

Staying Local

The impact of changes to the post office network
for Welsh consumers



About Consumer Focus Wales

Consumer Focus Wales is a statutory organisation campaigning for a fair deal for consumers.

Part of Consumer Focus, our structure reflects the devolved nature of the UK.

Consumer Focus Wales looks at issues that affect consumers in Wales, while at the same time feeding into and drawing on work done at a GB, UK and European level.

In advocating for consumers we aim to influence change and shape policy to better reflect the needs of consumers. We do this in an informed way owing to the evidence we gather through research and our unique knowledge of consumer issues.

We have a specific focus on vulnerable consumers, particularly those on low incomes, people with disabilities, people living in rural areas and older people. In addition, we also seek to identify where other consumers may be disproportionately disadvantaged by an issue or policy.

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Executive summary

From the summer of 2012, many consumers across the UK will see a new model of post office in their area, known as a Post Office Local.¹ The post office network is experiencing ongoing financial pressures and, as a result, the UK Government and Post Office Limited are making major changes in order to increase the sustainability of the network. This report looks at the background to this and the impact it is likely to have on post office users in Wales, particularly the most vulnerable.

As the statutory watchdog for postal services in Wales, Consumer Focus Wales is committed to ensuring the consumer voice is involved in any changes to their local post office service. In order to get a better insight into the experiences of those consumers we anticipate will be affected most by the changes, we chose four areas in Wales that included vulnerable consumers and currently operate a reduced post office service. Two of the areas were served by the new Post Office Local model and two areas operated a similar, established service that offer comparable provision to customers called a Partner Outreach.²

The report categorises the most common problems faced by Local and Partner Outreach customers in our research and proposes solutions in order to strengthen customer experience. There are clear benefits for customers from both models. Many we spoke to appreciated the convenience and liked the friendly, personal feel of having a post office service located within a local business, often due to the fact they knew the staff and had an existing relationship with them. Convenience was of particular importance to those customers who lived in isolated areas who had little or no alternative services nearby and elderly customers who spoke of mobility issues and a lack of transportation.

Some of the most frequent concerns were around privacy, a lack of products and services and confusion over what their local service can or cannot offer. Some customers expressed further concerns about the capability of staff to undertake difficult transactions and that the retail side of the business took priority over the post office side.

There are common problems emerging that need to be addressed before the final roll out of Locals takes place, if the model is to meet consumer needs. The key findings in our research echo many of the issues identified in recent UK research undertaken by colleagues in Consumer Focus. However, our research considers the potential impact of these changes from a Welsh perspective and also identifies where there are issues of particular relevance to Welsh post office users. Many of our recommendations also apply to the existing Partner Outreach model, identifying opportunities for strengthening smaller, community based post office services. They can be categorised into five key areas:

¹ A Post Office Local will be a post office service operating within an existing retail premises, such as a shop or garage, offering reduced services but the potential for longer opening hours

² The Partner Outreach service is a post office service provided in an existing retail premises. The local partner (such as the shop-owner), provides a slightly reduced range of products and services from their premises. Opening hours are generally the same as the partner's retail business, but can work on reduced hours

Products and services

Our research found that there is clear opportunity to deliver more products and services through a greater number of smaller post office outlets. Customers spoke of how the range of services at their local post office could be improved, for example to include DVLA and banking services. It is imperative that the range of products and services available is based on customer feedback in order to ensure customer retention and enable vulnerable consumers to access services within their local community. This would be more effective if localised, allowing individual outlets to choose from a suite of products and services in line with what their customers want while retaining core services.³

Layout, location and convenience

Convenience was the main benefit reported by the consumers we spoke to as the Local and Partner Outreach services provided them with some form of provision within walking distance.

Although the locations were convenient, none of the outlets we visited offered extended opening hours, something that Post Office Ltd has promoted as a key benefit of the Local service. There needs to be consistency in offering longer opening hours, where the premises allows for this, as it is something consumers feel is beneficial to them.

There were also concerns with some aspects of the layout of the premises. We were told that the queuing system can be confusing and there were some criticisms about the counter layout, for example the till being too close to the door. Privacy was more of a concern for Local users and simple steps could be taken to alleviate some aspects of this problem. Local and Partner Outreach branches will not suit all customers when it comes to discussing sensitive or personal matters. This is something Post Office Ltd needs to take into account when looking at which type of post office is appropriate for delivering those government services that may take up a lot of staff time or require customers to share personal or sensitive details.⁴ In order to make the most of the friendly, open counter approach there needs to be suitable advice for potential Local operators on how to plan a customer friendly layout. This should be developed around user feedback.

Quality of service

There were examples in our research of a perceived lack of professionalism acting as a deterrent to using Locals, with staff who have not been adequately trained being seen as unprofessional and lacking in knowledge. While we found that, currently, people are accepting this as a teething problem, believing staff will learn more the longer they work there, there is a clear need for more robust training and support for staff and not just the proprietor.

³ See Annex 2 for a list of the core services a Post Office Local offers

⁴ *Securing the Post Office Network in the Digital Age* (Department for Business Innovation and Skills: November 2010) p.2

We were told by participants that each of the outlets to were heavily reliant on a core member of staff, highlighting a serious risk to the business in periods of illness or absence. Training needs to be offered to all support staff in order to maintain a service should this occur. This is especially important for Locals due to the limited remuneration and support for sickness and absence in the Local contract. The impact of this training needs to be monitored and evaluated and used to build customer confidence.

Promotion and advertising

One of the major problems we discovered was a lack of awareness of what Local and Partner Outreach outlets offered, for both individual and business customers. This led to the misconception that those outlets offered less than they actually did, including post office and banking services. In the case of Locals, although people were aware it was a reduced service, there was a lack of clarity over exactly what that meant. Where there was signage, it wasn't always clearly displayed. There is a need for continuous and clear advertising, through signage in store and within the community.

There was also confusion about parcel services, with people believing there was a weight limit for posting domestic parcels. We are unsure if this was a decision taken by the operator or confusion over what they should be offering. According to Post Office Ltd, there should be no limit on parcels posted to UK addresses. This confusion is acting as a deterrent to both individual customers and small businesses. Promotional materials need to be developed to inform both residential and potential business customers about the parcel services that Local and Partner Outreach offer.

We also found confusion over opening hours, where times weren't always clearly advertised and the opening times advertised by Post Office Ltd did not match those of the actual premises.

Community and social benefit

What is evident from the customers we spoke to is the active role post offices play in the community, and the sense of community responsibility people attach to those who run a post office service. The Welsh Government has long recognised this, supporting post offices to play a role in local economies and financial inclusion. There is continued, invaluable support through both the Small Business Rate Relief scheme and the Post Office Diversification Fund. In Wales, the added value of Welsh speaking services must be accounted for, particularly with the changes that the new Welsh Language Measure will potentially bring about for those who provide a post office service.

With the imminent roll out of Locals, it is important that potential smaller, independent operators are aware of the support available to them in Wales, both financially and through the business advice offered through the Post Office Diversification Fund. This is particularly important in deep rural communities where access to services is limited

This report sets out customer experiences in Wales and what steps need to be taken in order to develop the changing post office network in line with consumer needs. A full set of recommendations can be found below, which we believe will strengthen the Local concept by ensuring clarity on what it does, flexibility in what it offers and consistency in the quality of service it delivers.

Recommendations

Post Office Ltd should:

- allow for flexibility in its product and service range and develop an appropriate product suite for Local and Outreach services
- provide opportunities for customer feedback through individual outlets, such as customer suggestion cards or short questionnaires to inform a demand-led approach to developing the product range
- provide till covers and signage to enhance customer privacy as part of a start up package to Local and Partner Outreach operators
- develop planning guidance materials on counter layout based on customer concerns and feedback over privacy and safety
- address consumer concerns over privacy and time-consuming transactions in order that Post Office Locals and Outreach models can deliver a wide range of government services effectively
- ensure the post office and retail opening hours are matched
- undertake an evaluation of what lessons can be learned from the Local pilots on training needs
- offer free training courses on demand to all staff working within a Post Office Local. Discussions need to be held between operators of smaller individual premises and Post Office Ltd on the most suitable way of doing this
- provide Local and Outreach services with clear promotional materials, including signage, and advice on the best place to display the information
- send clear guidance to operators that there are no weight restrictions on smaller packages and develop promotional materials to inform both customers and potential business customers of the parcel service a Local and Partner Outreach service offer

Banks / building societies should:

- make clear to customers what services they offer at a Post Office Local, including business customers (see section 4 Promotion and Advertising) and
- offer all current account transactions at post offices

The Welsh Government should:

- The Welsh Government should monitor and evaluate the likely impact changes to the post office network may have on smaller communities and their businesses, specifically deep rural communities where access to services are limited and seek opportunities to promote the support that is available to them

The Welsh Government, Post Office Ltd and Mentrau Iaith should:

- consider working together to provide Welsh language training for those working in Local and Outreach outlets due to their invaluable role within local communities

These recommendations refer specifically to the Welsh experience. Recommendations have been made at a UK level which apply to Welsh consumers and are supported by our research. For a full list of those recommendations, see pages 42-45 of *Local but Limited*.⁵

⁵ *Local but Limited* (Consumer Focus: October 2010). A full copy of the report is available at: <http://bit.ly/zJuYuu>

Introduction:

The future of the Post Office network

The network in Wales

Currently, there are around 1,000 Post Offices in Wales. Compared to the rest of the UK, Wales has a higher proportion of post offices in rural areas. Around 70 per cent post offices in Wales are classified by Post Office Ltd as rural compared to the UK average of around 55 per cent.⁶

The vast majority of post offices in Wales are what are known as subpostoffices, the traditional post office run by a subpostmaster. There are also a small number of Crown post offices, the larger post offices directly managed by Post Office Ltd.

