



Post Offices Advisory Group

c/o Consumer Focus, Artillery House, 11-19 Artillery Row, London, SE16 7HS

Joint Statement

The Post Offices Advisory Group (POAG) is the new name for the Counters Advisory Group (CAG), chaired by Consumer Focus, the statutory watchdog for post office consumers. The Group brings together many of the UK's leading consumer organisations to campaign with one voice on issues affecting post office consumers.

POAG recognises that post offices perform a critical social and economic role. Consumers rely on the Post Office network to access a range of essential services, and we believe the key strengths of the Post Office network – that it is trusted, local and personal- leave post offices well placed to play an expanded role to meet and respond to consumers needs.

Members recognise there is no single solution to the issues facing the post office network. Rather, there are a range of steps that should be taken together to secure the long-term viability of the national network of post offices. We strongly support the recommendations made by the Business and Enterprise Committee in their recent report 'Post Offices: Securing Their Future'. Through this statement, we call on the Government and Post Office Ltd to take the following decisive measures to support the long term viability of the post office network: a thriving post office network that fully meets consumers' needs.

1. Provision of Financial Services

The economic downturn and the role that High Street banks have played in precipitating this means there is a window of opportunity for the post office to provide particular financial services offering a genuine antidote to the disillusionment with existing financial providers. As well as allowing access to the basics – all bank accounts, ATMs, cheque cashing services, the Post Office should also develop core financial products of its own.

If successful, the provision of such services could also underpin key policy objectives, including the promotion of financial inclusion, responses to the credit crunch and helping to deliver more sustainable communities. And such a move will help the Post Office network to thrive.

2. The Government to see the Post Office as an asset, not a burden- and act accordingly

If the Post Office network, and the essential services it provides, is to remain viable, opportunities to bring new business to the Post Office network should be grasped with both hands. We welcome the fact that Government appears to be reorienting its view of the Post Office network: as an asset, rather than an economic burden. The Government has recognised this through the continuation of its Social Network Payment, in support of the critical social and economic role performed by the Post Office.

But the Government should now go further: it should look to actively identify the additional products and services the Post Office is best placed to offer. Lord Mandelson himself has highlighted that the face-to-face contact which a post office offers is "becoming an increasingly important and

reassuring factor for many people – especially when many private companies, as well as many government agencies, are seeking to reduce their own face-to-face contact points¹.”

This strength, combined with the trusted brand and the reach of the network, leaves the network well placed to deliver a range of new government services and initiatives, including:

- **Identity services** that require the physical authentication of identity and the collection of personal data.
- The **‘government general practitioner’** role identified in the PIU report (2000), providing face to face information and low-level advice on a range of central and local government services.
- A full range of **small business services**, including mails and banking services.
- Serving as a **‘digital bridge’** between government departments and consumers who may be unwilling or unable to undertake transactions by electronic means, including an extension of the current ‘check and send’ arrangements whereby subpostmasters could check, authenticate and digitalise documents and forward these to the relevant government department
- The single points of contact for **face-to-face ‘Tell Us Once’ notifications** of changes in circumstances (births, deaths, changes of address), recommended by the Varney review.
- Serving as **engagement points** for central government and local authorities, building on the basis of recent trials in London

3. Modernising the Post Office, transforming the consumer experience

POAG recognises the strategy for post offices should be geared around new opportunities to transform the Post Office network, underpinning its existing social role, rather than seeking to ‘turn back the clock’. However, Post Office Limited needs to demonstrate it can realise the new opportunities presented to it. Post Office Limited is capable of achieving a viable network only if it transforms both its business and service cultures, seeking to attract consumers who choose, not just rely, on the Post Office network to access services. Consumers have deserted the network in favour of other, more flexible means to undertake transactions, including the internet. Yet in spite of these challenges, Post Office Limited has failed to respond or make its services available more flexibly.

Post Office Limited must rigorously tackle the problems around queue times, quality of service and the need to modernise its branch environments. If it gets this right, Post Office Limited will succeed in acquiring and retaining new customers; however, if action is not taken, will undermine the ‘Post Office’ brand, hinder the uptake of new products, and make it a less attractive option for the provision of an expanded range of central and local Government services.

4. A ‘Post Office First’ approach to procurement based on improved effectiveness

Post Office Limited’s increased effectiveness should mean that central and local government consider a ‘Post Office First’ approach to procuring face-to-face delivery of services. The cabinet committee examining the future of the post office network (MISC 33) should actively audit the extent to which this already happens. It should also identify additional possibilities for work. While some councils have been very active in supporting their local post office networks, all local authorities should actively look to use this valuable community asset by considering how it can be used to deliver, or provide a point of contact for, council services.

¹ “Mandelson: banks meltdown could save post office network”, *The Guardian*, 11th November 2008 (the leaked letter)

However, this is only one side of the equation. Post Office Limited needs to bid competitively, offer good value for money, and promote its two most significant assets: its superior universal network coverage, and the suitability of post offices to undertake face-to-face delivery of services. There is a compelling case for a 'Post Office First' approach to procuring services, but only if Post Office Limited actively seeks to deliver the quality of service consumers expect.

5. PO as a hub for businesses

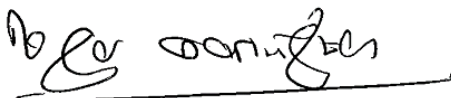
Post offices play a critical role in providing small businesses with access to mails and banking services. Research into the postal needs of small and medium enterprises, undertaken by the predecessor body to Consumer Focus, Postwatch, found that 83% used the post office regularly to post parcels. The Federation of Small Businesses reports 20% percent of its members use a post office daily, with 47% using a post office every week. POAG recognises that continued access to Post Office services should be seen as a vital supporting requirement to ensure rural small businesses, and the rural economy, benefit fully from the Government's requirement for universal broadband access by 2012.

However, Post Office Limited can and should do more to innovate for and support growth in small business usage: Post Office Limited should look to develop its business banking offering; modernise its crown office network to offer dedicated business counters and product advice; and play a greater role in easing the current credit problems faced by small businesses through offering small business loans. The Chair of the Treasury Select Committee has suggested that government should deliver its lending objectives through publicly owned institutions, including the post office, to sidestep banks' frozen credit lines.

Small businesses would also benefit from government requiring all post offices to offer a minimum product range that better takes account of business requirements. This is particularly important in the event that Post Office Limited looks to expand its outreach services, or moves towards a rollout of the 'Post Office Essentials' service.

The Post Offices Advisory Group meets quarterly. If you would like to address one of our meetings, submit reports for our attention, suggest areas for our consideration or get involved in another way, please get in touch with Matt Forde matt.forde@consumerfocus.org.uk or on 020 7799 8021.

Yours sincerely,



Roger Darlington
Chair, on behalf of:

Citizen's Advice Bureau
Commission for Rural Communities
Consumer Focus
Federation of Small Businesses
Help the Aged/Age Concern
Local Government Association
National Association of Local Councils
Plunkett Foundation
Royal National Institute for the Blind