We have worked with POL as part of the consultation process to agree improvements to 50-60% of proposals to improve branch accessibility.

Our research shows that nearly 2 in 3 (65%) customers with long term physical or mental impairments feel that PO Locals cater for specific needs arising from their impairment.¹⁴ As illustrated in table 9, over 1 in 3 (34%) reported that there was easy access into the building, including provision of ramps and automatic doors, as well as good internal layouts (24%) and helpful staff (20%).

¹⁴ A total of 113 PO Local customers with a long-term physical or mental impairment were surveyed.

Figure 9. How does the branch cater for your needs?



However, over 1 in 5 (22%) customers with a long term physical or mental impairment did not feel that the PO Local catered for their specific needs. Out of these customers, 1 in 5 (20%) thought access arrangements were not sufficient and that the provision of a ramp or easier entrance door would help to improve access. Similar proportions thought the branch layout needed to be improved or extra accessibility facilities provided. This includes providing seating or more space to make it easier to move around inside the branch.

Our mystery shopping¹⁵ shows that provision of level access (including permanent ramps) into PO Locals has improved. It was found in over 4 in 5 (82%) visits. This is better than traditional sub-post offices (79%), suggesting that the model can offer better performance in this area. It also represents an improvement compared to the last wave (73%).

However, aligning with the concerns raised by customers, in nearly 1 in 5 (18%) visits there was no level or permanent ramped access into the branch (compared to 21% of sub-post office visits). Most of these branches offered support for disabled consumers, such as electronic doors, portable ramps, handrails or door buzzers. Only 4% of PO Local, compared to 7% of sub-post offices, offered no support or signs around access support. We welcome the commitment in the NTP not to reduce physical access across the threshold when a branch converts to a PO Local.

Our mystery shopping findings provide mixed results for internal access arrangements and disabled facilities at PO Locals and in comparison to sub-post

¹⁵ Our mystery shoppers used for the research were not disabled, however their insights are a useful indication of how accessible branches are for disabled customers.

offices. As illustrated in figure 10, although a slight improvement from the previous wave, aisles were still not considered wide enough for wheelchairs in 1 in 10 (11%) PO Local visits. Shoppers also noted obstacles such as stock or dump bins blocking aisle access in a similar proportion (9%) of visits. The findings have been consistent across consecutive waves of research.

Figure 10. Provision of internal access arrangements and disabled facilities

	PO Locals		Sub-post offices
	2016	2015	
Aisles considered wide enough for wheelchair access	89%	87%	87%
No obstacles blocking access	91%	90%	95%
Portable PIN pads	61%	60%	47%
Hearing loop signage	27%	36%	24%
Low level counters*	34%	28%	31%
Low level scales*	34%	26%	30%
*denotes desirable but not essential features of PO Locals			

Shoppers found that some of the disabled facilities that should form part of the PO Local model were also in short supply, although PO Locals did perform better both in comparison to our last wave and to traditional branches. In less than 1 in 3 (27%) visits hearing loops appeared to be available and in 3 in 5 (61%) visits portable PIN pads were available. Given POL has committed that these should form part the normal suite of disabled facilities in PO Locals, it is a concern that in such a substantial number of visits they were not provided. We will explore disabled access to post offices in more detail later this year. Although not part of the PO Local model, in only 1 in 3 (34%) visits separately low level counters or scales were provided.

Recommendation: POL and operators should ensure that disabled access measures are in place and clearly communicated in branches. They should particularly focus on improving provision of, and signage for, portable PIN pad and hearing loops.

Queuing times and counter environment

A key aspect of the PO Local model is to provide a greater range of automated services to provide quicker customer service. Although the PO Local model involves the provision of post office services at a main retail counter, measures can be taken to improve privacy at the Post Office serving position, particularly in

response to consumer feedback. This can include counter screens or careful queue design. In past waves of research PO Locals operated by multiple retailer One Stop have led the way in the provision of such privacy measures.

Our research shows that customers are generally served immediately, but that those who have to wait are doing so for longer. Customers were served immediately during 2 in 3 (64%) PO Local visits. This is slightly less than sub-post offices (67%), but does represent a slight improvement on the last wave of PO Locals research. But shoppers who did have to queue waited for an average of 2 minutes and 35 seconds, slightly longer than for sub-post offices (2 minutes 27 seconds). For PO Locals waiting times have increased steadily over consecutive waves of research, up from 45 seconds in 2012. One Stop branches had the shortest average queue times (2 minutes 9 seconds) while multiple retailer Martin McColls and independent operators had the joint worst (2 minutes 46 seconds). This aligns with concerns raised by operators of mid-sized PO Locals in our recent research.¹⁶

The most prominent reasons for shoppers waiting to be served at a PO Local are the volume of customers and waiting for a trained member of staff. Interestingly a higher proportion of shoppers recorded these as reasons for waiting to be served at a sub-post office. These findings are shown in figure 11. They are similar to the last wave of research.

There has been a substantial reduction compared to the last wave in the proportion of shoppers who had to wait to be served at a PO Local due to technical issues.

Figure 11. Reasons for waiting to be served

	PO Locals		Sub-post offices
	2016	2015	
Volume of customers	30%	34%	45%
Waiting for trained member of staff	30%	34%	31%
Retail customers served first	16%	16%	3%
Technical issues	1%	16%	2%

Unfortunately the provision of privacy measures across PO Locals is not so good. As illustrated in table 12 in only just over 2 in 5 (43%) visits shoppers noticed perspex counter screens or floor or counter signage, a significant drop from over half (55%) of visits in the last wave. Sub-post offices only performed slightly better. Encouragingly multiple retailers One Stop and Martin McColls continued to lead the way in the provision of such measures in PO Locals. However, despite

¹⁶ Citizens Advice, [Transformation health check, an operator perspective on how new post office models are affecting consumers](#), 2017.

the lack of privacy measures, shoppers perceived that staff offered sufficient discretion in 95% of PO Local visits, slightly down from 97%. This compared to 99% of sub-post office visits.

