



Post Office News - January 2020

Citizens Advice calls for CMA review of parcels market

New Citizens Advice research finds 6 in 10 (59%) online shoppers have experienced at least one problem with parcel delivery in the last 12 months. We estimate that UK consumers have lost at least £85 million because of parcel problems in the last year. On average people spend around 2 hours trying to fix parcel problems, and often experience stress or anxiety because their delivery went wrong.

Our research finds consumers experience problems at every stage of the customer journey - during ordering, delivery, returns and complaints processes.

We also find that disabled people are more likely than non-disabled consumers to have delivery problems, with 2 in 3 experiencing an issue in the last year. Common problems include missing a delivery because they're not given enough time to get to the door. Parcels can also be left in a location which disabled people can't get to.

Citizens Advice believes the scale of parcels-related problems indicates this vital market isn't working properly. We're asking the Competition and Markets Authority (CMA) to review the parcels market to make sure it is working in the interests of the consumers it serves.

We're also calling on parcels companies to allow disabled consumers to specify their accessibility needs and pass this information onto the delivery driver.

For further details see our [parcels market report](#), [report on parcel deliveries for disabled people](#) and [blog and video](#) on why home deliveries aren't working for disabled people.

Consumer advocates' guide for parcel complaints

The 3 statutory consumer advocacy bodies for postal services - Citizens Advice, Citizens Advice Scotland and the Consumer Council for Northern Ireland - have published a [guide](#) to support parcel operators create improved complaints handling processes. The best practice guide is based on research with consumers and our conversations with operators.

The guide makes recommendations on making it quick and easy for consumers to complain, taking ownership and treating consumers as individuals, providing support and having a strategic focus.

Over half the population expected to visit a post office over festive period

More than 28 million people (54% of UK adults) said they intended to visit a post office branch during Christmas, according to Post Office Ltd (POL) [research](#). This included 64% of people aged 55+ and 35% of 18-24 year olds.

The research found that of those who intended to visit a branch, more than 2 in 3 planned to visit to post Christmas cards and gifts. Over 1 in 5 planned to collect or return online shopping. A further 1 in 5 (20%) intended to withdraw cash and 7% to deposit cash.

Post Office settles legal dispute with postmasters over Horizon

POL has reached a £58m [settlement](#) with hundreds of subpostmasters to end a series of court cases over the Horizon IT system used to manage local post office finances. The allegedly faulty computer system led to some postmasters going bankrupt or being imprisoned.

The complex litigation was split into 4 trials, with the subpostmasters winning the first earlier this year about the fairness of their contracts. The [judge ruled](#) that contractual terms, including clauses regarding liability for losses, were unfair and the 2 sides were "almost uniquely unequal".

The settlement was reached after 2 weeks of mediation and means remaining trials will no longer take place. Tim Parker, Post Office chairman, said: "We accept that, in the past, we got things wrong in our dealings with a number of postmasters and we look forward to moving ahead." Nick Read, who took over as Post Office chief executive in September, said the company was "committed to a reset in our relationship with postmasters".

Ofcom shows continued decline in letters and rise in parcels

Letter volumes fell by 8%, while parcel volumes rose by 10% over the last year, according to [Ofcom's annual monitoring update on the postal market](#).

The regulator finds over 8 in 10 residential consumers were satisfied with Royal Mail (84%) and postal services (86%) overall. However, Ofcom reports slightly lower levels of satisfaction with specific aspects of Royal Mail's service this year. This includes the availability of post office branches, cost of postage, and ease of access to information such as complaints procedures.

Overall consumers confirm that they are sending less mail than 2 years ago - particularly personal letters, payment for bills, invitations and cards, formal letters. However, consumers are sending slightly more tracked items. People are receiving more parcels, direct mail from unknown organisations and items requiring signatures.

Ofcom also reports a decline in profitability of the part of Royal Mail that provides the one-price-goes-anywhere 6 day a week universal service. The regulator says it believes that "uncertainty remains about the longer-term sustainability" of the service, and will engage with Royal Mail management about how they plan to mitigate the risks.

Which? warns more people will struggle to access essential banking services

The continued move towards online banking and digital payments means people may increasingly struggle to access their banking services in a way that suits their needs, according to a new [report](#) from Which?.

Which? research finds 75% of consumers think everyday banking products and services are as essential to the way they live their lives as gas and electricity. But the rapid decline in bank branches risks leaving some people behind. The research shows 65% of consumers would find it difficult without the option to access a bank branch and 22% of adults make no use of online banking.

Which? concludes that government, regulators and industry should act to ensure that everyone has access to core banking and payments services. The report says there is "potentially a significant role for the Post Office". However, citing the recent - albeit reversed - decision by Barclays to remove the cash withdrawal service, Which? is concerned that the banking industry agreement to provide post office services cannot be relied on by consumers.

Citizens Advice work plan consultation 2020/21

Citizens Advice has a formal role representing consumers in the postal and energy markets, and this includes our post office policy work. Our work plan sets out our agenda for improving markets for consumers and is now open for consultation.

The [plan](#) is now published in draft as part of a consultation ending on 30 January 2020. We welcome feedback, which will be reflected in our final work plan.