In addition, there are a number of different types of post office that operate in smaller, rural areas known as Outreach services. These could be a post office mobile van, a post office service hosted within another premises or run alongside a small community business such as a shop or garage. These make up around 7 per cent of the network in Wales and serve some of our most isolated communities. Access to services is often limited in these areas, putting the post office in prime position to deliver essential products and services to that community, and vitally, the most vulnerable within that community.

Changes to the network: Next steps

In 2007, the UK Government led a closure programme across the post office network resulting in over 2,500 closures and the introduction of around 500 Outreach services. The intention of the closures was to modernise and reshape the post office network and put it on a more stable footing for the future. Despite this, the network is still in decline, experiencing falling revenues and customer visits. If this trend were to continue, it would mean a significant increase was needed in the subsidy Post Office Ltd receives from the UK Government to run the network.⁷ In order to increase its sustainability, there will be major changes from the spring of 2012.

In November 2010, the UK Government published its policy statement, *Securing the Post Office Network in the Digital Age*, detailing plans for the future of the post office network. The key message of this document is that there will be no closure programme for post offices but changes need to be made to the network to ensure it is both modern and sustainable.

*'...the Post Office will be reaching out to new customers and winning back those who have drifted away, refurbishing its branches, extending its opening hours, reducing queues, and developing its presence online. This will mean a major modernisation to address the underlying economics of the network.'*⁸

⁶ *Post Office Ltd Network information* – classified document

⁷ *Securing the Post Office Network in the Digital Age* p9

⁸ *Ibid* p4



In order to achieve this, Post Office Ltd proposes to convert 2,000 existing post offices across the UK to a new Post Office Local model. The Local model will be a post office service operating within an existing retail premises, such as a shop or garage. It will offer core services but not the full product range offered by traditional sub post offices. However, it will offer longer opening hours to carry out post office transactions, in line with the retail opening hours.⁹ Currently, there are six Local post offices operating in Wales.¹⁰ As Locals are still at the pilot stage, Post Office Ltd is monitoring how they well they operate. The lessons learned will be used to 'fine-tune' the model in time for the major roll out starting summer 2012.¹¹

Larger post offices in Wales, including Crown post offices, are likely to convert to a new 'Main' model. These will offer a full range of products and services including motor vehicle licensing and Passport Check and Send,¹² updated and modernised by investment directly from Post Office Ltd in order to meet changing customer habits. Larger sub post office, Crown Offices and franchised post offices, for example those hosted by a large retail chain, are also likely to convert to the Main model.

Other sub post offices, most likely those in smaller communities such as suburban or rural areas, will be more likely to convert to the Local model.¹³ This means that a number of existing sub post offices (the type of post office most prevalent in Wales) that currently offer a full range of services could be downgraded to a Local model.

We do not yet know how many Post Office Locals will be introduced in Wales over the next year. Conversions will happen on a case by case basis and Post Office Ltd is currently talking to subpostmasters and potential operators in Wales to see if their premises would be suitable to convert to a Local model. Therefore we cannot anticipate the scale of any change, in terms of numbers or locations at this point. In terms of strategic planning, it is difficult to see what effect these changes will have on the wider area in which a Local operates.

⁹ *Securing the Post Office Network in the Digital Age* p13

¹⁰ Numbers provided by Post Office Ltd (November 2011)

¹¹ *Securing the Post Office Network* (document states 2014 as the roll out date but this has changed to 2012) p15

¹² See Annex 3 for a full list of Post Office Ltd products and services

¹³ *Securing the Post Office Network in the Digital Age* p13

Why are we doing this research?

As we believe much of the immediate change to the network in Wales is likely to be to the Local model, Consumer Focus Wales has undertaken research with consumers using these and similar services to assess their suitability, especially in more isolated, rural areas. The purpose of this is to identify any lessons Post Office Ltd and other stakeholders can learn from Welsh customers to inform the future roll out of this provision in Wales.

As mentioned above, seven out of 10 post offices in Wales are defined as rural. Although some rural areas are well served with transport links and alternative nearby provision, there are some areas in Wales that are more isolated. We therefore felt it important to identify how appropriate the existing Local model is for rural consumers. The impact of changes must be considered in the context of wider rural community needs. The Rural Shops Alliance¹⁴ has already highlighted some of the possible risks of running post office services from smaller rural businesses, such as a lack of financial stability for retailers. If these aren't addressed, there is possible further risk to the stability of the network and to the continuity of post office service for consumers.

Above all, planned changes to the network need to ensure there is no detriment to the most vulnerable or isolated in Wales, including the elderly and people on low incomes who are high users of the post office and rely on it as an essential service. Our 2010 research found that seven out of 10 disabled consumers used the post office at least once a week, as did almost two thirds of those on low incomes. Similarly, seven out of 10 consumers over 65 used the post office at least once a week compared with three out of 10 18-24 year olds.¹⁵

For these consumers, it may mean that the post office down the road is the only post office they can get to. We also found those most likely to use the post office closest to their home were the over 65s (85 per cent), disabled (88 per cent), those with a long term illness (87 per cent) and low income users (83 per cent),¹⁶ meaning these groups will probably be most reliant on a Post Office Local.

All this needs to be taken into account when identifying whether or not conversion of a post office to a Local model is the right choice for consumers in that area. Research has been undertaken at a UK level but we need to test the experience of consumers in Wales, especially those groups described above, in order to identify any similarities or differences and whether or not different steps need to be taken in Wales to resolve any potential problems.

¹⁵ Consumer Focus Wales commissioned survey on Consumer Perceptions and Attitudes to Post Offices and their Services in Wales (Beaufort Research March 2010: Unpublished)

¹⁶ As above

¹⁴ <http://bit.ly/xQvcxC>

Methodology

We commissioned a research company to undertake 48 in-depth interviews with consumers in four different locations across Wales who lived in an area served by either a Post Office Local or Partner Outreach service. This included a number of elderly, low income and disabled users and a small number of small business owners. The company also conducted a mystery shopping exercise in each of the Local and Partner Outreach outlets and conducted short, informal interviews with the premises managers or owners. The research took place between August and September 2011. A full summary of the methodology can be found at Annex 1.

The reason we chose to visit the Partner Outreach services were that they were the nearest comparable service to a Post Office Local operating in very isolated areas. There are operational differences between the two models. However, from the customer perspective, the Partner Outreach model offers a similar range of services within a similar type of premises, such as a village shop or garage. Considering the rural nature of many parts of Wales, it was important that we reflected the concerns of customers who have little alternative than to access their local post office in order that decisions on the type of post office that would be most suitable for deep rural areas would take account of those customers' preferences.

The Welsh Consumer

Although changes to the post office network will affect the UK as a whole, post office customers in Wales are slightly different to those in England. A higher percentage of people have life limiting illnesses that may affect their ability to physically get to their nearest post office and a slightly higher percentage of people in Wales are on a low income.

In considering these factors, the section below gives a basic population profile for the areas chosen for this study. These are based on Output Area data published by the Office for National Statistics.¹⁷ This sets the context for the issues faced by people in the areas in which the post offices chosen were located.

Mid Wales: Post Office Local

The area in which the post office is situated is a rural village, where almost a quarter of residents are pensioners. Two in every 10 households don't own a car. The next nearest post office is around a mile away and there is public transport available, although this is more limited than urban areas. The area also caters for the tourist trade as it is a popular holiday destination. There had previously been a post office in this area which closed around 18 months before the new Local was opened.

¹⁷ Output areas are smaller classified areas based on Census data collected by ONS. Their size allows for finer data analysis (based on an area of on average of 125 households). A full definition is available at <http://bit.ly/zqbcDi>

South Wales: Post Office Local

Almost one in three residents in this area are pensioners, over 10 per cent higher than the national average. Over a third of people in the area report themselves as having a life limiting condition. Nearly two thirds of people in the area are on a low income and nearly half of households don't have a car. Although this is an urban area, there are significant deprivation issues that may limit access to the next nearest post office, even though it's less than a mile away. There had previously been a post office in the area but following a long term closure, it was replaced with the Local service.

Mid Wales: Partner Outreach

This was the most affluent area chosen for the study, but also one of the most rural. According to the Wales Rural Observatory definition, it is classified as 'deep rural' (see methodology at Annex 1). The surrounding area in which the village is situated does not have a particularly high number of pensioners, but the village itself is anecdotally described by those interviewed as a place where people tend to come to retire. There were also a number of second homes in the village. Only 7 per cent of households in the surrounding area didn't own a car. However, the issue of access becomes more pertinent for those households as the next nearest post office is seven miles away and there is no public transport available.