Figure 12. Provision of privacy measures

	All PO Locals	Local Indepen	Local Multiples	One Stop	Martin McColl's	Subpost offices
Perspex screens only	15% (-6)	11% (-8)	19% (-2)	25% (+11)	20% (-2)	18%
Other privacy devices only	13% (-2)	12% (+6)	15% (-3)	27% (-2)	12% (-4)	15%
Screens & other privacy devices	15% (-4)	13% (-16)	17% (-)	13% (-7)	21% (+1)	10%
No measures	57% (+12)	65% (+18)	49% (+4)	36% (-1)	47% (+5)	56%

3. Service standards: Mail

Our mystery shopping scenarios identify an improvement in overall product and pricing advice since our last research in 2015. In some scenarios PO Local staff perform better than traditional sub-post offices. But many PO Local staff are failing to ask appropriate questions before offering recommendations, and are most commonly offering customers multiple products rather than a single, tailored recommendation.

The Post Office remains the biggest provider of Royal Mail services. Its unrivalled retail network plays an important role in ensuring that Royal Mail can meet its legal requirement to deliver a universal service.¹⁷ Letters and parcels remain key reasons for consumers to visit post offices and accounted for £334 million of POL's turnover in 2015/16.¹⁸ As part of its contractual arrangements with Royal Mail, POL has to ensure that consumers are provided with accurate, high quality service when accessing mails services.

As figure 13 shows, staff were most likely to offer the correct recommendation but alongside other products in our 3 comparable scenarios. Our mystery shoppers prompted with additional details in these cases, and generally were then offered a single correct recommendation overall (between 84% and 88% across the 3 scenarios).

Figure 13. Recommendations in PO Locals (sub-post offices in brackets)

	Correct product only first time	Correct product alongside others	Correct product (including after prompting)
2nd class large letter	24% (38%)	64% (53%)	85% (91%)
Signed For 2nd class letter	28% (22%)	52% (57%)	84% (76%)
Signed For 2nd small parcel	25% (19%)	60% (66%)	88% (93%)

Second class large letter scenario

Shoppers asked how to post an A4 letter and said that it did not need to arrive until the end of the week. The correct recommendation was a second class large letter stamp. Shoppers only mentioned that the letter did not contain anything

¹⁷ This is legislated at EU level and sets out the right of citizens to have reasonable access to and receive a daily collection 6 days a week and a high quality service at reasonable prices.

¹⁸ Post Office Ltd, Annual Report and Financial Statements 2015/16, 2016. Mails includes the sale of parcels and other mails products provided by Royal Mail.

valuable and additional details if prompted.¹⁹ If they were not offered a single, correct recommendation, shoppers provided additional information about their needs as a prompt. This scenario was split equally between purchases and enquiries.²⁰ Due to some methodological changes the findings are not directly comparable to previous waves.²¹

Shoppers were asked about the letter's contents (33%) or its value (20%) before being offered a recommendation in a minority of PO Locals visits. Sub-post offices performed better on contents (41%) but the same on value (20%).

Consumers should be offered a single recommendation, second class large letter postage due to the value and urgency of delivery, following the collection of appropriate information by the staff member. This happened in a quarter (24%) of PO Local visits for this scenario, compared to nearly 2 in 5 (38%) sub-post office visits. While the results are not directly comparable with previous waves, they do not present signs of improvement.

The most common outcome was the shopper being offered the correct recommendation alongside at least one other less appropriate option. This occurred in 2 in 3 (64%) PO Local visits and over half (53%) of sub-post office visits. In the remaining visits to PO Locals (12%) and sub-post office visits (9%) staff did not offer second class large letter postage at all. The most common outcome (in 75% of these cases) was for a 1st class letter recommendation, which is more expensive than the correct recommendation.

Overall, 85% of PO Locals and 91% of sub-post offices provided shoppers with the correct service either initially or after further prompting. Whilst not directly comparable to our previous wave, this does suggest a considerable improvement for PO Locals. But these results must be seen in the context of shoppers being fully briefed and knowing what aspects of their requirements to reiterate. There is a risk that busy or less informed customers will not provide these prompts to get to the correct product.

Signed For second class letter scenario

Shoppers asked to send an addressed, standard-sized envelope and to be told when it had reached its destination. Shoppers only provided additional details if asked.²² This is a new scenario and the correct postage was Signed For second class. In all visits this scenario was conducted as a purchase.

Staff most commonly offered Signed For second class alongside other options in both PO Locals (52%) and sub-post offices (57%). Meanwhile, consumers were

¹⁹ The letter did not contain any dangerous, prohibited or restricted items and a signature on delivery was not required.

²⁰ However even for the latter shoppers still took an addressed A4 envelope with them as a prompt.

²¹ For this wave of research some methodological changes were made to better capture instances in which shoppers are provided with a range of services.

²² Only if prompted shoppers mentioned that the letter did not contain anything valuable or any dangerous, prohibited or restricted items, it did not need to reach its destination urgently but that they would like a signature on delivery for peace of mind.

offered a single, correct recommendation at PO Locals in 28% of cases, dropping to 22% for sub-post office visits.

In the remaining visits staff did not offer Signed For second class postage at all. As the majority of staff did not ask how urgent it was for the letter to reach its destination, it is unsurprising that the majority of shoppers in both these groups were up-sold to Signed For first class postage. Others were offered standard first or second class postage. It is a concern that many shoppers were sold, unnecessarily, a more expensive service or one which will not allow them to keep track of the delivery of their item.

