



## Post Office News - October 2021

### Post offices to provide Amazon click and collect service

The Post Office has signed a [click and collect contract](#) with Amazon. By Christmas, 1,500 of the network's 11,500 post offices will offer pick up and drop off services in which customers can either take delivery of or send parcels with Amazon. The arrangement, which will be launched nationally next year, follows 6 months of trials in 200 post offices.

Amazon, combined with their 3rd party sellers, is [estimated](#) to ship more parcels than any other single business in the country. Postmasters will scan Amazon parcels when they arrive and customers will be able to collect them by displaying a QR code on their smartphones.

The news comes just weeks after Post Office Ltd (POL) announced a similar partnership with [DPD](#), allowing consumers to choose to have their DPD deliveries sent to 1,500 post offices by the end of the year.

Until this year, POL was bound under an agreement to act exclusively for Royal Mail. The ending of this agreement permits the Post Office to work with other postal companies.

### Post Office card account end delayed

The Post Office card account (POCA) which had been due to close in November this year, has now been [extended for 12 months](#). The government says following the disruption caused by the pandemic, this will ensure everyone has the time to make alternative arrangements.

Around 350,000 state pension and benefits claimants [currently use POCA](#)s to receive their payments at post offices. This is down from 1 million in 2019.

The Department for Work and Pensions continues to write to all POCA users, telling them the service is ending and encouraging people to use a bank account

for their payments.

People who are unable to use a bank account can use the Payment Exception Service which is provided by vouchers either on a card, text message or a pdf attachment in an email. The voucher contains a barcode that can be scanned at post office counters and PayPoint outlets to exchange for cash.

## **Post Office asks for fee rise from banks**

POL has asked banks for an additional £200m, as part of the next 3-year Banking Framework agreement, according to [reports](#). The agreement enables consumers to access their cash and everyday banking services at post offices. In the current deal, which ends in December 2022, banks pay £600m.

The Post Office reportedly also wants to form a longer-term 10 year agreement with the banks. It is argued that a long-term arrangement could avoid the uncertainty of more frequent negotiations between POL and the banks.

The negotiation takes place in the context of ongoing bank closures - including [over 400](#) TSB, Santander, HSBC and Barclays branches this year. HM Treasury has been [consulting](#) on the government's legislative process for protecting access to cash.

A [range of organisations](#) representing small businesses and consumers - including the Association of Convenience Stores and Federation of Small Businesses - have signed an open letter to Chancellor Rishi Sunak. The letter renews calls for a [mandatory requirement on banks](#) to provide Post Office access. Currently provision is voluntary for the banks.

The latest Citizens Advice research shows almost 1 in 3 people used Post Office banking services during the last 12 months. Our previous [research](#) also shows 1 in 5 small businesses uses Post Office banking.

## **Scottish Spar post offices to close by November**

In June Spar Scotland announced the [decision](#) to close 31 of its 48 instore Post Office counters. Many have already closed and all are due to shut by mid-November. The move has been widely criticised by local people, councillors and MSPs who [say](#) the closures could be "catastrophic" for some communities.

Spar Scotland's chief executive reportedly said the strategy of closing loss-making Post Office counters and replacing them with higher margin food to go is [backed by shop managers](#).

The closures take place in the context of a renewed [press](#) and [parliamentary](#) focus on post office closures and reduced opening hours.

### **No plans to reduce 6-day letter deliveries**

The government has [confirmed](#) it is not planning to cut the frequency of letter deliveries.

In last year's [review](#) of postal users' needs, Ofcom said in their assessment a 5 day letter delivery would meet the "reasonable needs" of postal users. A change to the minimum requirements would have to be put to parliament. Citizens Advice has previously [warned](#) against the start of a "slippery slope" in reductions to the service.

Since that time, Royal Mail has seen continued revenue growth. The company's latest [trading update](#), reports higher revenues than the previous year. This includes Royal Mail letter revenue, which increased by 18% since 2020.

### **Yodel delivery drivers vote to strike**

Yodel may be facing a complete [delivery shutdown](#) after hundreds of drivers voted to strike over pay and conditions. The dispute is over driver schedules, pay and annual leave.

The news follows recent [Citizens Advice research](#) that shows how pressures on delivery drivers contribute to problems for consumers. We're calling on Ofcom to strengthen consumer protection in the parcels market, as well as action to ensure drivers have realistic workloads and are incentivised to provide good customer service.