During the 2007-09 closure programme, the village fought to keep its post office provision, arguing it played a vital community role. As a result, the local post office was replaced with the current, more limited Partner Outreach service.

North Wales: Partner Outreach

The area chosen is classified by the Wales Rural Observatory as 'deep rural', meaning access to services is quite limited (see methodology at Annex 1). There are a significant percentage of low income households (42 per cent), which is 5 per cent higher than the national average. It has a very high Welsh speaking population; almost nine out of 10 people use the Welsh language. A fifth of people are pensioners, slightly higher than the national average. One in 10 of the population are pensioners living alone. Significantly, one in three households don't own a car. This is important in terms of access as the next nearest post office is six miles away. Public transport is available, but this is limited.

During the 2007-09 closure programme, the village fought to keep its post office provision, saying that it was a vital community asset and that the nearest alternative branches were too difficult to access. As a result, the local post office was replaced with the current, more limited Partner Outreach service.

Key findings

Of the people we spoke to, the vast majority used their post office at least once a week, mainly to post letters and parcels, but often also to withdraw money and pay bills or rent. Just under half of those interviewed used alternative post offices as well as their nearest one because the latter did not offer all the services they required. For customers in the Local areas, this impacted most on those with mobility difficulties but was much more problematic for all customers in the rural Partner Outreach areas.

The findings of our research were broadly similar to the UK picture except that there were no reported incidents of post office Locals capping the amount of cash a person can withdraw as highlighted in recent research undertaken by our colleagues at Consumer Focus, titled '*Local but Limited*'.¹⁸ However, we did find instances where technical problems prevented customers from accessing cash at the post office. In all areas, the main benefit for customers we spoke to was convenience and many liked the friendly, personal feel of the service. Convenience was of particular importance to those customers who lived in isolated areas and elderly customers we spoke to who spoke of mobility issues and a lack of transportation.

Some of the most prolific concerns were around privacy, a lack of products and services and confusion over what their local service can or cannot offer. Some customers expressed further concerns about the capability of staff to undertake difficult transactions and that the retail side of the business took priority over the post office side. These concerns, and all other findings, are discussed in more detail under each of the chapters below.

Products and services

One of the common features of Post Office Local and Partner Outreach is that they offer reduced products and services in exchange for having some form of post office service within a local community. We asked customers what products and services they used most often, what they'd like more of and what was available to them at the moment.

Availability of products and services

In each of the areas where we spoke to people, the post offices provision offered a more limited service than a standard sub post office. Many participants felt this was a natural consequence of the type of area they lived in and that a limited service was far better than no service. It is unsurprising people feel this as they had experienced either the threat of closure or significant period of time between the previous post office closing and another reopening.

¹⁸ *Local but Limited* (Consumer Focus: October 2010)
A full copy of the report is available at: <http://bit.ly/zJuYuu>

Respondents understood a reduced product range may be necessary and there was a strong awareness of the difference between a reduced and a full service. It was one of the least positive aspects of Partner Outreach and Local services to customers. For many users, the lack of products and services and, interestingly, a lack of awareness of what was available were the main reasons for using alternative post office provision.

'I don't believe in reduced services. If you're going to have a post office then you may as well offer all of the services because people will need them...especially in this area'

(Urban, PO Local, small business owner)

'There's no comparison to the general one, it is a lot bigger...whatever you desire to do is all there'

(Urban, PO Local, 84, mobility issues)

'The range of services could be better'

(Rural, Partner Outreach, 32, C2DE)

Case Study A

Emma lives in a rural area which has recently introduced a Local post office service. Despite it being on her doorstep, Emma chooses to use an alternative post office which is about six miles away. She drives there about once a week and uses it for everything from posting parcels to travel insurance.

Although she feels the Post Office Local service is valuable for many in the village, she doesn't use it. Emma is concerned that the service needs to stay but is deterred from using it because the opening hours don't suit her and she's isn't really sure what services they offer there.

'I would prefer to use the local one because if we don't use it we will lose it'

Emma believes that for the elderly and those who don't have access to transport, the Local has great community benefit. She described how, recently, staff at the Local noticed one of their regulars hadn't been in to collect her pension so they checked on her and found she was unwell.

'I think once you know what they offer and what they don't and what times they're there then you can build it in to your lifestyle'

She also finds the layout confusing and, although she thinks the staff are friendly and helpful, she feels the staff at her post office are more knowledgeable as it's more established. When asked what would encourage her to use the Local more she said 'clearer information about what they offer and what times they open'

(Please note that all names have been changed for the purposes of the case study)

It wasn't always apparent to people exactly what services the Local offers. People were aware the range of services was reduced but not all knew what was or wasn't available. This was also the case with some Partner Outreach customers, who believed that since changing to an Outreach service the products had been scaled back to a greater extent than they actually were, for example not offering recorded delivery or postal orders.

'It's not a post office; you can just buy stamps. Before you could do recorded deliveries'
(Rural, Partner Outreach, 48)

One simple suggestion was that there could be a sign up in the Outreach service advertising what was available. However, after speaking to the proprietor we were told that Post Office Ltd did not allow them to put up their own signs.

There is evidently an appetite across the UK for more services to be delivered through Locals. Almost half (48 per cent) of Post Office Local users surveyed for the Consumer Focus UK survey said the product range at their branch was average to poor, a sentiment echoed in our Welsh research.¹⁹ Many interviewees, in both Local and Outreach areas, mentioned car tax, noting that they either pay online or visit another post office as this isn't available locally. Again, a third of those surveyed for Local but Limited wanted DVLA and passport services to be made available at their Local.²⁰

There is a clear opportunity to deliver more products and services through smaller post office outlets, such as Locals and Partner Outreach. There needs to be flexibility in the range of products and service available so that individual outlets can request additional products and services if they have evidence there is customer demand. It is imperative this is based on customer feedback. There needs to be opportunities for a consumer driven, supply and demand approach. This would be more effective if localised, allowing individual outlets to choose from a suite of products and services in line with what their customers want.

Parcels

Despite problems uncovered by our UK research, only one of the Locals customers we spoke to had experienced problems posting a large parcel. Previous research had found that some Locals were refusing to post parcels over a certain weight as operators were either unaware or unwilling to offer a full range of parcel services to their customers.²¹ It was concerning in our Wales research that many interviewees believed there were weight limits on parcels but were unaware what those limits were. This applied to both Local and Partner Outreach customers.

'I think the weight limit is 6 kilos but I'm not absolutely sure on that. I get a bit nervous on the extremes because I know there are some things they can't do'

(Rural, Partner Outreach, Small Business Owner)

'They can't do anything big'

(Rural, PO Local, 83, mobility issues)

¹⁹ *Local but Limited* p.11

²⁰ *ibid* p.13

²¹ *ibid* p.15

Post Office Ltd have made assurances there would be no restrictions on parcel limits at Locals so there appears to be a communication breakdown between the individual operators and Post Office centrally that must be addressed. This also needs to be communicated to customers in order to increase awareness and use of parcel services, in turn increasing the sustainability of the post office itself.

Accessing cash and benefits

There are specific groups of people in Wales who frequently use the post office for accessing cash and benefits. Almost two thirds of those over 65 we surveyed in 2010 used the post office to collect pensions and benefits. Over half of those on low incomes used the post office for the same purpose and over 60 per cent of those with disabilities and long term illnesses accessed benefits and pensions at the post office.²² Considering these are the same groups that use their local post office most frequently, the problems faced by those interviewed are all the more pertinent for these particular consumers.

Research at the UK level found a number of examples of a Post Office Local running out of cash, leaving people unable to withdraw money, including from their pensions and benefits.²³

However, of those interviewed in the Local areas in Wales, no one reported instances where they have had cash or benefit withdrawals capped. Instances were reported at the Partner Outreach service where money has been capped, usually on a pension day, but customers tended to plan withdrawals around this and did not necessarily find it disruptive.

‘Occasionally they have run out of money when there’s been a run on the pensions’
(Rural, Partner Outreach, 69, ABC1)

‘I think I can withdraw up to £300 a day but she normally doesn’t have £300 in a day so I don’t usually do that. I wouldn’t say it’s really an inconvenience because that kind of money you know you’re going to need it so you kind of plan around it’
(Rural, Partner Outreach, 68, C2DE)

However in our research, Local and Partner Outreach customers reported problems with technical faults resulting in a temporary break in service. This was often a result of the Post Office Ltd computer system crashing. Customers told us they felt this was disruptive for many people who were relying on the system to withdraw pensions or benefits. Although those interviewed said they could wait or use alternative provision, they expressed concern for the people they knew who couldn’t. As technical failures caused unexpected problems, this was viewed as detrimental to those who relied on the post office for accessing cash.

