



Post Office News - October 2019

Bank closures and ATM charges highlight importance of PO banking role

Around a third of the UK's bank branches have shut within the past 5 years, according to [new research from Which?](#) Hundreds more which remain open have reduced their opening hours, with some just open for 1 or 2 days a week.

The shrinking bank branch network has been driven by a wave of closures by major high street names. RBS closed 74% of branches, NatWest shut 49% and rural areas have been hit worst of all. A total of only 6,549 bank branches remain.

In addition, Which? found 1 in 10 free-to-use ATMs have closed or switched to fee-paying in a 17-month period after major changes to how the network is funded. The consumer organisation reports that [deprived areas are losing free cash machines](#) at a much faster rate than affluent ones - forcing thousands of people in poorer communities to pay up to £2 per withdrawal.

In contrast, the 11,500-strong [post office network](#)- with 53% of branches in rural areas and 12% in urban deprived areas - is increasingly the nearest outlet for people to withdraw cash and access basic banking services.

Citizens Advice is currently undertaking research into how well Post Office banking services are being delivered and what other banking services post offices could offer to support local communities. For further details see our new [blog](#) or contact annabel.barnett@citizensadvice.org.uk.

Bank of Ireland extends Post Office partnership

The Bank of Ireland has [extended its partnership](#) with the UK Post Office until at least the end of 2026. The arrangement provides Post Office branded savings products, mortgages and personal loans, to around 2.1 million Post Office customers. The Post Office has been working with the Bank of Ireland since 2004, but the new arrangement is reported to move away from a commission-based agreement to [sharing returns](#).

The partnership includes the Post Office's foreign exchange service, a 50/50 joint venture. Bank of Ireland also runs the Post Office's 2,500 free-to-use ATMs.

The Bank of Ireland's Post Office current accounts were discontinued earlier this year and their Post Office [credit card](#) is due to be transferred to a Jaja, a digital finance company.

1 in 5 convenience stores host a Post Office

Post Office services are available in 1 in 5 (21%) convenience stores, but many more local shops provide access to alternative cash, bill payment and parcel services.

[Research](#) by the Association of Convenience Stores (ACS) finds a high proportion of local shops offer

- Mobile phone top-up 86%
- Lottery 83%
- Bill payment 75%
- Cash back 62%
- Free-to-use ATM 46%
- Parcel collection 27%
- Charging ATM 18%

ACS also reports that over half (55%) of convenience store customers travel less than 0.25 miles to get to their local store. Most people (57%) walk to the shop, and people visit an average of 3.8 times per week. 1 in 3 (33%) customers say they know the people running and working in the shop very or quite well.

Citizens Advice says parcel delivery companies must handle complaints better

7 in 10 UK customers have experienced at least 1 parcel delivery problem in the last year. This ranges from parcels not being delivered in time or arriving damaged, to parcels being left in 'unsafe place' and the delivery person 'missing' the consumer when they are actually at home, But our research shows that

consumers are unlikely to complain when things go wrong, and even when they do, they find the process is difficult.

To understand more about the complaints process, Citizens Advice interviewed 30 people who had complained about a delivery in the last 3 months. We have released the results in a [digital storybook](#).

People told us that parcels complaints processes are confusing and can require considerable effort to navigate. As a result, consumers often face uncertainty for longer periods and spend unexpected time trying to resolve their problem. Some people couldn't access the compensation they were entitled to or had to take time off work to fix the issue, resulting in lost earnings.

Citizens Advice is working with Citizens Advice Scotland and the Consumer Council for Northern Ireland to develop a best practice guide for complaints handling by parcel delivery companies. For further details see our [blog](#) or contact tim.harrison@citizensadvice.org.uk.

Green Postal Day

The first [Green Postal Day](#) has been launched, to highlight the work the postal sector has undertaken to tackle the impact of global climate change by reducing carbon emissions. 19 national postal operators, including Royal Mail Group, participate in this programme.

Actions include doubling the share of alternative-fuel vehicles in vehicle fleets, to the equivalent of 23% of total vehicles, and reducing electricity consumption.

Environmental issues are an increasing concern in the postal industry. This has also led to looking at a wide range of other measures - from the impact of failed home deliveries on carbon emissions, improving delivery efficiency and vehicle sharing to reducing packaging and carbon offsetting.

Post developments around the world

- **Isle of Man** - Isle of Man Post Office is [reducing its standard letter mail service](#) from 6 to 5 days a week, Monday to Friday. Parcels, Special Delivery and tracked items will still be delivered 6 days a week.
- **Netherlands** - PostNL is to [merge with Sandd](#), its only national competitor. PostNL and Sandd say the continuing decline of mail volumes makes it very difficult for postal operators to sustain their profitability. But

combining the volumes of the 2 networks will generate [economies of scale](#) - enabling the country's postal services to be kept reliable, accessible and affordable for all.

- **Norway** - Posten Norge will be [reducing mail delivery](#) to every other day from July 2020. New services will be introduced including in-home delivery with a digital door lock, allowing employees to deliver parcels inside the door even when the recipient is not at home.
- **Australia** - Australia Post is offering a new national parcel service with a [flat rate pricing](#) based purely on the parcel's size instead of a combination of weight and where it is being sent to or from. Designed to remove complexity, customers will have 2 simple national flat rate options - size or weight. Australia Post says this means people sending to or from remote parts of the country are no longer at a disadvantage.
- **United States** - An [agreement with the Universal Postal Union](#) (UPU) on international remuneration rates for incoming mail will lead to an increase in the postal prices Chinese sellers are paying the United States Postal Service (USPS), and other western markets. The change follows criticism from President Trump who was [concerned that Chinese sellers were paying minimal amounts for the USPS to deliver packets](#). Prior to the agreement, the US had threatened to withdraw from the [UPU's remuneration system](#) for letters and small packets, which ensures national postal operators are compensated for the cost of handling, transporting and delivering items across borders.