



House of Commons
London
SW1A 0AA

..... July 2023

Dear

Re: Help save your local post office

I am writing to you on behalf of 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.

Previously, you have spoken up on behalf of our members and for the whole network, therefore I believe you understand the critical state of the current post office network.

The reason for this letter is regarding several issues impacting on the post office network, which without intervention will see the Post Office (PO) network becoming obsolete in the near future.

You have the very real opportunity to make a significant impact on postmasters' future, on the needs of your community, and on the future of the network. I urge you to read through these issues and decide if you want to fight for my livelihood, and the future of a community's post office, or if instead you will accept the government's excuse of staying at "arm's length" regarding the running of Post Office and its daily activities.

DVLA

The Government-owned Driver Vehicle Licensing Agency (DVLA) contract is due to finish permanently in March 2024.

Currently PO carries out over 6 million DVLA transactions every year. Remuneration is consistently an issue for Postmasters, with many struggling to keep their offices viable during the cost-of-living crisis. If the DVLA contract is lost next year, this will be another significant impact upon remuneration and the viability of the whole network.

In addition, over half the DVLA transactions made over post office counters are paid for in cash, however, once pulled from post office counters, the only option will be online payments. Those who are digitally-excluded, classed as vulnerable are the groups most impacted by this lack of offline presence, therefore the NFSP has questioned if this could result in a breach of the Equality Act 2010, and the government's own policy on access to cash and social inclusion.

Government Services

DVLA is one of many services successive governments have taken from post office counters. In a world becoming increasingly reliant on online services, PO is the only national infrastructure that can support those who are digitally or socially excluded. In 2005, income from Government services was £576m, however today it is 5% of this at less than £30m. Footfall in 2000 was 28 million customers per week, yet today it's less than 10 million, mainly due to these services being withdrawn

Banking Limits

Business and personal cash deposit limits, set by the FCA, have been reduced by a number of banks. These limits impact on the amount individuals and business owners can deposit at post office counters, with bank communications pointing towards their local bank branch as an alternative. Many smaller businesses are located in areas without a local bank branch, therefore often the businesses will need to reduce the amount of cash they themselves accept. This domino effect will in turn have a negative impact upon postmaster remuneration at a time when 70% of postmasters surveyed reported they earn equivalent to the National Minimum Wage or less.

Recent changes have also started to impact upon personal bank accounts, with deposit limits restricted to daily and yearly amounts via post office counters. This often results in customers having to travel to their nearest bank branch, often on public transport, which poses a personal security risk. A pragmatic view on deposit limits is putting the onus on banks to do more on their side to reduce money laundering, rather than taking the simple route of limiting law abiding citizens of

the UK from depositing their legitimate monies into their accounts thus reducing access to cash.

Post offices are subject to a government-set access criteria intended to ensure a minimum level of postal access for customers living in remote / rural areas. Banking should be subject to this same requirement because their services are of general economic interest.

Government Subsidy

PO receive a £50m subsidy to meet the Government access criteria, however as it costs over £60m to provide this, there is a clear case that this needs to be increased. Recently, PO have started to cut outreach services in rural areas, and replacing them with Drop & Collect models in urban areas to keep the network above 11,500, showing a clear disparity between their priorities in the urban rural split. This is further proven by the recent cut to outreach hours by PO.

Hard to Place (HtP)

Following the closure of the Network Transformation programme in 2018, PO now hold a Hard to Place (HtP) register which covers offices that have not found a Potential New Postmaster due to location, declining footfall and low remuneration etc.

These HtP offices receive a fixed remuneration from PO and have a year-to-year agreement to continue with this. This agreement was originally signed in 2015. This year, HtP postmasters were contacted by PO and told the previously-agreed compensation would be cut and their retirement provision will now be reduced by 60%. This has led many of our colleagues, who through age or ill health have had to close their doors for the last time resulting in them losing their leavers payment (average £80,000) and also leaving their communities without access to postal or banking facilities.

During the last spending review, Post Office approached the Government for funding to cover their financial commitments up to 2025. Included in the proposal was funding for HtP colleagues. However, government did not provide the full level of subsidy to cover these financial commitments, so one group of casualties is the colleagues who agreed to leave the network in 2015 with 26 months leavers payment. The changes will have a significant impact on their retirement provision.

Post Office Governance

Governance of the PO has to improve. Government uses the phrase "PO is an arm's length business of Government" which has enabled scandal after scandal to

destroy the lives of so many and to destroy PO as a trusted brand. This position also enabled the most recent scandal around executive bonuses being linked to the Horizon Public Inquiry. This lack of scrutiny is why the NFSP are calling for an Oversight Committee as a prelude to Mutualisation. Enclosed within this letter is a campaign badge to prove your support to the Post Office Network. Can I ask that you wear this and ask questions regarding the issues facing Post Office at PMQs on the 19 July 2023?

Can I also request that you sign our petition calling on Government to rethink their decision to take DVLA away from post office counters next year: bit.ly/440wJdc

If you would like more information regarding any details mentioned in this letter, please contact the NFSP Public Affairs Manager at ruth.buckley-salmon@nfsp.org.uk

Yours sincerely,

Calum Greenhow
CEO, NFSP