



Post Office News - January 2022

Post Office to expand bank hubs

The Post Office has announced plans to [expand](#) its BankHub network as part of broader industry plans to protect cash and banking services across the UK.

The pilot BankHubs in Rochford and Cambuslang will continue to run until spring 2023 at least. And this year a further 30 existing post offices will provide new and improved dedicated cash services. Post Office BankHubs offer basic banking and cash services, as well as rooms where people can see staff from their own bank.

A [review of the pilots](#) found hubs provide an important service that boosted local economies by encouraging people to spend locally. Research showed hubs are particularly important for households that take a high proportion of income in cash, and also for people with caring responsibilities, mobility issues and non-drivers.

Under a [new agreement](#) between the major retail banks, any community that faces the closure of a core cash service, such as a bank branch or ATM, will have its needs independently assessed by LINK. LINK will then determine whether a new solution should be provided to meet that community's cash needs. The announcement of the additional 30 Post Office BankHubs follows LINK assessments of communities where closures have taken place over the past year.

LINK says there will also be new free-to-use ATMs and additional shared banking hubs as a result of their assessments. [Further initiatives](#) to support access to cash include 'cashback without purchase', mobile bank branches and pop-up services, as well as services for people who need to make payments in their own homes.

Government to pay for postmasters' compensation scheme

The government has [agreed](#) to pay for the compensation of former postmasters who were wrongfully convicted of theft and fraud following problems with the Post Office Horizon IT system.

This comes after Post Office Ltd (POL) said they were unable to cover the payments to postmasters. To date 72 convictions have been overturned and there are potentially hundreds more postmasters who may seek to have their convictions quashed.

The vast majority of postmasters who have had their convictions quashed have each received an interim compensation payment of up to £100,000. The government has not provided details about whether it has set aside a specific amount of money.

Meanwhile the Business, Energy and Industrial Strategy (BEIS) Committee is holding [evidence sessions](#) looking into compensation for postmasters who were prosecuted or otherwise affected by problems with Horizon. Witnesses told MPs that postmasters received a settlement of £57m in 2019 but £46m went towards the cost of legal action.

Ofcom announces stronger protections for parcel customers

The postal services regulator says they plan to ensure people sending and receiving parcels are treated better by delivery companies.

The [announcement](#) follows Citizens Advice [research](#) that finds 36% of consumers experienced a problem with their last delivery, and almost half of them weren't able to get the help they needed when trying to resolve the problem.

Ofcom intends to set guidance requiring postal operators to ensure customers are told who to contact to make a complaint, what the complaint process will be and how long it will take to resolve. Customers will have to be dealt with by staff who have received appropriate training.

The regulator also plans to require postal operators to develop and implement their own policies on how they will meet the specific needs of disabled consumers. Studies by both [Citizens Advice](#) and Ofcom itself shows disabled people with disabilities experience more problems with deliveries than those without disabilities.

However, Ofcom proposes to maintain the current framework for regulating

Royal Mail for a further 5 years. This includes annual delivery targets and the cap on 2nd class prices. But Ofcom says they intend to require the company to report publicly on their efficiency performance.

The regulator isn't proposing any action on mail redirections following Royal Mail's [announcement](#) of an improved discount scheme. Citizens Advice has long been calling for a more generous discount on this service.

Ofcom's [consultation](#) on their review of postal regulation closes on 3 March 2022. Citizens Advice will be responding.

Ofcom tracks rise in parcels and fall in letters

Separately, the regulator has reported on [trends in the postal sector](#) during the financial year 2020-21.

The parcels market grew significantly - with UK parcel volumes increasing by almost 50% compared with the previous year. This was mainly driven by an increase in online shopping as a result of the pandemic.

Letter volumes fell by 22%. Ofcom says this was due to a range of factors including a reduction in business activity and a further move to online services during the pandemic.

However, the last 6 months to September 2021, have seen a slight drop in parcel volumes as lockdown restrictions were removed during the summer. In contrast, volumes of letters increased over this period. Ofcom concludes trends in the short term 'remain uncertain'.

The regulator also reports that Royal Mail's quality of service was significantly affected by the Covid pandemic. But the company's efficiency performance is difficult to assess in view of the impact of the pandemic.