²² Consumer Focus Wales commissioned survey on Consumer Perceptions and Attitudes to Post Offices and their Services in Wales (Beaufort Research March 2010: Unpublished)

²³ *Local but Limited* p31

'Sometimes their systems aren't working. I know two ladies who use it regularly and they do have problems...they can't get money out'

(Rural, Partner Outreach, 58, C2DE)

'I know they couldn't give out money about three weeks ago there was a technical fault. People were in the shop complaining about it'

(Rural, PO Local, Small Business Owner)

'We have problems accessing our bank account when the machine is down. It happens about every six to eight weeks with some problem or other. We just go elsewhere; we just go to a hole in the wall which is seven miles drive away'

(Rural, Partner Outreach, 68, C2DE)

Accessing cash, pensions or benefits at an alternative location can be a small inconvenience to some but in some remote rural areas it can be the only option. As one interviewee noted, it's a 14 mile round trip to the nearest ATM for her. For those unable to drive or struggling with the cost of running a car, it becomes more than a minor inconvenience, especially if it happens on a regular basis. This also makes the issue of banking through the post office more pertinent as not all banks offer this service and access to banks in rural areas is decreasing.²⁴ At a UK level, Consumer Focus has called for all banks to offer current account transactions at post offices.²⁵ The experience of Welsh customers who struggle to access alternative provision makes this recommendation all the more important.

'Because I have got the car its different...but if you're an elderly person who needs money then and there and don't have access to a car, their only option is not to have money or to walk... which is quite a hike'

(Urban, PO Local, 60, C2DE)

Worryingly, there were further misconceptions about which banks offered services through a post office. We heard from one customer how she couldn't withdraw cash using her bank card, something she assumed was due to her bank not offering the service. In fact, that particular bank does allow for both withdrawals and balance enquiries through a post office. Again, it needs to be made clear to customers which banks operate a service through the post office and what that service entails. Two thirds of the customers interviewed did not know if they could check their bank or building society balance at the post office. It needs to be understood why this is happening, whether there is an issue with staff training or simply a presumption that this doesn't happen through a lack of communication with customers, so that advertising and awareness materials can be effectively targeted.

Although it is difficult to predict technical problems, the issue of communicating what banking services a Local or Partner Outreach service offer and any limits on withdrawals are more easily resolved through developing information and a dialogue between Post Office Ltd and its customers.

²⁴ Counter measures: Delivering access to current accounts for all at the post office (Consumer Focus: August 2011) p29

²⁵ Ibid p5

Recommendations

Although there are limits on what a Local and Outreach service can offer, there is scope for more flexibility so it is in line with customer needs. Sustainability of a service is invariably linked to demand and, critically, improved awareness of what is available to customers.

- Post Office Ltd should:
 - allow for flexibility in its product and service range and develop an appropriate product suite for Local and Outreach services
 - provide opportunities for customer feedback through individual outlets, such as customer suggestion cards or short questionnaires to inform a demand led approach to developing the product range
- Banks / building societies should:
 - make clear to customers what services they offer at a Post Office Local, including business customers (see section 4 Promotion and Advertising); and
 - offer all current account transactions at post offices

Location, layout and convenience

We asked participants about the location and layout of their post office as well as what were the most convenient aspects of their local service. On the positive side, many participants were happy with the convenience of the location. There were concerns with some aspects of the layout, including privacy and confusion over the queuing system. The findings are categorised below.

Location and convenience

As previously mentioned, convenience was cited as the most positive aspect of the Partner Outreach and Local services. Research at a UK level, by Post Office Ltd found that 87 per cent of Local users they surveyed appreciated the convenient location.²⁶ Similarly, 91 per cent of users surveyed in Local but Limited rated the location of their Local as fairly to very good.²⁷ We found in Wales that participants were prepared to tolerate, in most cases, a reduced service range in exchange for having post office provision within easy reach. However, this must be considered in the context that each of the areas had, at some point, been without a post office or under threat of losing their local post office. After experiencing this, many people greatly appreciated the convenience of having a post office service on their doorstep.

²⁶ *Securing the Post Office Network in the Digital Age* p12

²⁷ *Local but Limited* p23

'I had to have transport...and relying on everybody which I don't like doing'

(Urban, PO Local, 65, mobility issues)

'For these elderly people having to walk down the hill to go to town it would have been a big issue'

(Urban, PO Local, 60, C2DE)

Most people were also happy with the location and parking of the Local and Partner Outreach services, although parking at one of the Partner Outreach, located on both a narrow road and bus route was problematic.

'People pull up along the road there and pop into the post office. There are people in the area who are elderly and they like the benefit of parking and not having to walk'

(Rural, PO Local, 52, C2DE)

'I am 83 so I get in the car and drive there. Parking is extremely important'

(Rural, PO Local, 83, mobility issues)

Case Study B

Mrs Ellis is an elderly resident living in a rural area. Her nearest post office branch is a Local, which she regularly uses to post letters and collect her pension. She calls the service a lifeline for many in the village. Although there is a bus service in the area, she spoke of the problems elderly people have getting on and off buses.

'Villagers can walk to it, we have a large population of elderly people who haven't all got transport and before if you wanted just a simple thing like to get a card weighed you had to actually get in a car and travel at least three miles to find a post office just to post a card'

The fact that the post office is so close to her home allows her the freedom to get money when she wants.

'Before I would have to travel to get anything out so I suppose that's the biggest advantage'

Mrs Ellis has no concerns over privacy when withdrawing money from her pension, which she thinks is in part due to a sign in the post office asking people to stand back.

(Please note that all names have been changed for the purposes of the case study)

Privacy

In most cases, the premises where the Local and Partner Outreach were located were described by participants as a little too small. As with many other elements of the service, this was something customers were willing to accept just to have local post office provision.

'It is just a little bit small in that area but at the end of the day it's a godsend having it there'
(Rural, PO Local, 54, disability/long term illness)

'Well its microscopic but that's all they could get in there'
(Rural, PO Local, C2DE)

'You have to accept to a certain extent the limitations of what they can provide, they layout and how much space they have got...if it's built into a local shop you accept that really. Rural life is different'
(Rural, Partner Outreach, 57, C2DE)

There were a number of suggestions for improving the layout. For instance, some Post Office Local customers felt that the post office till was too close to the door and should be relocated. It raised concerns about safety and the difficulties that it caused for customers trying to enter the shop. This could also pose problems for the type of services a Local can offer if they are part of the UK Government's vision for delivering more government services through the post office. This would not pose a problem for simple transactions, such as paying council tax, but could raise issues for services that required customers to share personal information. For example, the premises we visited would most likely be too small to fit in any identity checking equipment.

One of the biggest drawbacks of smaller premises is the lack of privacy they offer. In Consumer Focus' UK research, respondents spoke of how they stopped using the Local post office because of privacy concerns and how the counter and layout gave them concerns over security and confidentiality.²⁸ We found a similar picture in Wales and this raised concerns about how effective the layout was when dealing with more sensitive matters.

'It needs to be more private when you are taking money out. I have never used it for withdrawing money'
(Rural, PO Local, 54, disability/long term illness)

You are standing there getting money out or paying a bill and if someone gets too close you have to tell them to stand back a bit'
(Rural, PO Local, 34, C2DE)

'If i was doing something sensitive that I might want to keep quiet I may well go to a bigger branch where I don't know anyone'
(Rural, Partner Outreach, Small Business Owner)

'I don't mind if people know I am drawing cash out but if I was to ask for my bank balance I wouldn't necessarily want anyone to know'
(Rural, Partner Outreach, 73, C2DE)

²⁸ Local but Limited P26

Some proprietors have recognised these privacy concerns and made small adaptations to help alleviate them. One has constructed a small box to go around the post office till computer screen to hide it from view. To actually purchase a box directly from Post Office Ltd would have cost them £35 so they chose to build their own. Some have signs in the premises asking customers to stand back to allow people space when being served, something that can help when discussing more private matters. There is an opportunity for Post Office Ltd to develop guidance or training specifically for those outlets with more limited space to help ease customer worries and encourage greater use of services by addressing these sensitivities.

There is an additional source of support for such adaptations potentially available through the Welsh Government. The Post Office Diversification Fund allows those who run post office services in Wales to apply for funding to diversify and adapt a premises to make it more sustainable. If privacy concerns rate high and are acting as a deterrent to people using a Local service, there is an opportunity for proprietors to apply to this fund to make the necessary changes to the layout and encourage greater use of the service. In considering what improvements might work best for their particular outlet, proprietors should ensure that they engage with the local community to develop and consult on any ideas for change before taking these forward to ensure that they address the needs of post office users and the wider community.

This is particularly important when considering an application for funding from the Post Office Diversification Fund as from 2012 one of the main criteria for applications will be a need for postmasters and proprietors to consult with their customers. To support these post offices, Consumer Focus Wales have produced a good practice guide which will be sent out to all outlets who request an application for the fund from the Welsh Government. A copy of our guide can be downloaded from our website.²⁹

For some customers, the use of one open counter (also known as a combi counter) was viewed more positively, as it felt more friendly, personal and open.