Performance did improve when shoppers reiterated their needs voluntarily when not given a specific recommendation. Overall, most PO Locals (84%) and traditional models (76%) offered the correct, single recommendation initially or after prompting. Given the complexity of the scenario this is particularly positive finding for PO Locals. However, similar to the previous scenario it is still concerning that despite initial prompting from shoppers and allowing time for appropriate questioning, both PO Locals and sub-post offices are often failing to provide a single specific recommendation initially.

We find a mixed picture of staff asking the appropriate questions to determine shoppers' needs, shown in figure 14. Staff in sub-post offices were more likely to ask about the contents of the letter, its value and whether tracking is required. Staff performance in asking whether a signature was required was the same, and PO Locals were better at asking about timings.

Figure 14. Questions asked by staff

	Signature required	Time sensitive	Contents	Value	Tracking required
PO Locals	68%	50%	25%	27%	16%
Sub-post offices	68%	47%	36%	34%	24%

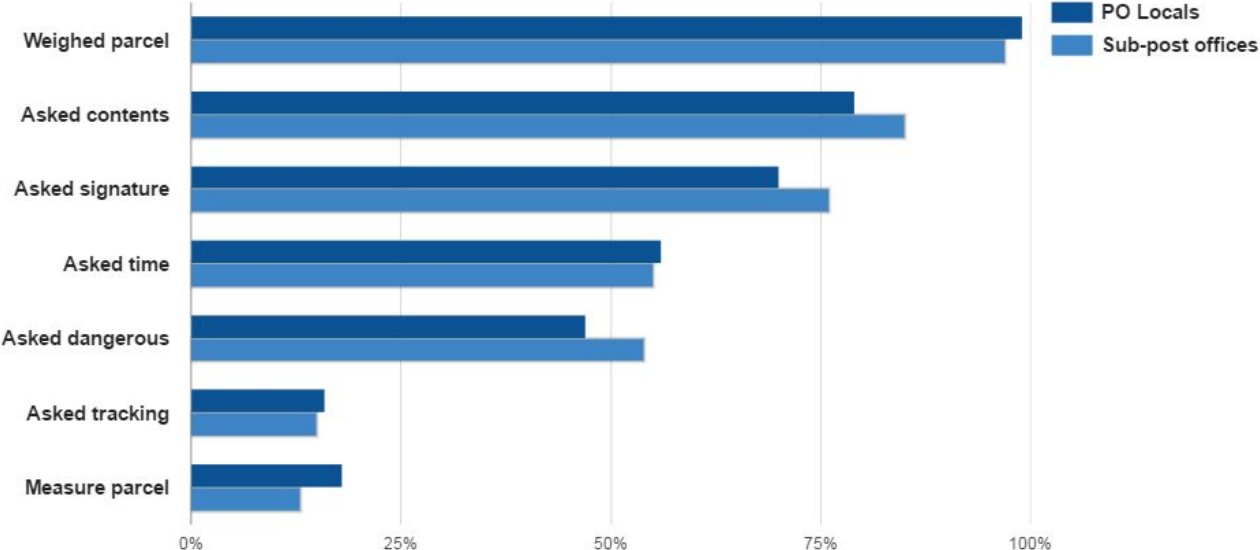
Signed For second class small parcel scenario

Shoppers presented a small parcel and asked how much it would cost to send before they made a purchase. Only if prompted, they said that the parcel weighed more than 1kg but no more than 2kg, that it did not need to reach its destination urgently but they wanted a signature on delivery for peace of mind. The correct service was a Signed For second class small parcel.

As illustrated in figure 15 staff asked questions with similar frequency across PO Locals and sub-post offices. It is encouraging that in the majority of visits across PO Locals and sub-post offices staff weighed the parcel, asked about the contents and whether a signature was required. Equally, it is concerning that in a

large number of visits staff did not ask when it needed to arrive, measure the parcel, or ask if it contained any dangerous, prohibited or restricted items.²³

Figure 15. Staff questions and actions



PO local staff (25%) were slightly more likely to offer a single, correct recommendation than their sub-post office counterparts (19%). Again the most common outcome in PO Locals (60%) and sub-post offices (66%) was the correct recommendation alongside at least one other less appropriate option. In the remaining visits staff did not offer the correct postage at all.

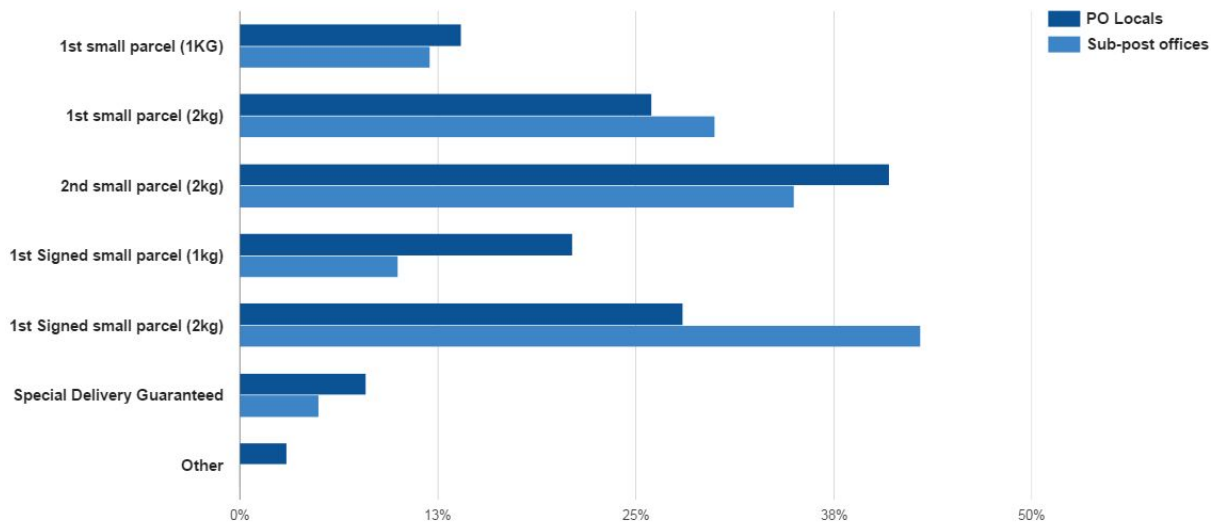
Customers who were offered incorrect options - either alongside or separately from the correct service - were most commonly offered the more expensive Signed For first class small parcel postage or regular first or second class small parcel.

