



Post Office News - March 2022

90 MPs and peers call for 'urgent action' on closures and outreaches

A group of 90 cross-party parliamentarians have signed an [open letter](#) to Post Office Ltd's (POL's) chief executive Nick Read and Postal Affairs Minister Paul Scully. The letter calls on POL and the government to take urgent action to work together to end long-term temporary closures and the increasing proportion of outreach services in the network.

The letter highlights recent Citizens Advice [research](#) which shows the impact of closures and the replacement of full-time services with part-time outreaches. Parliamentarians are particularly concerned about the groups hit hardest by poor post office access, including disabled people, older people and small businesses, as well as the subsequent loss of community cohesion.

Stakeholders still waiting for subsidy announcement

We are still awaiting the government announcement on the Post Office subsidy. The network subsidy payment has [varied](#) over time, reaching a high of £210 million in 2012/13. It has been reduced each year until 2019/21, where it has remained at £50 million.

The current payment supports 4,000 post offices to remain open, including 3,000 rural 'last shop in the village' community branches. However, this payment only runs until the end March 2022.

It is widely accepted that the post office network cannot operate on a solely commercial basis and key stakeholders have [called](#) on the chancellor to extend this support beyond March. The [government says](#) it expects to make an announcement by the end of the financial year.

Post Office renews call for access to cash legislation

Business and personal [cash deposits](#) at post offices totalled £2.24 billion in January, up 48% compared with a year ago when the country was in lockdown.

POL says around 130% of pre-Covid values of cash are coming into branches and about 80% of withdrawals. At a recent [Scottish Affairs Committee](#) evidence session on access to cash, POL's director of banking Martin Kearsley described banking as "a bedrock business" for post offices.

But Mr Kearsley said legislation is needed to ensure that cash is protected, especially in rural and deprived communities. He stressed that cash provision should not just be based on commercial agreement or good will. Other organisations including [Citizens Advice](#) and [Which?](#) have also expressed concerns about the voluntary nature of the agreement between the banks and POL.

The newly signed agreement between POL and the banking industry only lasts until December 2025, and it is reported that some bank executives are [predicting](#) it will be the final deal struck with the Post Office as "cash will have largely disappeared in 3 years."

At the time of writing the Treasury has not yet provided an update on last year's [consultation](#) on legislating for cash access.

Public inquiry hears from postmasters affected by Horizon scandal

Oral hearings have now begun at the [statutory public inquiry](#) into the failures of the Post Office Horizon system. At the 'human impact hearings', former postmasters and post office workers have been giving evidence on how their lives have been affected.

The parliamentary inquiry will restart once the statutory inquiry has concluded, and will look at corporate governance at POL and government involvement.

The Business Energy and Industrial Strategy (BEIS) committee has published an [interim report](#) on compensation and says the government should urgently commit to ensuring that the 555 group action litigants who took POL to court and exposed the Horizon problems are "fully compensated" for all their losses. The committee also expresses concerns about the time taken to make settlements to postmasters, and fears compensation claims are too low.

Post office strike threat

The Communication Workers Union (CWU) is planning to ballot its members in a [strike campaign against pay freezes](#). The CWU represents people who work directly for POL, including Crown post office employees, as well as those who work in cash operations.

The CWU says POL has continually refused to raise pay over the past year “despite workers putting in extra efforts and taking on more duties throughout the pandemic, staying open to the public while bank branches closed; continuing to deliver cash and essential supplies to offices...”. The ballot closes on 28 March.

Almost 15 million people affected by post delays over Xmas

[Research](#) from Citizens Advice finds almost 15 million people (28%) were left waiting for post over the Christmas period. Of those, over half (54%) reported going at least a week without letters.

As a result 2.5 million people missed important documents, health appointments, or were unable to pay a fine or bills, sometimes resulting in further penalties.

Additional analysis found the situation failed to sufficiently improve in January with 23% of those asked reporting post disruption, Again, more than half of those (54%) reported receiving no post for over a week. Some of the worst affected areas faced 8 weeks of severe disruption.

While the situation has finally appeared to improve, this is the 2nd year running we’ve flagged severe Christmas disruption. Citizens Advice is calling on Ofcom to investigate Royal Mail’s performance and consider enforcement action and fines.

Royal Mail’s [quality of service results](#) for October-December 2021 show only 77% of first class mail was delivered on time, 16 percentage points below target, and a 5.6% drop compared to the previous quarter.

New research highlights delivery problems for disabled people

7 in 10 disabled consumers faced 1 or more delivery problems in the past year, according to [research](#) by Which? and the Research Institute for Disabled Consumers.

A survey of 704 disabled consumers found that half of those with a delivery issue said the courier didn’t wait long enough for them to answer the door. A quarter said their parcels were left in an inaccessible way and the same proportion said that the courier did not provide the help they needed.

Which? also reviewed 10 of the biggest online retailers' checkout pages after many people said it was difficult to leave delivery instructions when placing orders. They found that while some retailers provided textboxes for delivery instructions, others only allowed this function for some products and with sparse character limits. Other retailers didn't provide this function at all.

This new research highlights many of the problems identified in previous [Citizens Advice research](#). We found widespread delivery problems for disabled people. We agree that many of these issues arise because disabled people can't tell delivery companies about their accessibility needs in a simple way. In December 2021 the regulator [Ofcom proposed new regulation](#) requiring delivery companies to ensure disabled consumers can communicate their delivery needs to parcel operators.

PUDO sector continues to grow

Post Office parcel services are used widely - Citizens Advice finds 59% of all adults sent a parcel, 39% returned an online order and 29% collected a parcel at a post office in the past year. But alternative parcel pick up and drop off (PUDO) providers are also seeing a boom in service use, and many are planning to increase the range of services they offer.

[CollectPlus](#) reports in November and December 2021 overall parcel volumes were up 11.3% compared with 2021. Over 6.5 million packages were handled through their network of 10,000 stores. CollectPlus says they intend to open their entire network to returns for all carrier partners and expand 'in-flight diversion' of parcels to convenience stores for more carriers. The company is also planning parcel lockers trials.

[DHL](#) has announced the launch of a new 'walk in send' service across its ServicePoints nationwide. Consumers can pay over the counter to send a parcel, after filling in delivery details on a handheld device. Staff then print and affix the necessary labels. The new service adds to DHL's existing online services of home collection and ServicePoint drop off. DHL Service Points are available at 1,300 locations in high street stores and the new service is also available through CollectPlus outlets.