‘The layout is the best thing because you get to chat to people’

(Rural, Partner Outreach, 48, C2DE)

‘It makes it more personalised that there isn’t a glass counter between you’

(Rural, Partner Outreach, Small Business Owner)

For general post office transactions, this type of layout seems to be suitable for people. However, for more personal or sensitive matters, it can pose a problem. Some locations do not appear to have found a way to manage both. Should Local or Partner Outreach services want to expand the services they offer in future, this needs to be taken into account. Considering the commitment from UK Government to make the post office a front office for national and local government services, privacy issues need to be addressed as a matter of priority if Locals and Outreach services are to deliver a full range of government services.³⁰

²⁹ <http://bit.ly/y8LYaC>

³⁰ Securing the Post Office Network in the Digital Age p2

Opening hours

Despite longer opening hours being heralded by Post Office Ltd as one of the main benefits of the Local model, the customers we interviewed said that their Post Office Local did not offer extended opening hours. At a UK level, Consumer Focus research found that over half of customers weren't aware a Local offered extended opening hours.³¹

Awareness wasn't an issue for Wales as the Locals we visited simply did not offer longer opening hours. In one branch, Post Office Ltd advertise the opening hours as roughly in line with the retail opening hours. In contrast, several participants reported the post office service actually operated on a normal nine to five basis. In both of the Locals visited, there was no out-of-hours service and one did not advertise the opening hours at the premises.

'I thought even though the shop was open 'til eight o'clock, the post office services were only available to half past five'

(Urban PO Local, 60, C2DE)

'It doesn't have extended opening hours'

(Urban, PO Local, 71, C2DE)

'It's shorter than the shop at least one day'

(Urban, PO Local, 57, disability)

The Partner Outreach services we visited worked on shorter opening hours. No one expected an out-of-hours service in the Partner Outreach areas, probably due to their rurality, and people understood a need for flexibility as long as it was communicated through notices or signs. However, some customers did say that they would like slightly longer opening hours.

'The only downside is [it] doesn't open until ten o'clock...sometimes it's just ten is a bit late'

(Rural, Partner Outreach, 68, C2DE)

Again, some people were deterred from using the service by a lack of knowledge about opening hours. Even when signage is available, it may not be in an obvious place or visible from the outside if the premises are closed. Some customers reported they were unaware of opening hours despite there being a sign up inside the shop.

'I don't know the opening hours of the local post office. When I went there and it was closed I got in such a rut I have never asked'

(Rural, Partner Outreach, 63, disability)

According to Post Office Ltd research with Locals users across the UK, 81 per cent greatly appreciated the longer opening hours. A number of Locals already operate extended opening hours but, if they are one of the biggest benefits of the service, they need to be offered as standard where the premises allow for it.

³¹ Local but Limited p21

Recommendations

In terms of convenience, the Local and Partner Outreach services were generally viewed positively by the people we spoke too. However, the Locals we visited did not offer extended opening hours. There were additional concerns over the layout of the premises which in turn led to concerns over privacy. Although Locals may not be suitable for discussing sensitive matters, there are some simple adjustments that could be made to ensure some of those worries are alleviated. People appreciated the warmth and friendliness of a more open model of post office but privacy concerns should be addressed with some simple steps in order that customers aren't discouraged from using those post offices for a wider range of transactions.

- Post Office Ltd should:
 - provide till covers and signage to enhance customer privacy as part of a start up package to Local and Partner Outreach operators
 - develop planning guidance materials on counter layout based on customer concerns over privacy and safety
 - address consumer concerns over privacy and time-consuming transactions in order that Post Office Locals and Outreach models can deliver a wide range of government services effectively
 - ensure the post office and retail opening hours are matched

Case Study C

Alice lives in a deprived urban area which has a Post Office Local. She chooses not to use this service, preferring to go to another nearby post office. Alice describes the service as 'chaos', some of the staff as unprofessional and the whole layout as confusing. She told me of once waiting 20 minutes for staff to deal with a query about international postage, leaving the post office customer waiting while they served other customers for the retail side.

As Alice said, *'...it's like the blind leading the blind'*.

Alice doesn't see any reason that the service provided by the Local should be less than any other post office. *'If you're going to have a post office then you may as well offer all the services because people would need it, especially in this area where people still need postal orders because they haven't got bank accounts'*.

She did say that longer opening hours may encourage her to use the Local more. However, at the moment, the post office service is only operating nine to five; less services but the same hours.

(Please note that all names have been changed for the purposes of the case study)

Quality of service

One of the major differences between a traditional sub post office and the premises we visited was the mix of staff who work there. Although some will have a dedicated subpostmaster or mistress who runs the service, they are supported by staff who have a dual or purely retail role and may not necessarily have the same level of knowledge as staff who work full time in a post office. We asked customers their views on staff at each of the locations in order to determine whether or not there were any particular training needs that should be addressed.

Staff attitudes and knowledge

Although training is offered to those who decide to run a Post Office Local service, UK research has found some gaps in staff knowledge with 28 per cent of those surveyed saying staff knowledge is average or poor.³² In light of this, we asked participants their views on both staff attitudes and knowledge to identify where training needs to be targeted and developed.

Case Study D

Amy is a stay at home single mother in her 20s who lives on the outskirts of a south Wales town. The area she lives in is quite deprived and the nearest post office to her is a Post Office Local. Since it has opened, she doesn't use other post offices as she finds this one so convenient, and believes those who live in the nearby sheltered housing do also.

'When I got the kids home or if they're not well it is difficult and I need stuff from the shop so it's brilliant for me. I think it's ideal for the older generation that lives round here as well not having to go all the way into town'

The fact that it's in her local area is a benefit to her as she likes the personal feel over and above the larger post office in town.

'It's not personal is it; because I know the girls here it's nice. You know that they're going to do their job whereas in town people change and jobs change'

Although some customers have reported that this particular type of post office raises concerns about privacy, Amy thinks that the staff at hers appreciate the need to be discrete with certain matters.

'If you want to ask something with discretion you can you know, it's not broadcasted'

(Please note that all names have been changed for the purposes of the case study)

³² Local but Limited p27



Our research found that participants at all four locations felt that the staff who served them when using post office services were, for the most part, considered friendly and trustworthy. Even those participants who chose to use alternative provision tended to praise the staff at the Local and Partner Outreach locations. For these customers, the personal relationship they developed with staff was seen as one of the positive aspects of the service, associating that familiarity with trust.

'They're lovely staff there'

(Urban, PO Local, 26, C2DE)

'The staff know you and you can trust them when you ask for a balance and stuff'

(Urban, PO Local, 26, C2DE)

There was also a sense that staff would go the extra mile to help people.

'When the snow comes she's been absolutely brilliant. She met the postman in town and even brought post back because in the winter a lot of us were cut off'

(Rural, Partner Outreach, 49, C2DE)

Staffing resources

Similar to the UK picture,³³ there was a strong sense that each of the locations we visited was heavily reliant on the experience of one member of staff. Most customers spoke of one person at the location who acted as the knowledge base, helping other staff if they made mistakes or taking over where they could not complete transactions. This highlights a real risk should the core member of staff be unavailable for any reason. The new Post Office Local contracts do not offer support for absences, through relief subpostmasters or adequate financial support. Should the business owner need to take a long leave of absence or be unavailable for any period of time, their staff will have to take on post office duties.

'She was from the main post office and then she has transferred up here...she knows what she's doing'

(Urban, PO Local, 76, C2DE)

'The postmistress is fine but casual staff, they are not very knowledgeable at all'

(Rural, Partner Outreach, 64, mobility issues)

'If I wanted to cash money, they would call the postmistress. They wouldn't necessarily process my card they would get someone senior'

(Rural, Partner Outreach, 71, mobility issues)

'I would say [she] is most definitely on her own in there really. I know she has girls to help but they haven't been trained in the post office'

(Rural, Partner Outreach, 57, ABC1)

³³ Local but Limited p27

In a few cases, interviewees reported that they visited alternative post office provision as they felt staff were not properly trained to deal with more complex post office transactions. A lack of 'expertise' was mentioned as a deterrent to using the Local service.

'If I want expertise I would go to the one I would normally go to, the standard one'

(Urban, PO Local, 60, C2DE)

This was also mentioned for one of the Partner Outreach services, but tended not to deter people from using the service. Some interviewees reported that when staff could not answer queries they sought the answer from someone who could.

'If she can't help she will make sure she finds out about it...she doesn't just say she can't do it'

(Rural, Partner Outreach, 45, C2DE)

As the support system for absence is limited and the Local model still in its infancy, Post Office Ltd needs to undertake an evaluation of training needs of all staff that work at a Local so there is continuity for customers in the quality of service they receive.

Queuing

Unlike the UK picture, there was no problem with the length of queues in the post offices visited. Although Local but Limited reported a third of those surveyed as viewing the experience of queuing as average or poor,³⁴ it wasn't a problem for the majority in rural areas we visited. This is probably due to the small population, with queues even being viewed as a bit of a social event. Most people were aware of when the busy times are likely to be, such as pension day, and work around that. Potentially, the picture will be different for urban Local users in Wales as more are introduced in populated towns and villages.

'On pension day it would go out of the shop, but I avoid those times'

(Rural, Partner Outreach, 57, C2DE)

'If you're in there and there's someone in front of you you're usually talking to them anyway. This is [our village] you're talking about, not Covent Garden in the middle of London!'

(Rural, Partner Outreach, Small Business Owner)

However, even though queues themselves weren't a particular problem, the queuing system met with mixed reaction. There was some confusion over knowing where to queue for what as the retail and post office share a counter.

'You go in...and there's no specific counter; it shares a counter...it's quite confusing because you don't know what people are queuing for'

(Rural, PO Local, 34, C2DE)

³⁴ Local but Limited p29

It was suggested by some Local customers that the retail side takes priority over the post office side which can mean people have to wait.

