

# 2016 Post Office Network Consultation

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## About this consultation

This consultation seeks views on consumers' and businesses' expectations for what the Post Office network should look like and how it should be operated. The current funding agreement between the government and the Post Office comes to an end in 2018 and so this consultation will be important in determining support for the network in the future and also for ensuring that the government is able to comply with any EU state aid rules which may apply.

## About Age UK

Age UK is a charity and a social enterprise driven by the needs and aspirations of people in later life. Our vision is for a world where everyone can love later life.

Age UK provides information and advice to over 5 million people each year, runs public and parliamentary campaigns, provides training, and funds research exclusively focused on later life. We support and assist a network of around 150 local Age UKs throughout England; the Age UK family also includes Age Scotland, Age Cymru and Age NI. We run just over 450 Age UK charity shops throughout the UK and also offer a range of commercial products tailored to older people.

## Key points and recommendations

- The Post Office is a vital service for many older people both in terms of services direct to older people and through its support to local businesses
- We are pleased that there are no proposals to reduce either the network reach or criteria for defining the network, we support retaining the existing criteria
- We suggest that perception of ease/difficulty in accessing a Post Office should be measured to support equalities impact
- We suggest that consideration is given to adding objective quality measures to the criteria
- It would be helpful to clarify the extent to which funding is available to enable the Post Office to provide services to the hard to reach and customers in vulnerable circumstances, especially those who need help to access online government services
- We think that communities may have a useful role to play in delivering the Post Office services, providing adequate support exists and equalities impacts are monitored
- We would welcome a published response to research produced by Citizen's Advice in their role as representing consumers

### 1. Introduction and general comments

Local infrastructure is important to the health of all our communities. As we age, mobility frequently becomes more difficult and so the value of local services can increase. The value may rise still further for those who are not online or who use the internet for communication but are not confident enough to transact online. The Post Office matters to older people both for the services it provides directly to them, but also for the role it plays in supporting the local businesses on which older people often rely.

Research from Citizen's Advice in 2015 underlines the relative importance of the Post Office to older consumers, finding that "post offices are disproportionately used by elderly and disabled groups, and customers that may face challenges in accessing services online, with 42 per cent of consumers over 65 and 31 per cent of disabled consumers using a post office branch each week compared to 21 per cent of consumers in general".<sup>1</sup>

#### **Question 1: Do you agree that the existing criteria should continue to be used for defining what a nationwide network of post office branches should look like?**

We are pleased to hear the reports that the network is becoming more sustainable and that there are no proposals to reduce the existing criteria or the number of post office outlets. As many other local services reduce their networks (for example bank branch networks) and other services, including local Government services, move online the importance of the physical presence of a Post Office is only likely to increase.

This will be particular importance to older people who may be more likely than the population as a whole to experience difficulties with mobility and access to public services. 18% of adults aged 60-69 have a mobility difficulty, and 38% of adults aged 70+ do. This is compared to 12% of everyone aged 16 and over.<sup>ii</sup> In the UK, 11% of those aged 65+ say they find it difficult to access a corner shop; 12% find it difficult to get to their local supermarket; 14% to a post office; 12% to their doctor's surgery; and 25% to their local hospital.<sup>iii</sup> 57% of rural households are within 13 minutes' walk of an hourly or better bus service.<sup>iv</sup>

**Question 2: What different criteria or what different approach could government consider to define what a nationwide network of post office branches should look like, including steps to ensure provision of post offices in small remote or hard-to-serve communities?**

We note that even with the existing criteria 14% of older consumers say they find it difficult to get to their local Post Office. There may well therefore be a need to consider further whether there are gaps in the physical presence of the Post Office. We suggest that the Post Office and government consider adding criteria such as 'no more than X% of the population saying that they have difficulty getting to a post office'. Although in some senses a subjective measure, it would take into account equalities impacts and the availability of local transport services. Because it is a subjective measure we would not at this time support using it to replace any of the existing criteria. If it is not considered appropriate to add this measure at this time, an alternative would be to track the numbers by way of support to understanding equalities issues over time.

However our main concerns here are whether the government may need to consider including service quality and range of services available as part of the criteria. The Post Office Limited Network Report 2015 includes findings that the quality of service at a branch is more important to consumers than the distance from where the user sets off, indeed it is the most important aspect mentioned and of particular importance to older people.

Service types, levels and quality may become increasingly relevant if the Post Office takes on more essential service provision and is expected to play a greater part in reaching and supporting those who are hard to reach and living in vulnerable circumstances.

For example, the Post Office is taking on an ever more important role in access to transactional banking services and bill payments. Access to cash and bill payment are essential services without which it is impossible to participate in society and certainly to live independently in your own home. The recent Griggs review of the Access to Banking Protocol also recognizes the importance of the Post Office in providing services which would ease issues some customers may experience with bank branch closures.

Yet evidence from Citizen's Advice published in 2015 finds: "renewed evidence that some PO Local branches refuse to let consumers make cash withdrawals, or to take out the full amount they require. In almost one in ten visits (9 per cent), mystery shoppers were unable to withdraw either the requested amount or any cash at all when they sought to

withdraw an amount between £20 and £100".<sup>v</sup> The Griggs review also raises questions about whether all Post Offices are currently able to consistently provide the services envisaged. Where the Post Office takes on responsibility for the delivery of essential services, especially when this is used to justify the withdrawal of other providers (in this case the banks themselves) then it is imperative that they meet appropriate minimum standards. Cash remains extremely important to older consumers, with many choosing to continue to budget in cash in order to maintain control of their spending and because other systems often require management online. We understand that Post Office research finds that the services are working well, however given the importance of the issue we would welcome further sharing research on performance on specific transactions, including objective measures.

