



Post Office News - August 2020

How well are post offices delivering cash and banking services?

Citizens Advice has published a new report, [Banking on it: how well are post offices delivering cash and banking services?](#) Our study is the most comprehensive research ever into Post Office banking.

We found

- In a context of increasing bank branch closures, consumer use of Post Office banking has doubled in the past 3 years
- 25% of consumers and 20% of all small businesses have now used Post Office banking
- Overall service standards are largely good and customers are generally very satisfied
- But there are some problems - for example, 1 in 4 shoppers were unable to pay in a cheque and services couldn't be accessed at 1 in 5 Outreach post offices

We are recommending a range of improvements that Post Office Ltd (POL) should make to the service including the cheque deposit service, privacy, staff training and ensuring the service is available at advertised times.

POL and the banking industry should also work together to improve awareness of the service and ensure Post Office and postmasters' remuneration for providing banking is at levels that can sustain the service.

For further details of the research, please contact annabel.barnett@citizensadvice.org.uk.

Further bank branch closures warning

The Citizens Advice study comes as new [Which? research](#) reveals bank branch cuts announced for 2020 could see 247 bank branches shut this year, leaving the UK with 35% fewer than in 2015.

Which? also warns that bank branch closure rules are not fit for purpose and have done little to mitigate the cuts to the UK's branch network. Which? highlights the role of post offices in providing an alternative option for the community once a bank branch shuts. But the consumer organisation stresses the poor job banks are doing of informing local postmasters that a branch is closing. Citizens Advice research finds nearly 8 in 10 (77%) postmasters were not notified, despite engagement being crucial to help them prepare for an increased number of customers.

MPs concerned over future of Post Office subsidy

The current Post Office Network Subsidy Payment runs until March 2020. But MPs are increasingly [concerned](#) that the government should announce a decision on the future of the payment.

The Network Subsidy Payment is intended to maintain post offices which could never be profitable, such as those in remote rural areas, but which provide a valuable social purpose. The payment has been reducing substantially in recent years and totalled £50 during 2019/20.

Over time there have been mixed messages about the future of the subsidy. In 2010, the [Coalition government stated](#) despite planned reductions, there would "almost certainly remain a need for a residual level of subsidy in the future."

Paul Scully, postal services minister, has [responded](#) that future subsidy requirements "will be considered within the government's fiscal framework".

Horizon IT review to start in September

The minister responsible for postal services, Paul Scully, has [confirmed](#) the review into the Post Office Horizon IT system trials will start in September. The review follows a settlement of £58m between Post Office Ltd and 550 postmasters who took the company to court over accusations of fraud.

Many MPs are pressing for a full judge-led enquiry. But Mr Scully stresses the importance of speaking to the Post Office, postmasters and the IT provider Fujitsu "to get to the bottom of this matter so that we can learn the lessons and move forward for the subpostmasters of the future."

Separately, the [claims scheme](#) for postmasters who believe they have experienced shortfalls related to the computer system has received over 700 applications so far. The closing date for applications is in mid August and an independent panel will be assessing claims.

Royal Mail parcel volumes up 38% during pandemic

Royal Mail is [reporting](#) a 38% increase in parcel volumes covering the first full quarter of the pandemic period (30 March - 28 June). The company stresses that parcel growth is being driven by e-commerce and that as the UK starts to come out of lockdown, they are not yet seeing any change in customer behaviour.

Royal Mail has launched [new inflight delivery services](#) for customers. When retailers and other customers send items via Royal Mail Tracked, prior to delivery the recipient will receive a notification including an estimated delivery time. Recipients are now also able to request their item is delivered to a safe place or a preferred neighbour instead.

Later this year, Royal Mail will be adding further inflight delivery options and expanding the range of parcel services it will be available on. These may include arranging for the parcel to be delivered for collection at a local post office, a Royal Mail customer service point or arranging for the parcel to be delivered on a different day.

Royal Mail fined £1.5m for missing delivery target

The postal regulator [Ofcom has fined](#) Royal Mail £1.5m for failing to meet its first class delivery target in 2018/19.

Royal Mail is required to deliver at least 93% of its first class post - across the UK - within 1 working day of collection. In 2018/19, 91.5% of first class post was delivered on time.

Ofcom says that Royal Mail's performance improved in 2019/20, and after taking into account the impact of Covid-19, the company met its regulatory obligations.

Meanwhile, Royal Mail and the Communication Workers Union have been in [talks](#) aimed at resolving their current dispute. The talks are designed to develop a strategy for the future, as well as addressing operational and financial challenges facing the business.

Citizens Advice publishes consumer annual report 2019-20

Citizens Advice has published its [consumer annual report](#). This covers the changes we have achieved for consumers across the post and post office sector, energy and other markets.

The report highlights a range of work the Citizens Advice Post team has undertaken in the past year including on

- Ensuring the parcels market works for consumers
- Pushing for equal access to parcels for disabled people
- Improving awareness of parcel pick up and drop off points
- Stopping post enabling domestic abuse
- Reviewing post office community consultations
- Understanding the consumer experience of franchised post offices
- Monitoring the impact of post office network changes