Overall, after prompting²⁴ most PO Locals (88%) and sub-post offices (93%) provided shoppers with a correct, single recommendation either initially or after reiterating their needs. As with the previous scenario the correct, single service is generally being recommended eventually, but often only after additional prompting.

²³ The lack of questioning from staff to see if there is anything dangerous, prohibited or restricted is particularly concerning for a parcel transaction. Under Civil Aviation Authority safety regulations, the Post Office through its contractual relationship with Royal Mail is obliged, as a screening process to ask consumers if their parcel contains any dangerous, prohibited or restricted items.

²⁴ As both groups of shoppers had not been provided with a clear recommendation or offered the incorrect postage, they reiterated their needs. Shoppers stated that the parcel did not need to reach its destination until the end of next week, the contents were worth less than £50 but they required a signature for peace of mind.

Figure 16. Incorrect options



Special Delivery scenario

Shoppers asked staff to post a letter to arrive the next day. As in previous waves, they did not disclose the contents (vouchers worth over £50) unless prompted. Staff should recommend Special Delivery after asking appropriate questions due to the value of the contents and urgency of delivery, in line with the contractual relationship between POL and Royal Mail.²⁵

The correct recommendation was made in most (92%) cases, as illustrated in table 13. This is slightly lower than traditional branches (97%) and in PO Locals in our previous wave (94%). In more than half (55%) of PO Local visits, staff spontaneously offered Special Delivery without *any* questioning. While this is the correct outcome, we would expect staff to ask about both the value of the package and when exactly it needs to arrive before offering a recommendation.

Staff recommended Special Delivery after asking appropriate questions in a further 37% of cases, up from 25% in 2013 and just above traditional models (36%). It is encouraging that more staff at PO Locals are asking appropriate questions to determine shoppers' needs before correctly offering Special Delivery.

In the remaining 7% of PO Locals visits, shoppers were offered a range of first class postage options, including normal first class postage, large letter postage or Signed For. Whilst these may have been less expensive services, first class postage does not provide the right service for the customer's needs in this case.²⁶

²⁵ All Special Delivery scenarios were enacted as purchases. Staff should ask the appropriate questions about the contents and value of the items in the letter and when it needs to reach its destination before offering a service.

²⁶ It only provides the *aim* of delivering the item to the recipient's address by the next day. As the service does not guarantee next day delivery for an item which needs to reach its destination by the next day, it may not meet consumers' requirements. Furthermore, unlike Special Delivery, first class postage does not provide compensation for valuable items being lost or damaged.

Figure 17. Shoppers offered Special Delivery spontaneously or after prompting

	PO Locals			Sub-post offices
	2016	2015	2013	
Without asking questions	55%	56%	67%	61%
After asking questions	37%	37%	25%	36%
Not offered at all	7%	6%	8%	3%

Recommendation: POL should ensure that PO Local staff are sufficiently trained and aware of their obligation to ask appropriate questions to enable them to offer a single recommendation to customers.

4. Service standards: cash and collection

Our mystery shopping scenarios identify an improvement in provision of key banking and parcel collection services to customers. Performance was significantly less reliable for banking deposits - both for business and retail consumers.

The Post Office provides unrivalled and universal access to cash. It also offers banking services, bill payments and support for welfare recipients through the Post Office Card Account (POCA). These services remain especially important to consumers in the context of ongoing bank branch closures. They also remain important to POL, whose banking, mortgage, loan and insurance products and non-mails services accounted for 31% of its turnover in 2015/16.²⁷

Cash withdrawal and deposit

Shoppers holding eligible bank accounts asked to withdraw £20-£100. We found consistently strong performance across PO Locals and sub-post offices, with 96% of shoppers able to withdraw the full cash amount. This is a welcome increase on 91% of PO Local visits last year. In a further 2% PO Local and 1% of sub-post office visits shoppers were able to access cash from their account but only on a cash-back basis, which they should not have to do.

In the remaining 2% of PO Local and 3% of sub-post office visits shoppers could not withdraw cash. They were told that staff had not been properly trained, the branch was not offering the service at all or they were told to use an external ATM.

PO Locals performed less well in terms of facilitating cash *deposits*: almost 3 in 10 (29%) shoppers were told that they would not be able to make a cash deposit. Customers with eligible bank accounts should be able to make deposits at all PO Locals with cash or cheques (the latter using a bank envelope with a card or a bar coded slip). PO Locals performed in line with sub-post offices in this wave (71% in both cases) but worse than the previous wave of PO Local visits (76%).

POL recently announced that as part of a deal with the High Street banks, 99% and 75% of UK personal and business banking needs respectively will be provided through the post office network.²⁸ This is a welcome step to provide services to more consumers in a more consistent way, bringing to an end for the majority of consumers the patchwork access to banking services that existed previously. In the context of our findings, it is important that staff are properly

²⁷ Post Office Ltd, Annual Report and Financial Statements 2015/16, 2016. Turnover for POL's financial services came to £304 million in 2015/16, 31% of POL's turnover excluding the Network Subsidy Payment.

²⁸ Post Office Ltd, [Post Office and UK Banks' partnership secure access to local banking services](#), 2017.

trained to ensure that this change benefits consumers consistently across the network.

