



23 December 2022

Dear Lord Harlech

### Re: House of Lords Access to Cash Question

I am writing to you from the National Federation of SubPostmasters (NFSP); a professional not-for-profit trade association representing post office operators, responsible for approximately 8,500 post office branches throughout the UK.

The reason for this letter is in reference to your response to The Lord Bishop of St Alban's question regarding protecting access to cash.

Within your response, you state *"There is a wide range of options to access everyday banking services, beyond branches, such as online, telephone banking, and the Post Office, reflecting wider changes in how consumers choose to bank."*

While we welcome the post office network being highlighted as a place for communities to access their banking needs, the NFSP also feels the need to highlight the impact of recent cash deposit limit reductions, set following FCA anti-money laundering recommendations. These limits impact on the amount that post office personal and business banking customers can deposit into their bank accounts via post office counters.

These reductions often result in having to travel to the closest bank branch to deposit their cash, at an additional time and expense to the individual.

You will be aware of the numerous bank branches that have closed in recent years, with many more scheduled to close over the coming months. If these

reduced deposit limits remain in place whilst bank branches close, what is to become of the cash infrastructure of the UK?

These recent changes will help speed up the development of a cashless society which will impact disastrously upon the most vulnerable in society.

If these reduced deposit amounts remain, simply put, post offices will close. Postmasters are already struggling due to the impact of Royal Mail strikes, Government services being taken from their counters, Covid-19, and the reduction in the letters market.

Postmasters are only remunerated a poundage per £1,000 deposited or withdrawn, therefore the cash deposit reductions limit their remuneration. Unfortunately, to provide this service, it costs the Postmaster more than they can earn so once again the banks are profiting from this relationship. While 70% of our members report earning the equivalent to the National Minimum Wage or less, the banks save approximately £600,000 for every branch closed. In 2021, collectively the banks saved approximately £441.6m by exiting the High Street and communities around the country.

The NFSP would like to call on you to push for the deposit limits to revert to being the same as at bank branches, via FCA recommendations, and to lobby for greater banking remuneration for Postmasters.

If you would like more information regarding any details mentioned in this letter, please feel free to contact me.

Yours sincerely,

Ruth Buckley-Salmon  
Public Affairs Manager, NFSP