'If there is only one person in the shop who can do the post office and there's a queue then you have a bit of a wait on your hands...sometimes it can be a bit of a drag should we say. It's not very good if you go to withdraw something and the bus comes at the same time!'

(Urban, PO Local, 57, disability)

'You have a hell of a wait if there's a queue and sometimes there's nobody there and they're in the back room doing other things and then you are standing there'

(Urban, PO Local, 57, disability)

The lack of prioritisation of the post office element of the business could possibly be linked to the lack of financial incentive. As an operator is paid a set fee for each post office based transaction and no fixed salary, this may have the effect of retail of the business taking preference. The effect on post office customers is that they are not always getting the same standard of service they would if they were purchasing from the retail side. Another possible explanation is that this could be due to the planning of staffing resources. There is a possible training issue here to help staff and operators manage this effectively, including appropriate staffing levels, the allocation of duties between the retail and post office side and planning for busy periods such as pension day or the times of day when footfall is likely to be higher.

Recommendations

Our participants highlighted a number of risks in terms of knowledge, professionalism and threats to the continuity of service. This applied to both Local and Partner Outreach services as they similarly rely on staff who may not necessarily have the same knowledge as the main proprietor. Although highly praised for their warmth and friendliness, there is a strong sense in both our research and UK research that there are gaps in knowledge among some members of staff. In terms of the long term sustainability of Local and Outreach services, particularly Local services if they are to become more prevalent, this needs to be addressed so that it does not act as a deterrent to customers in the way it did to some we spoke to.

- Post Office Ltd should
 - undertake an evaluation of what lessons can be learned from the Local pilots on training needs
 - offer free training courses on demand to all staff working within a Post Office Local. Discussions need to be held between operators of smaller individual premises and Post Office Ltd on the most suitable way of doing this

Promotion and advertising

As the Post Office Local service is relatively new, we felt it was important to ask participants how Post Office Ltd had communicated to them exactly what the service provided. At the UK level, three quarters of those surveyed for the Local but Limited report felt they had not received enough information about the opening of a Local in their area.³⁵ We asked participants in the two areas in Wales that operated a Local service about their experiences.

Consultation and awareness

Most participants in our research had heard about a Post Office Local being opened in their area through word of mouth. Although effective in communicating the fact a Local is opening, this may be the reason that some misconceptions about opening hours and products and services have arisen.

'Word of mouth. It spread like wildfire when it was coming'

(Rural, PO Local, 83, mobility issues)

Although there was communication from Post Office Limited through posters, leaflets and the local newspaper, a few customers recalled seeing it advertised in the window of the premises prior to the Local opening there.

'There were signs up on the door a few months beforehand'

(Urban, PO Local, 57, disability)

What people did not recall was if the material had explained what kind of service the Local would offer. Most said they figured it out for themselves through using the service. Like word of mouth, this allows for misconceptions about what a post office Local can or cannot do.

'I presumed it was different because it's such a small counter'

(Urban, PO Local, 60, C2DE)

'You could tell it was different by the location of it, by the size of it'

(Urban, PO Local, 84, mobility issues)

In terms of consultation with the public prior to the service opening, only two of the 24 Local customers interviewed were aware of any consultation. One customer felt strongly that she hadn't been given the opportunity to contribute, saying,

'it was done in a very sly manner because a lot of people didn't know about it. It was like it was pushed in through the back door'

(Urban, PO Local, Small Business Owner)

The majority of participants were not put out by the fact they were unaware of any consultation as they were happy to have the service. Again, this has to be set in the context of the areas we visited as they had experienced a significant period of time without any post office provision. This may not be reflective of consumers in areas that experience a downgrade in service, for example from a traditional sub post office to a Post Office Local.

³⁵ Local but Limited p39

Consultation on any future conversions of an existing post office to a Post Office Local will take place on a case by case basis, rather than as a national consultation. With this in mind, consultation materials and strategies need to be strengthened centrally so that local users and their representatives are aware of what the changes mean for them and how they can make their views known. Post Office Ltd needs to take a proactive approach to advertising local consultations in the community and actively encourage feedback from residents and their representatives in those areas.

Business users

As part of the research, we spoke to small business owners to ask them how the Local and Partner Outreach models met their needs. Their concerns were largely the same as residential users. However, when discussed from the business perspective, the limits on posting larger parcels concerned one business owner who was looking to expand. As the nearest subpostoffice was quite a drive away, she was unsure if she would be able to provide a responsive service to her mail order customers as she'd have to wait for orders to build up and post them in bulk to make the trip worthwhile. Using the local post office would be the most convenient and cost effective option for them but she was unsure whether or not the smaller type of post office would be able to accommodate larger weight parcels.

Another business owner spoke of the difficulty of not being able to use banking facilities at the post office. The business owner was actually in the process of changing bank accounts and hoped this would enable him to use banking facilities at the post office, but was uncertain as to whether he could. All this could have wider implications for smaller, mail order reliant businesses in terms of relocation or setting up elsewhere.

Recommendations

Customers descriptions of how the introduction of the new Local service was communicated highlights inefficiencies in the Post Office Ltd consultations strategy. Word of mouth has led to misconceptions about what services are offered. In both Partner Outreach and Locals, the way in which services are advertised needs to be evaluated and improved so they are clearer and more visible to customers.

- Post Office Ltd should:
 - provide Local and Outreach services with clear promotional materials, including signage, and advice on the best place to display the information
 - send clear guidance to operators that there are no weight restrictions on smaller packages and develop promotional materials to inform both customers and potential business customers of the parcel service a Local and Partner Outreach service offer

Community and social benefit

One thing that cannot be underestimated and was communicated strongly by customers is the community benefit their Local or Partner Outreach service delivers. A long-standing characteristic of the post office network is the way in which it serves and supports local communities. Of the post office users surveyed in Wales in 2010, 83 per cent agreed or strongly agreed that the Post Office provides important extra services to help the local community and people who are more vulnerable.³⁶ This was strongest in the deep rural areas. There were many examples of how those running the services acted, like one respondent said, as a 'beacon for the community'. Many spoke of how vital it was for vulnerable residents, such as the elderly.

'It's a focal point of the community'

(Rural, Partner Outreach, 58, C2DE)

'It fulfils a social role; it's a meeting place for lots of people, especially for pensioners who don't walk that far'

(Rural, Partner Outreach, C2DE)



The social benefits of the post office are well known, often acting as a meeting point, providing community information or even making sure that elderly or vulnerable customers are safe and well if they do not make their usual visit to the post office.³⁷ It is important that it is communicated to those running, or planning to take over, a Local or Outreach service that customers expect them to play a role in community cohesion. As one person said 'it's like an official institution but a social friendly face as well'. The following case study highlights the important of the extra social benefits that local post office services often provide.

³⁶ Consumer Focus Wales commissioned survey on Consumer Perceptions and Attitudes to Post Offices and their Services in Wales (Beaufort Research March 2010: Unpublished)

³⁷ Serving the Community – evidence of the community value of post offices in rural areas (Postcomm: December 2011) p5

Case Study E

Janet lives in a very rural area which is served by a partner outreach service. She regularly uses her local post office, at least once or twice a week. The next nearest post office is a 14 mile round trip and Janet spoke of both the cost and environmental impact that would have. She feels it's incredibly important that her local post office is supported by both customers and Post Office Ltd. It's not just a post office to her but a 'community lifeline'. She is concerned that the postmistress is looking to sell the premises, something Janet feels is in part due to the contract she currently has for running the Outreach service. Janet feels the reduction in income is unfair as she is providing the same services, and praised the postmistress for her efforts to develop other aspects of her business to support it.

The huge social importance of the service in such a rural area cannot be underestimated. Janet spoke of isolated elderly residents who visit and of residents at a nearby special needs college.

'The Post Office is their one way of communicating with their families by post and also for them to go and buy little snacks for themselves and also socialising'

Even if someone else was to take over the post office, Janet wonders if they could continue with the same sense of community responsibility the current postmistress has. She spoke of how in the bad weather the postmistress formed her own delivery service, even bringing in food and medicine.

(Please note that all names have been changed for the purposes of the case study)

Welsh language services

We also asked people about their experiences of accessing the post office through the medium of Welsh. In the strong Welsh speaking areas we visited, some participants told us of the importance of maintaining a Welsh language service. Even in areas where Welsh is spoken less, it was seen as added value.

'If you speak Welsh it's a huge advantage to someone who is elderly. I work in care myself and I find that if you have a small conversation in Welsh it goes a long, long way'

(Urban, PO Local, 60, C2DE)

'...they always speak Welsh to me when I go in... it's lovely'

(Rural, PO Local, 66, ABC1)

Case Study F

Delyth lives in a rural area in the Welsh speaking heartlands. She finds the Outreach service in her village invaluable; 'a lifeline'. It's very convenient to her to be able to do so much in one place, like getting some milk and taking out money. She feels the staff provide are knowledgeable and provide a good service. Importantly, that service is bilingual. She spoke of bilingual signs in the shop and how important it was for her to be able to conduct her business in her first language.