The Post Office also provides important business banking services. Our past research, as well as a recent report by the Federation of Small Businesses (FSB), has shown the value and importance of Post Office banking services to small businesses.²⁹

In October 2016 POL increased its cash deposit limit at PO Locals to £2,000, which is a welcome development for small businesses. When we conducted our research, the limit stood at £1,000. Although some operators allowed business customers to deposit up to £3,000 in total across 3 separate transactions. As part of our case handling functions in the NTP, we work closely with POL to ensure the needs of business customers are met. Our shoppers asked whether it would be possible to make business cash deposits at the branch and, if asked, stated they would be depositing between £2,500-£3,000 every couple of weeks. If not informed spontaneously, shoppers asked whether there was a limit on the amount of cash that can be deposited in one transaction. This scenario was only conducted at PO Locals.

Mystery shoppers were correctly advised that they could make business banking deposits in over 4 in 5 (83%) visits, in line with the last wave. Although the majority of shoppers could access the service, it was unavailable in a significant minority (17%) of visits. These shoppers were informed that the service is not available at the branch, to use a larger branch. In other cases, staff were unsure or did not know about the service.

When shoppers asked about the limit, staff cited the formal £1,000 cap in just under 1 in 5 (18%) visits. This is in line with the last wave and includes staff mentioning that they could process additional amounts up to £1,000 as separate transactions. In a further 5% of visits staff mentioned that deposits would need to be broken down into smaller amounts but with a variety of responses.³⁰ The most common response was a limit of up to £3,000, from more than 2 in 5 (45%) visits. 1 in 10 (12%) visits staff said there was no limit. In the remaining 1 in 5 (18%) visits shoppers were provided with a variety of responses.³¹

It is concerning that such a broad range of limits were provided to shoppers wanting to access the business cash deposit service. Although most offered an answer between £1,000 and £3,000, the miscommunication of key aspects of the business cash deposit service may result in small businesses not feeling able to fully trust PO Locals as a suitable banking alternative. This is crucial as small

²⁹ Federation of Small Businesses, Locked out, the impact of bank branch closures on small businesses, 2016.

³⁰ This included staff stating that deposits would need to be split without mentioning a limit, the amount would need to be split into £999 or £1,000 but the money would need to be divided into £100s.

³¹ These ranged from staff informing shoppers that the limit was £1,000 but no more than once a day or per week, being unsure and not providing a limit, needing to insert the card before providing an answer to 'it being dependent on the bank'.

businesses may become more reliant on PO Locals for their banking needs as a result of bank branch closures and the recent standardisation of personal and business banking services through the post office network.

Post collection services

The click and collect market is becoming increasingly important to consumers and the UK economy through online retail. Post Office Locals are well placed to support greater use of parcel delivery due to their geographic reach and longer opening hours. Providing a good parcel collection and return service is likely to be increasingly important to the network’s sustainability over time. Our mystery shoppers made inquiries about Local Collect and Amazon Prime collection services from PO Locals. Whilst both services are initiated by the customer, the findings are indicative of the provision and staff knowledge of these services.

The Local Collect service allows consumers who have missed the delivery of an item to have it re-delivered to a nearby Post Office for a fee of 70p. The service is provided through approximately 10,500 post offices subject to space restrictions, meaning that around 90% of the overall network are expected to offer this service.

Mystery shoppers informed staff that they received a ‘something for you’ card whilst they were out and asked if they could get their parcel re-delivered to the branch. If not asked, shoppers mentioned that the parcel contained trainers and was the size of a small parcel.

Sub-post offices (94%) were slightly more likely than PO Locals (87%) to tell shoppers they could use Local Collect at the branch. This represents an improvement for PO Locals since the last wave and particularly since the 52% recorded in our 2013 research. In the majority of visits in which shoppers could not access the service, staff were unsure or did not know about the service or stated that the parcel had to be collected from the sorting office. However, in a significant minority of these unsuccessful visits, across PO Locals (37%) and sub-post offices (22%) staff stated that the branch did not have enough space to store the parcel or asked shoppers to use a larger branch.

As illustrated in figure 18, in visits in which the Local Collect was available, information from staff on important aspects of the service remained inconsistent, despite an improvement in PO Local staff correctly informing shoppers what ID is required to pick up their parcel in comparison to the last wave.

Figure 18. Information on aspects of Local Collect service

Correct fee (70p)	How to arrange collection ³²	Told to bring ‘something for you card’	Told to bring proof of identity
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³² To arrange for delivery to and collection from their nearest post office, consumers have to call the number on the Royal Mail ‘something for you’ card.

PO Locals	40%	68%	57%	56%
Sub-post offices	51%	76%	56%	48%

Amazon shopping collections

Shoppers conducting the Local Collect enquiry also tested the provision of the Amazon collection service. In November 2014, Amazon announced an agreement with POL and Royal Mail to allow Amazon Prime customers to collect their orders from approximately 10,500 Post Offices as part of the Local Collect service. This should allow the Post Office, and particularly PO Locals, to benefit from the growth of online shopping and convenient parcel collection services.

Shoppers mentioned that they had recently taken out an Amazon Prime membership and asked if it would be possible to get their items delivered to the branch. If asked, shoppers mentioned that they would be purchasing a few books or CDs, no bigger than a small parcel and weighing less than 1kg.

Shoppers were informed they could use this service in almost 9 in 10 PO Local (89%) and sub-post offices (90%) visits. In the majority of cases in which shoppers were told the service was unavailable, staff were unsure or did not know about the service or suggested getting the parcel delivered to an alternative address. In the remaining cases, staff directed shoppers to get their parcel delivered a larger post office or informed them that the branch did not have enough space.

