

Impact of Bank Closures

Post Office

Introduction

The Post Office is publicly owned following separation from Royal Mail 2012 and has 11,500 branches across the UK as well as a significant online business. 99.7% of the population live within 3 miles of a Post Office and 95% of the population say they use the Post Office at least once a year – with millions of customers and small businesses visiting every day.

Overview

Post Office provides access to cash and banking services through our network of 11,500 branches to 99% of UK personal account customers and 95% of business account customers, covering 28 banks; these customers can withdraw and deposit cash, deposit cheques, check their balance and business customers can get change. This is in addition to our ATM network of 2700 ATMs, many of which are external-facing, providing access 24 hours a day. The Post Office has operated access to cash in various forms for over 20 years and in January 2017 we brought a range of agreements together as the Banking Framework, which provides a coherent channel for providing a consistent service for all customers.

Post Office Banking Services

As bank branches close, customers are more likely to use the Post Office for daily banking transactions as they adapt to changed availability in their local area. This is positive for the Post Office Limited and for Postmasters who operate the vast majority of our network as individual businesses – it increases footfall in branches which helps retailers sell more products in their retail business and it bolsters the Post Office's retailer proposition which makes us an increasingly attractive partner for retailers and helps us to expand our network.

Post Office service

The Post Office does not seek to replace high street bank branches wholesale but we offer a range of services which enable customers to perform daily cash transactions in our branches:

- Customers can withdraw and deposit cash, deposit cheques, check their balance and business customers can get change. This covers the day-to-day cash requirements for a broad range of customers.
- In terms of deposits, customers can deposit up to £20,000 in one transaction at the fortress position in our Main branches. At our Local and Local Plus branches we can take £2,000 in one transaction. We can also take up to £250 in coins in one transaction.
- Where customers are looking to make larger, regular deposits we will undertake a 'location exercise' with their bank to ensure an appropriate nearby Post Office can support them.
- 90% of all deposits we receive are for £2,000 or less, even at peak times.
- For withdrawals, the usual ATM limits apply. Some banks will change the limit with some notice but that's a matter for individual banks, we will transact whatever the bank allows us to.

- We continue to work with all banks to simplify and standardise the transactions we offer, so our postmasters can serve customers efficiently, and as the banks modify and modernise, any confusion over the services available at the Post Office will reduce.

The majority of customers actually prefer the Post Office to a bank branch, they are more likely to know their local Post Office staff than bank branch staff and will interact with Post Office staff for a range of transactions, both financial and retail.

For vulnerable and business customers in particular, local Post Offices work with the closing bank to ensure a smooth transition as customers move from the bank to the Post Office for their daily banking transactions. This can take a number of forms and we work with local branches to ensure the best solution for their local community and customers. While the Access to Banking Standard covers this area, we work with individual banks to go beyond this agreement to support customers.

Post Office on the High Street

Given the increasingly important role Post Office plays in providing access to cash, we believe we help support the high street and the local business economy, and will continue to do so in the years ahead. One important aspect of customer service is our opening hours – Post Offices are, in general, open for more hours than a bank branch, we have over 4000 branches open on Sundays. In larger branches, if the main Post Office counters aren't open as long as the shop itself, the 'Combi' counter alongside the main retail till will still be able to perform banking transactions.

In terms of footfall and tourism, Post Offices remain a key part of local tourism infrastructure and we anticipate that a side-effect of bank closures will be to concentrate customer visits into Post Office in a positive way. In addition to our banking services, we also offer travel money and travel insurance products as well as mails products which are all important to tourist customers. Any changes would likely be to the benefit of Post Offices as it drives more customers to local branches.

ATMs

The c.2600 Post Office ATMs are owned and operated by Bank of Ireland. We do not have any plans to introduce charges for ATM transactions. There are around 4000 other ATMs in Post Offices which are not owned or operated by Post Office or Bank of Ireland but are operated by the Postmaster with a third party. We do not have any control over these ATMs and they are a matter for individual Postmasters as part of their retail business.

Credit Unions

We are working with a range of organisations in the credit union sector to enable members of credit unions to access their account over the counter at the Post Office, in a similar way to the banking framework. We will be running a proof of concept of this service in the coming months. This will be a major boost to credit unions as it allows their customers to access their accounts at any of our 11,500 branches, rather than being limited to a specific location, as with many credit unions at present.

Awareness raising campaign

Post Office recently announced an agreement with UK Finance on a five point action plan that will help raise the profile of banking services available through the Post Office. The five-point plan will promote awareness of day-to-day banking services, including paying in and withdrawing cash. Later this year, we will be launching a series of activities including media campaigns, local community events and enhanced support for vulnerable customers across the UK.

The banking industry, supported by Post Office, aims to:

- Raise awareness of banking services available at the Post Office via regional and targeted localised pilot media campaigns. These will be timed to coincide with in-branch campaigns across our network
- Support specific communities, including those impacted by bank branch closures, through information leaflets, joint Post Office and bank outreach to communities and improved collaboration with the banks during any bank branch closures
- Promote Post Office as an integral channel for day-to-day banking, with clear and prominent information for customers in banks' literature, on websites and telephony channels
- Provide enhanced support for vulnerable consumers to be developed based on Citizens' Advice best practice guidelines
- Carry out ongoing monitoring of awareness and confidence in our counter services.

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