'We should have someone who speaks Welsh there and we do, that's a majorly important thing especially with the elderly and for me really'

(Please note that all names have been changed for the purposes of the case study)

In our 2010 survey of Welsh speakers, Post Offices rated third highest for quality of Welsh language services.³⁸ In the same survey, three quarters of respondents said they would be more likely to visit or recommend a business that provided them with a Welsh language service.³⁹ Importantly, three quarters of those Welsh speakers also told us they felt at a disadvantage if they could not use the language of their choice. Considering both the historical quality of service and demand, providing a Welsh language service is therefore highly likely to retain custom from Welsh speakers.

³⁸ *Consumers and the Welsh Language* (Consumer Focus Wales: September 2010) p13

³⁹ *Ibid* p11

The Post Office Ltd Welsh Language scheme is committed to providing Welsh language services in strong Welsh speaking areas, including an aim to increase the use of name badges to identify Welsh speaking staff.⁴⁰ The new Welsh Language Measure specifically mentions the requirement for those providing post office counter services to meet with standards⁴¹ so it is important that Post Office Ltd and Welsh Government ensures there are opportunities and support to meet these standards should the new Commissioner determine that they are required to.

Recommendations

Both governments and Post Office Ltd need to preserve the vital community role the post office plays and recognise the unique Welsh language requirements in Wales.

The Welsh Government should monitor and evaluate the likely impact changes to the post office network may have on smaller communities and their businesses, specifically deep rural communities where access to services are limited and seek opportunities to promote the support that is available to them.

The Welsh Government, Post Office Ltd and Mentrau Iaith should consider working together to provide Welsh language training for those working in Local and Outreach outlets due to their invaluable role within local communities.

⁴⁰ See Royal Mail Group's Welsh Language Scheme at <http://bit.ly/yyny5VZ>

⁴¹ See Schedule 8 of the Welsh Language (Wales) Measure 2011

Conclusion

Our research shows that despite some reservations, many participants liked the idea of the Local model as it was convenient and personal, particularly as in some areas it was an alternative to no or less provision. However, in order to make it more customer friendly, there are a number of problems that need to be addressed, especially around privacy, the lack of products and services available and confusion over what the service can or cannot offer. Additional concerns centred on staff knowledge and the retail side of the business taking priority over the post office side.

There was very little difference in the Welsh findings to that of research undertaken across the UK for the Local but Limited report. The most notable difference was that there were no reported instances of capping of benefits and withdrawals among the Local customers we surveyed, unlike the UK experience. There was an example in one of the Partner Outreach areas but most customers were aware of peak times and any impact this could have on cash flow and, as a result, customers had changed their behaviour to not visit their post office at those times. However operators should consider addressing this issue by ensuring they have sufficient cash flow during these periods as customers will not always be in a position to choose when they seek to access cash.

What is evident from the Partner Outreach examples is that people are prepared to tolerate a reduced service in return for any sort of provision in their area. They work around the limitations. That understanding and flexibility also emerged with Local customers, though there were stronger criticisms than in deeply rural, isolated Partner Outreach areas. This is probably due to the fact they have more choice, unlike more isolated, rural areas. In many cases, this is perfectly acceptable but for some consumers that lack of alternative can be highly detrimental.

Long term, it will be important to consider what impact all this has in terms of supporting consumers. Some improvements could be made to ensure they aren't disadvantaged by smaller, community based models, as set out in the recommendations. Where people do have greater choice, the culmination of limited service, misconceptions about what the service offers and a perceived lack of expertise isn't particularly encouraging for new customers and for customer retention.

Above all, people view their post office as a community service and instil certain responsibilities and expectations upon it. There is an expectation the post office will support the most vulnerable in the community and it continues to act as a social hub for many. In the most isolated rural areas, these expectations are heightened.

'The next one is 10 miles away and its essential to the village, it's a sort of social centre as well as everything else really...it is the heart of the community'

(Rural, Partner Outreach, 69, ABC1)

With changes to the network imminent, the views of the communities which they serve must be taken into account, especially for vulnerable or isolated consumers. For them, there is little alternative than to visit their community post office to access cash, buy their electricity and post their letters and parcels. Local and Partner Outreach services can, with some simple adjustments, help make the post office a one stop shop for many of their needs.



Annex 1 Methodology



In order to assess the suitability of the Locals model for Wales, we decided to focus our work mainly on rural areas. For the purposes of this study, we chose four areas. Two of these areas had a Post Office Local operating in their area, one was rural and the other urban deprived.

The other two areas operated what is called a Partner Outreach service. This is similar to the new Local model in that it offers core services but not all products. These areas were chosen as they are defined by the Wales Rural Observatory as being 'deep rural'.⁴² The criteria for deep rural comprises of:

- communities located at least 30 minutes drive-time from a centre with a population of more than 10,000
- communities comprising between 180 – 500 households
- communities with fewer than five of the following twelve 'key' services
 - Food only shop
 - Post Office
 - Petrol station
 - Bank or Building Society
 - General Practitioner
 - Dental surgery
 - Pharmacy
 - Educational establishment
 - Permanent library
 - Police station
 - Bus stop or railway station
 - Cash machine⁴³

It is important that deep rural areas are considered within the context of their particular circumstances as access to services in these areas is more limited than in other rural areas.

⁴² For more information see the report *Deep Rural Localities* (Wales Rural Observatory: October 2009) <http://bit.ly/AyfQPM>

⁴³ Ibid p.iv

Interviews

Consumer Focus Wales commissioned Opinion Research Services to undertake a total of 48 in depth interviews across the four chosen areas. The participants were selected along the following criteria.

- People who regularly use the 'Locals' service or partner outreach
- People who also use other post office provision but who live in the local area
- People who choose not to use the 'Locals' service or partner outreach but use other post office provision

Respondents chosen were a mix of the following set criteria.

- Gender
- Resident in the areas specified
- Aged 65 and over
- People with a disability or long term health condition
- Social groups C2DE
- Own a small business
- Welsh speakers

Opinion Research also visited each of the four post offices selected to conduct a short mystery shopping exercise on the layout, signage and location of the premises.

Case studies

The case studies used in the report were identified following the interviews and based on the comments and discussions arising from those interviews. All case studies are anonymous and reflect some of the more prevalent views expressed by the interviewees as a whole. While the case studies are not reflective of the overall population, they give a detailed insight into how some of the issues raised through the interviews and research at the UK level affect day to day lives.

Annex 2 Post Office Local products and services

Mails acceptance (up to 30kg) – Inland

- 1st and 2nd class mail
- Stamps
- Postage labels
- Recorded Signed For
- Special Delivery
- Home Shopping Returns
- Standard parcels (inland up to 30kg)
- Express 48 hour contract parcels
- HM Forces Mail

International

- Standard and Priority
- Airmail and Surface Mail (over 20g)
- Printed paper and small packets (up to 6kg)
- Internations Signed For
- Airsure

Banking and Money Transmisson Services

- Chip and Pin (personal and business banking), including cash withdrawals
- Cash deposits, but no cheque deposits for any personal or business banking
- Postal Orders – purchase and encashment
- Moneygram – cash transfers

Government services

- Post Office Card Account withdrawals
- Vehicle tax (at selected branches only)
- Rod licenses
- Green Girocheques

Bill payment service

- Automated, swipecard, key recharging

Telephony

- E-top up
- E-vouchers
- Travel
- Pre-order travel money
- Bureau de Change On Demand (where the service is already available)

Paystation Services

Annex 3 Full list of products/services available from Post Office Ltd

This information is available on Post Office Ltd website – www.postoffice.co.uk

Service	Description of service
Pensions and Benefits	
Cash Cheques	Encashment of benefit payments, pensions and allowances. Alliance & Leicester/Santander has an agreement with DWP to produce the green giro/ cash cheques and customers can encash them at Post Office Branches
Post Office Card Account	A basic account for the receipt of pensions, benefits & tax credits
Postal Services	
Standard 1st and 2nd class post	Packets and letters accepted for standard 1st class, 2nd class delivery
Overseas postage	Parcels and letters accepted
Additional postage services	Recorded Signed For, Articles for the blind, etc
Express postal services	Variety of express delivery services, including next day, for letters and parcels inland and overseas – Special delivery, international signed, Airsure etc
Philatelic	Royal Mail special issue stamps and associated products, such as presentation packs and first day covers
Local Collect	Undelivered postal items are taken to the nearest participating Post Office by the postal delivery staff for later collection or customer has opted for the collection at their local Post Office branch
Redirection	Mail redirection service when you move home
Parcels	Range of parcel delivery services within the UK to meet customers' needs. Delivery speeds range from a fast same day courier service to a 2 day parcel delivery service. More details are available on Post Office website
Licences	
Vehicle Licences	Issuing of tax discs for vehicles
Statutory Off Road Notification (SORN)	SORN notification services provided
Vehicle & driving licence applications	Application forms for a range of vehicles
Photo licence application checking	Photo licence applications are checked and sent to DVLA
Fishing licences and Game licences	Range of rod licences available for angling in England and Wales and Game licences to hunt game – stocked in branches where there is local demand. Fishing licences in England & Wales only. Game licences in Scotland and N. Ireland only