In the majority of both PO Local and sub-post office visits shoppers could use the Local Collect and Amazon shopping collection services, and improvements have been made on provision of Local Collect service at PO Locals. This is likely to become more important to the sustainability of post offices over time. However, in a minority of visits in which the service was not available (14% at PO Locals and 7% sub-post offices) it appears that the lack of space, particularly at PO Locals, is constraining the branch's ability to meet consumer needs. This is broadly consistent with the results from our consumer survey on reasons for not being able to send large, heavy or small parcels. Failure to keep up with demand may hinder the ability of the network to fully maximise its potential in the parcel market and affect its sustainability.

Parcel weight limit

PO Locals should offer the full range of UK parcel services up to 20kg, as specified by the universal service. In some cases PO Locals also accept parcels up to 30kgs. Shoppers said that they were frequent users of eBay and would like to use the branch to send packages to other UK locations. They stated that the parcels would be small, usually weigh 7-15kgs and would not contain any dangerous, restricted or prohibited items. Shoppers then asked if there was

usually a weight limit in place.³³ Our last wave of research suggested that performance had deteriorated.

We found a significant improvement in shoppers being told about weight limits compared to our previous wave, but this still only occurs in a minority of cases. In over 2 in 5 (44%) PO Local visits, shoppers were informed of a weight limit. These means they are more than twice as likely to happen than in our last wave (21%) but slightly less likely than sub-post offices (47%). Of the shoppers informed that there was a limit, more than 3 in 4 (78%) were given a specific limit at PO Locals, compared to 85% in sub-post offices.

However, as shown in figure 19, most (53%) PO Local shoppers were incorrectly provided with a limit below 20kg, slightly more than in sub-post office visits. It is worrying that in such a large number of visits to both PO Locals and sub-post offices shoppers were provided with an incorrect weight limit for parcels. This finding aligns with earlier results from the Local Collect and Amazon shopping collection enquiry and from our customer experience research.³⁴

Figure 19. Parcel weight limits

Weight limits	Overall	PO Locals	Sub-post offices
2-9kg	41%	44%	36%
10-19kg	9%	9%	10%
20kg	33%	31%	34%
21-29kg	1%	1%	0%
30kg	15%	13%	20%
>30kg	1%	1%	0%

Recommendation: POL and operators should seek to build on recent improvements in consistency, particularly focusing on current and business account deposits as well as parcel collection services.

³³ This scenario was undertaken by all shoppers at both PO Locals and sub-post offices. This was done by shoppers who did not conduct the Local Collect and Amazon shopping collection enquiry.

³⁴ Our customer experience findings show that 17% of PO Local customers reported not being able to access a service they required at the branch. When these customers were asked what services they could not access, 11% stated large or heavy parcels and 6% stated small packets and parcels. A lack of space and these services only being available at bigger branches were the most prominent reasons provided by staff for large and heavy parcel services not being available.

5 Use of extended opening hours

Our research suggests that most consumers either think service standards are the same or better following conversion and that queues are generally shorter. However, we also find that the overall quality of service is lower outside core hours.

A key benefit of PO Locals is their longer opening hours, which generally have to match those of the host retail outlet. Most offer services before 9am and after 5.30pm on a weekday, on Saturday afternoons and on Sundays. POL reports that the NTP has added 200,000 extra opening hours over the whole network.³⁵

Awareness and use of extended opening hours

Consumers generally have low awareness of their PO Locals' extended hours. Most either think their PO Local is not open outside core hours or do not know. They are more likely to be aware of opening from 8-9am (38%), 5.30-7pm (33%) and on Saturdays (39%). They are less likely to be aware of opening hours before 8am (16%), after 7pm (15%) and on Sundays (20%).

Consumers with higher household incomes and in higher socio-economic groups are less likely to know whether they can use the PO Local during extended hours. For example, half of consumers in the AB group are unaware that their PO Local is open from 5.30-7pm, compared to 38% of DE consumers. The picture is more mixed across age groups. Younger consumers are less likely to know if the branch is open before 9am but more likely to know about extended hours after 5.30pm, on Saturday afternoons and Sundays.

Consumers were asked if they had used the branch during these times in the last 12 months. Overall, as shown in figure 20, consumers who had used a PO Local during extended opening hours in the last year were most likely to do so between 5.30-7pm.

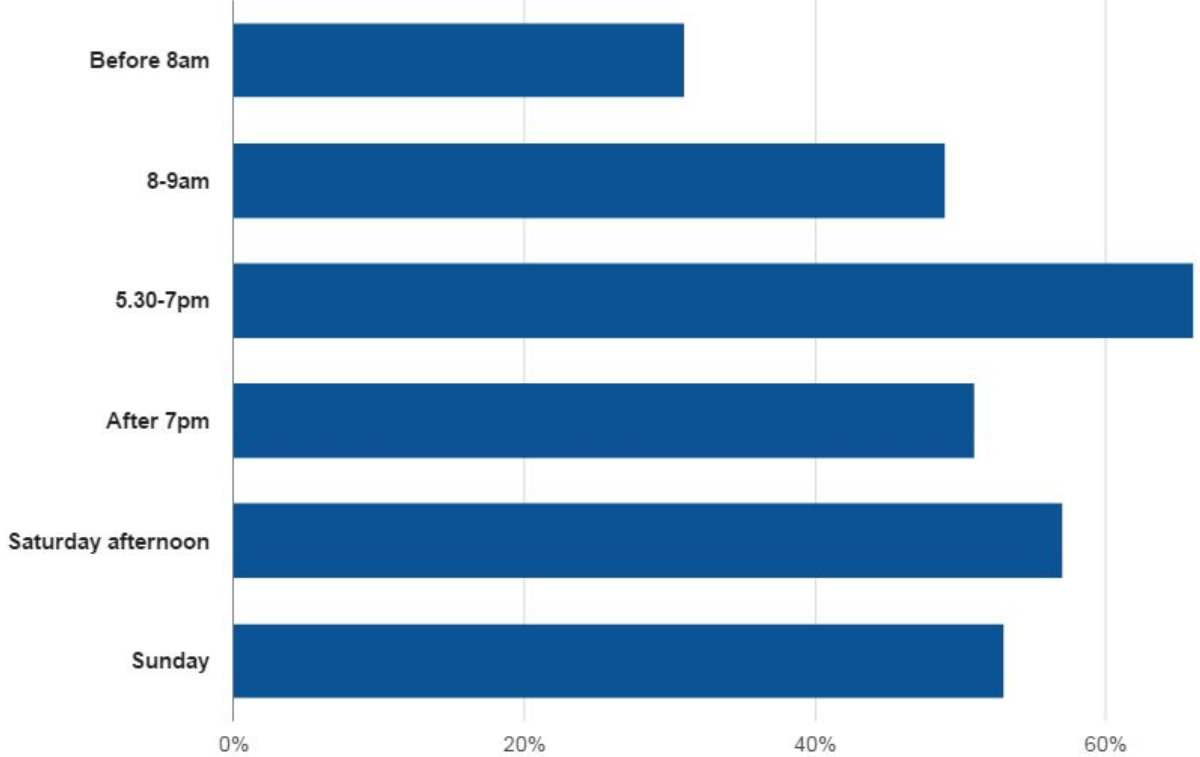
Counterintuitively, despite consumers on higher incomes, in higher socio-economic groups and those without a mobility or age-related impairment having lower awareness of extended opening hours, they are more or as likely to use some of these periods, such as 5.30-7pm. This suggests that there is still capacity to attract more of these consumers by improving awareness.

