

Westminster Hall debate on post office closures - 25 April

Citizens Advice helps people find a way forward.
We advocate for our clients and consumers on the issues that matter to them.

Overview:

- **Post offices remain important to local communities.** 88% of people think their local post office has the *same or more importance* to their local community than 5 years ago.
- **Since 2012 the Government has invested £2bn to maintain the size of the post office network, moving many branches into other businesses.** This has meant that fewer than 300 branches have shut.
- **Citizens Advice scrutinises off site changes to agree improvements with Post Office Limited.** We support the network transformation to maintain the number of branches.
- **Over 20% of Crown branches have been franchised since 2012.** These franchised branches are generally performing in line with or better than non-franchised Crowns.
- **Government is yet to respond to the [consultation](#) on the future of the network and confirm its funding for 2018-21.** This could play a crucial role in keeping post offices open.

Recommendations to help people:

- **Government should confirm appropriate funding for 2018-21** to maintain the current network at 11,500 branches.
- **Post Office Limited should apply an 'emergency brake' if more than 5% of current branches close** or fundamentally change their delivery model compared to current levels.
- **Post Office Limited should raise awareness** of public consultations around Crown branch changes.

Context

Since 2012 nearly £2 billion has been invested by Government to modernise and convert post offices to new operating models, while retaining the size of the network at 11,500. **Many branches have moved into other businesses** to make efficiency savings as part of the Network Transformation Programme (NTP).

This NTP is due to end by March 2018. Around 7,500 traditional sub-post offices will have converted to a new model (either Post Office Locals or Post Office Mains). The Government is also protecting 3,000 of the most rural branches (referred to as 'community branches').

So far, the NTP has largely achieved its objectives of maintaining and investing in the network. The programme is meeting the access criteria and improving access for disabled people. Our [research](#) also shows that Post Office Locals are performing better than they did when first introduced.

Crown post offices

Crown post offices are run directly by Post Office Limited (POL). They are often the flagship stores on high streets. An individual Crown branch has, on average, 4 times as many customers per week compared to the branch average across the rest of the network.

The Crown network has been changing (although separately to the NTP). Since January 2016, POL has announced plans to franchise and host approximately 33% of the remaining Crown network in alternative retailers. There are now just under 300 directly managed branches, compared to around 600 in 2000.

Citizens Advice recently conducted mystery shopping to test the performance of Crown and franchised Crown branches. We found that:

- **Access facilities are better at franchised Crowns.** In 94% of visits, shoppers rated franchised Crown branches as having good/easy access into the branch compared to 89% of non-franchised Crowns. The provision of disabled facilities, such as low level counter positions and hearing loops, was better in recently franchised Crowns.
- **Franchised Crown staff were more likely to offer the correct service.** Mystery shoppers tested if staff provided the correct product and pricing advice. In one scenario, shoppers were offered solely the correct service in 72% of visits to franchised Crowns, compared to 58% of Crowns.

Despite the recent good performance of franchised Crowns, **we are concerned about the impact relocations could have on disabled access and the quality of service if not managed carefully.** For example, POL has proposed to move some Crowns to lower ground or first floor locations as shown in the **appendix case study**. This could have a detrimental effect on vulnerable people being able to access essential services.

The impact of branch closures

The post office network provides vital mail, banking, financial and Government services to approximately 17 million customers each week. 96% of people have used a post office in the last 12 months.

Access to services through the post office network is particularly important for more vulnerable groups of consumers in the context of local bank branch closures and a growing parcels market.

The public strongly support the Government keeping post offices open. 85% of people believe that the Government should invest money in the post office to stop branches being closed down, and this rises to 9 in 10 when asked of rural consumers.

Post office closures would cause significant detriment to people and small businesses:

- 81% of people and 80% of SMEs say it would take them **more time** to access services;
- 61% of people and 61% of SMEs say it would **cost them more** to access services.

Our research shows that post offices are particularly important to:

- **Older consumers:** Consumers aged 65+ are 40% more likely to visit a post office each week than the overall adult population.
- **Disabled consumers:** 91% of disabled consumers see the post office as essential.
- **Rural consumers:** Rural consumers are 50% more likely to use the post office once a week than urban consumers.
- **Low income consumers:** Consumers with incomes below £10,000 are more than three times more likely to use Post Office Locals to withdraw or deposit cash than those earning over £50,000.

Recommendations to help people:

The Government should confirm appropriate funding for 2018-21 to maintain the current network at 11,500 branches. New Citizens Advice research shows that 85% of the general public support Government subsidy to prevent post office closures.¹

Post Office Limited should apply an 'emergency brake' if more than 5% of current branches close or fundamentally change their delivery model compared to current levels. Any such changes should be subject to scrutiny from Government and consumer bodies.

Post Office Limited should raise awareness of public consultations around Crown branch changes. Only 26% of people think local residents will be consulted before a Crown moves premises. In fact, people will be consulted on in all cases.

Key questions to ask in this debate:

- Citizens Advice research shows that 85% of the general public support Government subsidy to prevent post office closures. Will the Minister confirm that the Government will continue this funding to prevent further closures and maintain the current size of the network?
- Since 2000 the number of Crown branches has more than halved. Beyond the most recent announcement in January, can the Minister confirm if any further reductions in the size of the Crown network are planned in the next year and if there is any long term strategy for Crowns?
- Citizens Advice research shows how important the post office network is to more vulnerable groups of consumers, particularly in rural areas. For the 800 branches that will not have been converted by the end of the NTP, and are not protected as a 'community' branch, what guarantees can the Minister give to ensure these branches remain open in the future?
- Citizens Advice has raised concerns that around a third of branches could be closed while still complying with the access criteria governing the location of branches. Does the Minister agree that an automatic brake should be introduced if 5% of branches are closed, to ensure changes are subject to scrutiny from both Government and consumer bodies?

¹ Citizens Advice telephone survey of 1,000 GB adults with ComRes. Forthcoming.

Appendix - Case study

Shepherds Bush Crown Post Office, March 2017

POL proposed to relocate Shepherds Bush Crown Post Office in WH Smith at Westfield shopping centre. The new location is situated 450 metres from the current Crown branch with a dangerous pedestrian route, no direct bus service and concerns about the reliability of lifts and escalators at the shopping centre. People and local representatives raised significant concerns about the impact this would have on the ability of older and disabled people getting to the branch.

Citizens Advice reviewed the proposal and raised concerns with POL about the detrimental impact on older and disabled people. Following this, POL agreed to look into providing an additional post office branch in the area for people who may find it too difficult to access the new Crown branch. POL also agreed to engage with the local authority, community transport scheme, shopping centre and local disability groups to improve access before the new branch opens.

It is essential that any Crown changes are managed carefully to ensure that the needs of vulnerable people continue to be met.

Sources: Citizens Advice research

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