Borrow and Pay	
Credit Card	Post Office® Credit Cards are available; application forms are available in circa 5000 branches, Customers can also apply online and by phone
Personal Loans	Post Office personal loan offering a competitive rate online
Mortgages	Details of mortgage range are available in the majority of the Crown branches. For the remainder of the network, POL arrange to call the customer to provide the details of the full range of Mortgage
Moneygram	International money transfer in ten minutes of up to £5,000 to over 190 countries
Overseas Property money transfers	To buy or sell property abroad, or to make or receive regular international payments. This service is available by phone or online
Automated bill payments	Acceptance of payment and pre-payment towards a variety of bills including gas, electricity, water, phone, mail order and insurance (some schemes available on an area basis as agreed with local authorities)
Electricity Meter Tokens	Stock of tokens for meters
Electricity Smart cards	Charging of customer smart cards for meters
Personal Banking	Withdraw cash, check balance and pay in cash and cheques. See web site for current list of which transactions can be undertaken for which bank (refer to Annex 1)
Business Banking	Business banking services (cash & cheque deposit and change provisioning), Clients: Alliance & Leicester/Santander, Bank of Ireland, Clydesdale and HSBC, not all clients customers can undertake all transactions
Cash Machines	Over 2,000 free to use Bank of Ireland ATMs at Post Office branches
Paystation	To charge electric keys, Quantum Gas Cards, E-pay Transactions. Aim to have paystations (except Home service) in all branches by April 09
Business to Business	
Post Office Payout	This enables businesses to manage cashbacks and refunds without writing cheques by using a barcode. A reference code is then sent by text, email or post to the customers. The customers can take the reference code to any Post Office branch to receive the instant cash payment
Cheque Authority Card	Pay for business postal services at any local Post Office® with a cheque supported by a Post Office® Cheque Authority Card. Only cheques supported by your Cheque Authority Card will be accepted. It authorises stamps & postal service payments, stops employees carrying cash, avoids petty cash admin, limits frauds risk
Cash Collection Services	Business takings are collected in a security vehicle by a professionally-trained and licensed Collection Officer. The money is then taken and deposited with customer's bank. Reduce risk for the staff, premises and money. Available nationwide including depots, CVIT infrastructure

Travel	
Travel Insurance	Available on demand in 8,500 branches and via phone. POL website accepts secure payment for Visa, Mastercard, or delta cards.
Bureau de Change	<ul style="list-style-type: none"> • A wide range of commission free currencies and American Express travellers cheques • 1,656 branches offer a range of currencies on demand • An additional 2,628 branches offer Euro and Dollars on demand • An additional 4,482 offer Euros on demand • Currencies can be pre-ordered for next day collection at any branch or for home delivery online
Travel Money Card	The Post Office® Travel Money Card offers the security of travellers cheques with the convenience of plastic making it a secure, convenient way to carry foreign currency. Available in 3 currencies, euro, Sterling, US Dollar and it is a pre-paid card that customers can load with currency. It can be topped up at selected branches or over the phone
Post Office International Payment	International Bank to Bank Money Transfer
Passport Check and Send	Checking passport applications and sending it for priority processing
Passport Application packs	Passport application forms stocked
EHIC Check and Send	Completion of form entitles people to free or discounted medical treatment abroad
EHIC Application packs	Application forms stocked in the selected branches
Save and Invest	
Post Office Instant Saver	<ul style="list-style-type: none"> • Instant access to funds at over 12,000 Post Office branches, by phone, online, by post or @ 60,000 Link ATMs • 6 free Cash withdrawals per year
Post Office Growth Bond	Fixed Interest Rate Bond that offers 1yr, 2yr, 3yr terms. Growth Bond is available in all Post Office Branches. Apply at any branch, post and online
Post Office Cash ISA (variable)	<ul style="list-style-type: none"> • Competitive Interest rates, No withdrawal charges, Tax-free, Easy access to account • Apply by post, at over 12,000 Post Office branches • Payments can be made at any Post Office branch or by post. • Withdrawals can be made via post.
Post Office Fixed Rate Cash ISA	<ul style="list-style-type: none"> • Fixed 1 year term, fixed rate deposit ISA account. Available in all Post Office Branches. Apply at any branch, post • Payments can be made at any Post Office branch or by post. Tax free
Post Office Investment ISA	<ul style="list-style-type: none"> • Return is dependent on performance of fund. Tax efficient. No personal liability to income tax or capital gains tax • Transfer funds from an existing ISA to the PO Investment ISA. Available in all Post Office branches , apply in branch or by post
National Savings & Investments – Easy Access Savings Account	Flexible savings, Instant access, Cash card for easy deposits and withdrawals, Tiered Interest rates, Interest taxable – paid gross. Apply by phone, at a post office or by post. Withdrawals can be made at any Post Office branch or Link cash machine

National Savings & Investments – Investment Account	Easy access (no notice of penalty), passbook savings account, Tiered Interest rates, Interest taxable - paid gross, Apply by phone, online or at a post office or by post. Withdrawals can be made by applying to NS&I
National Savings & Investments – Income Bonds	Easy access (no notice of penalty), Regular monthly income, competitive interest rate, higher rate of interest on investments of over £25k+, Interest taxable - paid gross. Apply by phone, online or at a post office or by post
National Savings & Investments – Premium Bonds	All prizes tax free, two £1m jackpots, anyone 16 yrs old and above can invest, Apply by phone, online, by post and at over 12,000 branches
National Savings & Investments – Children’s Bonus Bonds	Tax free, anyone 16 yrs old and above can invest, apply by post, at over 12,000 Post Office branches
National Savings & Investments – Fixed Rate Savings Certificates	Tax free, fixed term account that earns guaranteed rates of return over 2yr & 5yr terms. Free of Income tax and Capital Gains tax. Apply by post, at over 12,000 Post Office branches , online and cash in by post
National Savings & Investments – Index Linked Savings Certificates	Inflation beating savings with Tax free returns. Index linked and the value of savings will stay ahead of any RPI changes. Fixed interest rates of return for 3yr & 5yr terms. Apply by post, at over 12,000 Post Office branches, online and cash in by post
Post Office Child Trust Fund	The Post Office Child Trust fund is an investment account for children and is designed to make the most of the £250 CTF voucher by investing in shares. Apply by post, online
Saving Stamps	For use against payment of bills, Post Office transactions or as gifts. Buy and redeem at Post Office branches.
Insure	
Car insurance	Competitive car insurance. Can be purchased online, over the phone, and at selected Post Office branches
Home Insurance	Competitive Home insurance. Can be purchased online, over the phone
Van Insurance	Competitive Van insurance. Can be purchased online, over the phone
Motorcycle Insurance	Competitive Motorcycle insurance. Can be purchased online, over the phone
Pet Insurance	Applied by phone or online
Over 50’s life cover	Competitive Over 50’s life cover – available at over 12,000 Post Office branches, online or by phone
Life Insurance	Competitive Life insurance. Can be purchased online, over the phone
Business Insurance	Competitive Business insurance. Can be purchased online, over the phone
Broadband and Phone	
Home Phone	The Post Office® phone service, available as standalone product, Simple sign-up to suit customers. Apply at Post Office branches, on-line or by phone
Broadband Standard	Fastest speed available up to 8Mbps. 5 GB download limit. Min 12mnth contract. Available at Post Office branches, online and by phone. Customer receive a discount if they take both HomePhone and Broadband Standard

Broadband Extra	Same as Broadband standard plus wireless router and unlimited monthly downloads. Available at Post Office branches, online and by phone. Customer receive a discount if they take both HomePhone and Broadband Standard
Phone cards	International calling card offering cheap indirect access calls. Available online & in branch
Mobile E top ups	Mobile top-up service for all pre-pay providers through Horizon and paystation. Available at every branch
Directory Enquiries	One flat free rate, number texted to mobiles for free
Other	
Lottery	Main Lottery draw terminals selling all drawbased games
Postal Orders	Purchase or encashment
Local Schemes	There are various schemes depends on the local councils - ie. Home Care & Meals on wheels etc. The payments can be made to the customers on a magnetic swipe card, accepting a barcoded invoice or in the form of vouchers issued by the local councils
Travel tickets	<p>Local availability as agreed with Local Authority: Concessionary Bus Travel & Commercial Ticket sales (Check & Send service for 1st time eligible applications when reaching 60)</p> <ul style="list-style-type: none"> ● National Concessionary Application Check & Send, e.g. SW Wales Integrated transport, Scotland ● Local check & send – e.g. West Yorkshire, Merseytravel ● London Councils (29/33 boroughs) – Freedom Pass issuing in 800+ branches in London for 29 of 33 boroughs. Elderly and disabled passes given in branch <p>Other Concessionary Services</p> <ul style="list-style-type: none"> ● Transport for London – Bus & Tram Discount Scheme - photo/pass issued in branch to eligible people on income support ● Coventry/Cardiff (local leisure pass applications), North Wiltshire District Council/West Lindsey District Council (Local travel token scheme)
Gift Cards	Purchase a gift card in all branches. An ideal gift, recipients can spend at over 17,000 high street retail outlets nationwide
Christmas Club	To save towards Post Office Gift Vouchers or use at selected retail stores. Customers are required to complete a simple application form which is taken to branch with an initial load (minimum £2)
Budget Card	Post Office® Budget Card is the easy, hassle-free way to take control of your household bills. Can save up to £1,500per annum