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HOUSE OF LORDS

FROM THE LORD HARLECH

GOVERNMENT WHIP DCMS, DEFRA, DIT, HMT, MOD

020-7219 3778

LONDON SW1A 0PW

Telephone 020-7219 3131

[www.lordswhips.org.uk](http://www.lordswhips.org.uk)

[holgovernmentwhips@parliament.uk](mailto:holgovernmentwhips@parliament.uk)

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Sent by: [Ruth.Buckley-Salmon@nfsp.org.uk](mailto:Ruth.Buckley-Salmon@nfsp.org.uk)

*Dear Ms Buckley-Salmon,*

Thank you for your email about cash deposit limits at Post Offices, following my answer on 21 December to a Lords Written Question asked by The Lord Bishop of St Albans on protecting access to cash.

The Government recognises the role that Post Offices play in the provision of cash and basic banking services. I note too the concerns you raise about how the implementation of cash deposit limits at the Post Office by banks may affect this role and the potential for unintended consequences.

It may be helpful for me to first set out the background to this issue and why deposit limits have been advocated by the Financial Conduct Authority (FCA). By law, any method for depositing cash must comply with relevant regulations, including Money Laundering Regulations, which are designed to combat illicit finance while minimising the burden on legitimate customers. In 2020, the National Risk Assessment of Money Laundering and Terrorist Financing noted an increase in the abuse of cash-related services, such as cash deposit services in Post Offices. Most banks were using a maximum deposit limit of £20,000 per transaction at Post Office counters, which was open to abuse by criminals in order to launder large amounts of cash quickly.

Following this work, the Financial Conduct Authority and banking sector are seeking to address these vulnerabilities. Banks are implementing a range of enhanced financial crime controls, including deposit limits, for cash deposits made at the Post Office. Each bank has set a range of limits according to their own customer base and business model.

I am aware that, in light of the concerns raised by yourselves and others, the FCA is bringing together key stakeholders to discuss the implementation of these new financial controls and to explore mitigations and a possible process of exceptions to

ensure this policy is implemented sensitively and fairly to customers. I would like to reassure you that the Treasury is engaging in this process to ensure that the vital work to combat crime does not unnecessarily impede other policy priorities and harm ordinary customers.

On the separate subject of Post Office remuneration, this remains an operational matter for the Post Office itself. The Government provides funding to ensure the viability of rural and community branches. Since 2019, this has been maintained at £50 million a year and will remain at the same level until 2025.

A handwritten signature in black ink that reads "Harlech". The signature is written in a cursive style and is underlined with a single horizontal line.

**LORD HARLECH**

Ruth Buckley-Salmon  
Public Affairs Manager  
National Federation of SubPostmasters