When presented with multiple reasons why they used the PO Local during extended opening hours, nearly 3 in 5 (58%) gave convenience as the main reason and 1 in 5 (21%) said it was because the branch was situated on the way to or from work. Others mentioned they had no time to do so in the day or in the week, if they were shopping for other items or in the general area or if they needed to collect or send something. Convenience was a consistently strong

³⁵ Post Office Ltd, [Extra Post Office opening hours 'equivalent to 5,000 new branches'](#), 2016.

reason across all consumers, but dropped slightly for branches that converted to a PO Local in an alternative premises and in rural locations.

Figure 20. Have you used the branch in extended hours in last 12 months? (Consumers whose PO Local is open in each period)



Frequency and use of services

As illustrated in figure 21 the majority of consumers who use the PO Local during extended opening hours, use it at least once a month. Nearly 2 in 3 (64%) consumers who have used a branch after 7pm at report doing so at least once a month.

When consumers were asked if they now use the branch more often or the same amount but at a different time due extended hours, nearly 3 in 10 (29%) now use the branch more often. Most (68%) consumers said they use the branch the same amount but at a different time. Despite seemingly more frequent use of extended hours, substantial minorities are still not using the model very frequently in these times, particularly between 8-9am and on a Sunday.

We asked consumers who had used the PO Local during extended opening hours what service they had accessed. The joint largest group of consumers (24%) used the branch at these times to send small, standard, large and heavy parcels, whilst 22% sent first or second class letters. 1 in 10 (11%) consumers also used the branch for premium mail, sending items by Special Delivery or Signed For. Taken together, there appears to be a shift to the predominant use of PO Locals during extended hours for parcel and premium mail services. This

aligns with earlier findings that younger consumers and those with higher household incomes are more likely to use these services.

Figure 21. Frequency of use of extended hours (of consumers who use each period)

	Before 8am	8-9am	5.30 - 7pm	After 7pm	Saturday pm	Sunday
At least weekly	26%	26%	22%	16%	12%	8%
1-3 times per month	38%	24%	34%	48%	35%	38%
>1 time a month (total)	65%	50%	66%	64%	47%	46%
< 1 time a month	33%	40%	34%	24%	38%	40%

In addition, 1 in 4 (24%) consumers purchased stamps and nearly 1 in 5 (17%) withdrew or deposited cash. Despite the seemingly lower usage of PO Locals during extended opening hours among those on lower incomes, in lower socio-economic groups or who have a mobility or age related impairment, it appears that a significant number still use the model during these hours to send first or second class letters or withdraw or deposit cash.

Service standards in extended hours

The vast majority of consumers who have noticed a conversion either report a better experience or no change outside core hours, with the most common answer being no change. Consumers are most likely to report seeing improvements before 8am (41%), after 7pm (42%), or on Sundays (36%). When asked why their experience was better, 7 in 10 (70%) selected because the branch was quieter or not as busy.

Our mystery shopping shows that queue times are on average shorter during extended hours. Customers are more likely to be served immediately before 9am (78%) and after 5.30pm (74%) compared to the overall average (63%). For customers who did have to wait, queue times were shorted outside core hours, as illustrated in figure 22.