It may also be helpful to consider how the existing criteria interact with accessibility via public transport and also the local economy more generally; measuring the perceived difficulty of access may also help this.

We would also like to understand more about how well some of the mobile and other alternative methods of Post Office provision are working for customers and how these are counted under the criteria.

If some services are used infrequently, then it may be reasonably to expect to travel further to access them, however it may still be necessary to have some criteria that applies even to these in order to ensure that consumers are not required to travel unrealistic distances or routes.

**Question 3: What, if any, new services do you think could be offered at post office branches in the future – in particular considering those that could support remote communities, vulnerable members of society and others that rely on over-the-counter transactions?**

We see a wide range of services disappearing from other access points under the Government's digital by default approach to public services. In particular we receive concerns from older people about how they can access the Blue Badge scheme, ID verification and information and advice on a range of issues including care. We know from our network of advisers that access to welfare benefits is also an increasing challenge to many as a result of the move to transact online. Currently local Age UKs experience increased cost and demand as a result, both in terms of requests for help completing the forms but in some cases simply finding and printing off a copy of the form can also be a challenge. There are also other potential services – such as prompts to consider completing a power of attorney and facilities to do so – which could be considered.

*'Exclusion from online services... is a growing problem and people are sent to us to help. Telephone lines are busy and you are directed to online communication for almost everything – benefits, gas and electricity, tax, Blue Badges etc. Our local authority wants most changes reported online and they offer very little face-to-face service and are reluctant to take changes over the telephone (if you can get through that is). For sites that*

*require an email before you proceed this is more of a problem as most clients don't have one.*<sup>vi</sup>

Although older people are increasingly moving online there remain significant numbers who are not able to access essential services in this way. 4.2 million people aged 65+ have never used the internet.<sup>vii</sup> Those older people who do use the internet are less likely to take part in a wide range of activities. Notably, of people aged 65+ who are on line only 29% use the internet to undertake transactions as compared to 50% of users of all ages.<sup>viii</sup>

We believe that central government should be prepared to reinvest part of the 'digital dividend' from moving services online in alternative provision for the 5.3 million people who are still offline.

We think it would be helpful for the government and Post Office to consider whether the Post Office may be able to provide a full or partial service in place of some of the central and local government services moving online. For example, the Post Office may consider that it is well placed, even in Post Office locals, to provide paper copies of forms which can no longer be obtained elsewhere but it may not be able to provide a full 'government front office' in the network's current form. We understand that the feasibility of Post Office as a front office to government will depend significantly on the availability of appropriate funding; especially where these services may be aimed customers who need additional support and so may be more expensive to serve well. Clarity on what it is reasonable to expect the Post Office network to provide may help to stimulate other solutions and avoid a situation where nothing is done because of an assumption that the Post Office will or should be able to solve this access issue.

**Question 4: What ways do you think communities might be able to play a more significant role in the operation of the post office network, in particular with the objective to support rural economies and strengthen local communities?**

We understand that there are some encouraging examples of communities playing major roles in providing post office services. If the Post Office wished to increase this we think that the following would be important:

- Accessible community grants and other practical support and facilitation;
- Appropriate contracting options which worked for community organisations often operating with volunteers; and
- Ensuring that community engagement remains an option, not the only means by which a community will be able to access Post Office services.

We do not think that it is appropriate to bank on community engagement as a solution to some of the hardest reach communities. We would be concerned that inequality may be exacerbated where poorer communities may have fewer resources to run their own Post Office and so become further disadvantaged. We believe that there are strong equality impacts that need to be assessed.

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**Question 5: Do you have any other views on the points raised in this consultation that you feel government should consider regarding its approach to the post office network?**

We recognise the challenges in developing a sustainable service which also delivers social good to some of those who are excluded from other mainstream channels. However these consumers are often also in vulnerable circumstances and least able to make their needs known and therefore it is appropriate to consider alternative forms of accountability and quality assurance. It appears that Citizen's Advice is producing useful evidence on some of the issues that need to be addressed to ensure that the transformation programme meets the needs of consumers and yet it is not clear how the Post Office has responded. It may be helpful for the Post Office to be required to provide some kind of published response – which may of course include providing alternative evidence or reasons why advice will not be followed – to increase transparency on steps taken to improve consumer outcomes.

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<sup>i</sup> Fixing the Foundations: Branch and service standards in Post Office Locals, Citizen's Advice 2015

<sup>ii</sup> National Travel Survey 2010, Department for Transport, 2011

<sup>iii</sup> TNS Agenda for Later Life survey for Age UK, 2013

<sup>iv</sup> Housing in England 2007-08: A report based on the 2007/08 Survey of English Housing, Department for Communities and Local Government, 2009

<sup>v</sup> Fixing the Foundations: Branch and service standards in Post Office Locals, Citizen's Advice 2015

<sup>vi</sup> Later Life in a Digital World, Age UK, 2015

<sup>vii</sup> Internet Users in the UK 2016 ONS, 2016.

<sup>viii</sup> Adults' media use and attitudes Ofcom, 2016. Fig 14, p 38