



## Post Office News - October 2020

### **Citizens Advice warns on problems facing people who can't receive mail**

Over 7 million people (14% of UK adults) have been unable to receive their post at some point in the last decade, according to new Citizens Advice [research](#). This is either because they don't have an address, they're moving around frequently or someone is intercepting their post.

This problem disproportionately affects marginalised people. Homeless people, survivors of domestic abuse, Gypsies and Travellers, and people living in precarious dwellings such as boats are far more likely to face these problems.

We found in the last 10 years missed letters have led to 4.7 million people missing appointments with key services, like court or employment related appointments. 3 million people have experienced some financial loss and 3.6 million people have missed at least one healthcare appointment. And 1 in 8 people have been unable to apply for things like benefits, jobs and banking over the last decade, because they didn't have an address for the application.

Citizens Advice is calling on the Department for Business, Energy and Industrial Strategy (BEIS) to make it a priority to ensure the postal service is truly universal.

The government should use the upcoming spending review to secure funding for an Address & Collect service, which would work like a PO Box, to be provided at post offices. This would give people an address for applications and a secure place to pick up their post.

## **New evidence on post office community support role**

The National Federation of SubPostmasters (NFSP) has added its voice to calls on the government to increase the subsidy provided to post offices. The NFSP highlights the need to recognise post offices' role in supporting their local communities, and particularly the more vulnerable members of society.

A recent [NFSP survey](#) of 500 postmasters finds -

- On average, subpostmasters and their staff 'keep an eye on' 25 potentially vulnerable people – post offices may act as an informal and unpaid support mechanism for around 300,000 vulnerable people across the UK
- 88% guide vulnerable customers through banking or bill payment transactions every day or most days of the week
- 64% signpost customers to government, local council or other public services every day or most days of the week
- 40% help prevent customers falling victim to scams or fraudulent activity every day or most days of the week
- 93% of subpostmasters describe their post office as a safe place for local people if they need help or feel threatened

The research also found the majority of post offices open during lockdown provided services that they wouldn't normally offer. These included collecting letters and parcels from homes locally, home delivery of essentials and calling by the homes of older and vulnerable customers.

The current Post Office subsidy is used mainly to provide a fixed element of remuneration to around 5,000 post offices, mostly in rural areas. But the NFSP warns many rural post offices will close if this payment were removed.

The NFSP's warning follows [Citizens Advice's call on the government to increase the subsidy](#) it provides post offices, to protect the services the network provides and allow post offices to deliver even greater social value.

## **Post Office consultation and restructuring**

Reports indicate 150 members of staff at Post Office Ltd (POL) are at risk of redundancy as part of plans to [simplify the company's structure](#) to better support its postmasters. The move is also reported to be a response to pressures the Post Office is facing as a result of the pandemic - including a fall in revenue from services such as currency exchange.

Separately, POL has launched a [consultation](#) asking postmasters and multiple retailers how they want to be involved in the development and execution of business decisions. The consultation runs for 12 weeks and includes in depth discussions and a survey of 8,000 postmasters.

## **Widespread concerns raised over Horizon IT inquiry**

The government has [announced](#) retired High Court judge Sir Wyn Williams is to chair the government's inquiry into the Post Office Horizon IT system trials. The inquiry follows a settlement of £58m between POL and 550 postmasters who took the company to court over accusations of fraud. The government says the the inquiry aims to ensure there is "a public summary of the failings that occurred at Post Office Ltd, and to make sure something like this cannot happen again".

However, many MPs, peers and postmasters are [concerned](#) that the review "will not get to the bottom of the scandal", and will not be able to compel witnesses to attend or be cross-examined.

Separately, the [Scottish Criminal Cases Review Commission](#) have written to more than 70 postmasters prosecuted in Scotland to ask if they want their case re-examined. In a similar action in England and Wales, 47 postmasters have had their cases referred to the Appeal Court.

There are also reports of [potential further problems](#) with the Horizon system over customer cash withdrawals.

## **Bank branch closures could lead to further shift to PO**

The government is reported to be asking [banks to propose plans](#) by Christmas, protecting access to cash across the country in the face of branch and ATM closures. It is thought that this consultation could lead to more bank branches shutting and a further shift of services to post offices.

Meanwhile, a range of [innovations](#) designed to ensure cash is available, are currently being trialled. These are part of the [Community Access to Cash Pilots](#), overseen by Natalie Ceeney who led the Access to Cash Review. The initiative is designed to trial and test scalable solutions to help keep cash sustainable.

Many of the pilots are based around Post Office services. These include [shared banking hubs](#) - where banks can send branch staff to a post office and offer banking services on different days of the week. There will also be pop-up Post

Office services allowing small communities to access banking services over a Post Office counter within an existing small shop.

In a separate [pilot](#) with the payment services company PayPoint, a number of shops are testing a purchase-free cash back service.

### **POL considers sale of telecoms and insurance business**

The Post Office is said to be in [discussions](#) over a sale of its telecoms arm and is considering a sale of its insurance business. The prospective sale of the 2 operations follows a comprehensive review of the company led by Nick Read, who joined the Post Office as its chief executive last year.

Telecoms currently brings in around 16% of POL's total revenue, around £150m a year. The Post Office telecoms service has around 500,000 customers. Post Office Insurance provides travel, life and general insurance policy cover. This yields around £55m a year, 6% of total revenue.