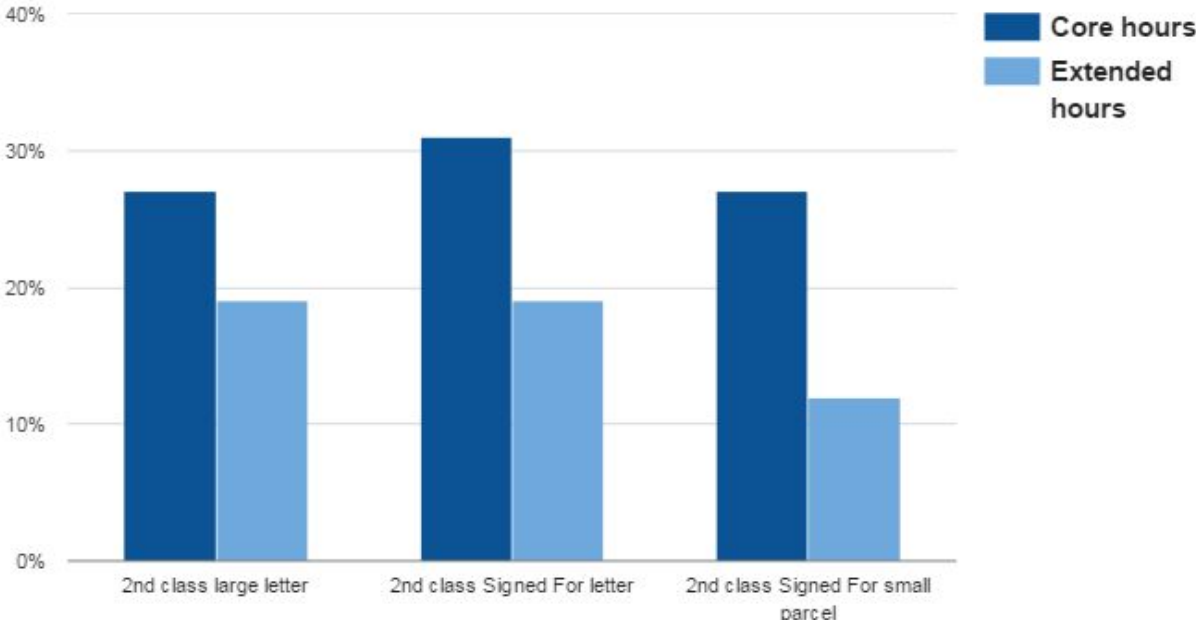
Figure 22. Average waiting times for shoppers who had to queue or wait

	Overall average	Before 9am	9am - 12pm	12.01 - 2pm	2.01-5.30 pm	After 5.30pm
Had to queue	2.35	2.19	2.27	2.57	2.33	2.24

Shoppers are less likely to have to wait outside core hours except on Saturday, when almost half (49%) were not served immediately. Despite the lowest proportion of shoppers having to queue or wait to be served on a Sunday, for those that did, they faced the longest average queue time of 2 minutes 58 seconds.

Our mystery shopping suggests that service at the counter is less good in extended hours. As the chart below shows, staff were less likely to offer a single, correct recommendation initially across the mails scenarios during extended hours compared to core hours.

Figure 23. Single, correct recommendations initially across scenarios in core and extended hours



As illustrated in the table below, staff in extended hours were more reliant on shoppers to reiterate their needs before recommending the service. Apart from the second class large letter scenario, despite shoppers reiterating their needs staff in extended hours were also more likely to still recommend the incorrect service.

Figure 24. Correct service offered only initially and after shopper reiterating needs

	Core		Extended	
	Correct service only initially	Initially or after reiterating	Correct service only initially	Initially or after reiterating
2nd large	27%	85%	19%	86%

letter				
2nd letter signed	31%	85%	19%	68%
2nd small parcel signed	27%	92%	12%	73%

Despite the poorer quality of service at PO Locals in the mail scenarios during extended hours, 98% of shoppers visiting in both core and extended hours were able to withdraw cash. This particularly important for more vulnerable consumers for whom our findings suggest are more reliant on using PO Locals for access to cash.

When shoppers asked if they could use the branch to deposit cash, staff in extended hours were more likely (78%) to confirm the availability of this service than staff in core hours (68%). In over 3 in 4 (77%) business cash deposit scenarios conducted in extended hours, shoppers were informed the service was available, compared to 90% in core hours.

Performance is the same in extended hours for Amazon shopping collection, but Local Collect services are almost twice as likely to be unavailable (19% compared to 11% during core hours).

Our previous mystery shopping research suggested that service standards were lower outside core hours.³⁶ One potential reason is that PO Locals are more likely to be staffed in extended hours by part time and more transient workers than core hours. Our recent research suggests that some PO Local operators have problems ensuring that the branch is sufficiently staffed during extended hours.³⁷

Our findings suggest that whilst customers may receive a quicker service during extended opening hours, the quality of service is often poorer. In a greater proportion of visits during extended hours staff are not asking sufficient questions to determine shoppers' needs and are more reliant on shoppers reiterating their needs to recommend the correct service.

³⁶ Citizens Advice, [Fixing the foundations: Branch and service standards in Post Office Locals](#), 2015. Consumer Focus, [Open all hours? Consumer Experience of, and service standards in, Post Office Locals](#), 2012.

³⁷ Citizens Advice, [Transformation health check, an operator perspective on how new post office models are affecting consumers](#), 2017.

Conclusion

PO Locals are performing well when compared to past performance and to that of traditional sub-post offices. Most consumers say branches are accessible and that they are satisfied with the service they receive.

While our research shows that PO Locals are generally performing in line with sub-post offices, the new model appears to have led to some trade-offs. Customers are more likely to be happy about improved access to counters and queue times, but more likely to be unhappy about counter space and privacy. And while queue times are generally lower outside core hours, so are service standards at the counter. We find 4 areas that Post Office Limited and operators should address to avoid consumer detriment and to protect the network's sustainability.

1. POL and operators should ensure that disabled access measures are in place and clearly communicated in branches. They should particularly focus on improving portable PIN pad and hearing loop provision.
2. POL should ensure that PO Local staff are sufficiently trained and aware of their obligation to ask appropriate questions to enable them to offer a single recommendation to customers. This is particularly an issue during extended opening hours.
3. Operators should ensure that they have clear signs to communicate their post office opening hours and the services they provide. This will help promote extended hours (where relevant) and ensure that customers have appropriate expectations of services.
4. POL and operators should seek to build on recent improvements in consistency of service provision, particularly focusing on current and business account deposits as well as parcel collection services.

We will follow up on these findings with a specific report on the experience of disabled consumers using the post office network. We will identify where performance is good and where it can be improved, placing it in the context both of the post office network but also comparable retailers.

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Published February 2017

Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux.

Registered charity number 279057.