



Post Office News - September 2021

Post offices to offer DPD click and collect service

A [new deal](#) between Post Office Ltd (POL) and DPD moves post offices a step closer to becoming a parcel shop hub, selling services and accepting parcels for multiple couriers.

Under the new arrangement, people making an online purchase which is to be delivered by DPD can choose their local post office as the collection point for their parcels. DPD will deliver parcels directly to the post office and the postmaster will process customer collections at the counter.

This click and collect service is initially available at around 250 post offices, and is due to be expanded to 1,500 branches ahead of the Christmas period.

POL has been able to agree this service following the end of its exclusive Royal Mail relationship this March, which allowed the company to “open up its network” to external carriers for the first time in its 360-year history. Earlier this year, POL trialled click and collect services with [Amazon](#).

Separately, in a further shake up of the parcel shops market, from 6 September [Tesco is to provide delivery and collection points for Hermes](#) through its convenience stores. Hermes currently runs over 6,000 parcel collection points in the UK, including ParcelShops in independent retailers and retail groups, and parcel lockers.

Concerns over suitability of voucher scheme as POCA ends

Until recently around 500,000 people received their state benefits and pensions through the Post Office card account (POCA) which is due to close in November. The Department for Work and Pensions (DWP) has been gradually phasing out the service and asking claimants to switch to bank accounts for their payments. The DWP will be [moving people](#) who are unable to open alternative accounts over to the Payment Exception Service which makes payments via paper-based

vouchers.

The current [Payment Exception Service](#) - which has been available for people who cannot use either a POCA or other account - provides access to payments only via some PayPoint outlets. But [from September](#) claimants will also be able to [cash their vouchers at post offices](#).

However, POL, [MPs](#) and [other stakeholders](#) have expressed [concerns](#) about moving people onto a voucher-based scheme which, unlike the POCA, does not allow people to withdraw specific amounts. The fear is that this less sophisticated payment mechanism could cause significant budgeting and saving problems, as well as fraud and security risks for people in vulnerable circumstances.

EasyID app launched

People can now [prove their identity](#) using a new Post Office app to collect mail at post offices, instead of documents such as a passport or driving licence.

The app is free to download and can also be used to buy National Lottery tickets at the 5,000 post offices that sell them. People can use the app at 13,000 Payzone outlets within convenience stores as proof of identity or age when buying age-restricted items. In addition, the app can be used at a further 12,000 retailers that already accept ID provided by Yoti, the digital identity company the Post Office has partnered with.

POL says the app will help make post office transactions faster and simpler for customers. POL's chief executive, Nick Read, says he expects the app "to become a standard way of verifying ID for many businesses nationwide."

Contracts to offer local authority services renewed

Over 300 local councils offer [services](#) through the post office network. This includes applications and payment services both from and to residents and local authorities - such as cash collection for rents, rates, council tax and parking fees. Payment services include emergency welfare payments. Councils may also provide concessionary travel applications and identity checking services at post offices.

POL says it is finalising [new contracts with Capita and Allpay](#), their providers of a total of 450 local authority and housing contracts, covering 26 million transactions a year across the network. This means consumers will be able to continue to access these services at post offices. The range of services available depends on the local area.

Post offices remain most valued local service

Post offices are still one of the most valued community services according to the annual Association of Convenience Stores (ACS) [Community Barometer](#). The barometer looks at services across key measures like reducing loneliness, how positive an impact they have on the community and how essential they are. Post offices take joint first place alongside convenience stores.

For the first time, the research measures the impact on house prices of different local services, and post offices come out on top. ACS comments that “despite the movement online of many services, it’s striking that consumers are still looking for physical service providers like the Post Office”.

Increasing focus on post office closures

Recent months have seen increased discussion around network coverage and post office closures.

The [BBC](#) reports 250 post offices that closed due to Covid-19 had not been reopened by the time lockdown restrictions were lifted in June. It says some branches were unable to open after they lost footfall and transactions such as travel money and travel insurance, whilst overheads remained the same.

A separate [Scottish press report](#) states that the number of post office branches has more than halved during the last 20 years across the north and north east. It finds in 2000 there were 571 full time post offices across Aberdeen, Aberdeenshire, Moray, the Highlands and islands. The total has now reduced to 278.

And a recent [academic paper](#) claims that the post office network doesn’t actually meet the government’s access criteria in Wales. The paper is critical of the government for not publishing the methodology it uses to calculate post office coverage.

Citizens Advice is also concerned about the rising number of temporarily closed post offices. Our own [research](#) shows that since 2013, the number of temporarily closed post offices has doubled - the majority of these post offices (2 in 3) stay closed for over a year. We’re currently asking the government to provide a multi-year subsidy to continue to support the most rural post offices as part of the comprehensive spending review.

Pandemic continues to impact on Royal Mail deliveries

The latest [Quality of Service report](#) confirms the impact of Covid on Royal Mail delivery times. Royal Mail delivered 87.2% of First Class mail the next working day, against the target of 93%, during the first quarter of 2021/22. 97.5% of

Second Class mail was delivered within 3 working days, against the target of 98.5%.

[Royal Mail says](#) their service has been disrupted throughout the pandemic, due to necessary social distancing measures, combined with increased Covid-related staff absences and unprecedented parcel volumes. During the first quarter of the year, the company says it has experienced high levels of sickness absence and self-isolation compared with pre-Covid levels and this has affected service levels. However, Royal Mail stresses that the figures are an improvement on the previous quarter and their focus is to “restore our service to the high standards our customers would normally receive”.

Over the last year [Citizens Advice](#) has seen increased numbers of people getting in touch about delayed letters, particular during the lockdown period in January when we saw a 365% increase from January 2020. We continue to monitor the impact on consumers and clients.