

The Post Office Network Report 2012





“The Post Office network is a key part of the UK’s infrastructure, delivering a social value to businesses and the public of £2.3bn per annum.”

Section 1.

1. Executive summary

The last year has seen the Post Office network at its most stable for over a quarter of a century. At the end of March 2012 there were 11,818 Post Office branches open and trading – compared with 11,820 for the previous year.

The Post Office network is a key part of the UK's infrastructure, delivering a social value to businesses and the public of £2.3bn per annum according to an independent study¹. The Post Office continues to meet and exceed Government accessibility criteria with currently 93.1% of people in the UK living within a mile of a Post Office, and 99.7% within three miles.

Just under 20 million people visit a Post Office each week to access a wide range of government, financial, banking, mails and telephony services. The Post Office also provides a vital infrastructure for small businesses with over half visiting a branch each week.

Post Office Ltd, a newly independent company following separation from Royal Mail Group, has a clear strategy for growth, modernisation and improving customer service. It is addressing the challenges presented by a loss of traditional business in recent years, which led to falling customer numbers and a series of unpopular branch closure programmes.

The Post Office now has funding to support and invest in its network and is committed to maintaining it at around its current size. Over the next three years, the Post Office will transform around 6,000 branches. These new style branches will offer customers a brighter retail environment and in many cases much longer opening hours. The pilot branches already established are delivering sizeable increases in both Post Office and the accompanying retail businesses, and customer satisfaction scores are consistently above 90%.

Modernising the branch network sits alongside plans to increase revenue by securing new business. Revenue increased during 2011/12, reversing the trend of recent years, and plans are in place to continue to grow revenue over the coming years to make the network more sustainable into the future.

A particular opportunity exists for the Post Office to increase its government services work. As a trusted intermediary between the public and national and local government the Post Office is winning business based on cost, access and customer service. Many Post Office branches are already delivering new public services including payment services, biometric data capture and identity verification.

The Post Office also continues to develop in other areas. As the UK's number one mails retailer, a long term agreement with Royal Mail creates the platform needed to grow this business. The Post Office is now firmly established in the personal financial services market, with over 2.5 million customers and £15.8 billion deposited in its savings accounts, the UK's number one travel money provider and the fifth largest telecoms provider.

With a stable network, investment, modernisation and a drive to improve convenience and service for the customer, the Post Office has moved on from the perceived decline of recent years. It is now a growth business building on its core asset of a nationwide network of branches, run by local, trusted people, together with its online and direct channels. The Post Office has been a key part of the fabric of the UK for generations and is maintaining that tradition by ensuring it remains relevant and accessible for today's generation and the digital world in which we live.

¹ National Economic Research Associates (NERA), The Social Value of the Post Office Network: Report for Postcomm (2009)

Section 2.

2. About this report

This report provides information about the Post Office network and customer accessibility at the end of March 2012 as required under Section 11 of the Postal Services Act 2011.

Specific information in this report for the network at March 2012 is provided in accordance with the requirements of the legislation.

During the years 2000 to 2010 an annual report on the UK Post Office network was compiled by Postcomm (the Postal Services Commission) according to Section 42 of the Postal Services Act 2000. The final Postcomm report in October 2010, which can be found at <http://stakeholders.ofcom.org.uk/binaries/post/1072.pdf> commented on background trends over the years 2000-2010. To continue these data sets, this report contains relevant information for both the end of March 2011 and the end of March 2012.

The information in this report is supplementary to the information on the size of the network that is produced quarterly and lodged in the Library of the House of Commons – and the annual listings of Post Office branches by Parliamentary Constituency boundaries also lodged in the Library of the House of Commons.

“ The Post Office has been a key part of the fabric of the UK for generations and is maintaining that tradition by ensuring it remains relevant and accessible for today’s generation and the digital world in which we live. ”



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3. About the Post Office



+ Following the reforms contained within the Postal Services Act 2011, the Post Office separated from Royal Mail Group to become an independent company on 1 April 2012. It has its own Chairman and full Board including non-executive directors. The Postal Services Act has made clear that the Post Office will remain in the public sector with the possibility of mutualisation at a later date.

+ The company provides services to just under 20 million customers each week, including around half of all small businesses in the UK, through a network of 11,818 Post Office branches. 373 of these branches are Crown branches operated directly by the Post Office. All other Post Office branches are operated by independent business people or multiple retailers – typically as part of retail premises.

+ The Post Office employs just under 8,000 people, primarily in Crown branches and its cash distribution network. In addition there are around 50,000 subpostmasters and assistants working in agency branches.

+ The Post Office provides full infrastructure support to all branches with a UK-wide cash and stock distribution system, an integrated computer system for transactions and full operational, product and marketing support.

+ The current network – at 11,818 branches – remains larger than all the branches of banks and building societies combined. An independent

study by NERA¹ on behalf of Postcomm identified that the network delivers at least £2.3bn social value per annum for the people and businesses within the UK. The Post Office is committed to maintaining the size of the network, retaining its social value and in driving new business into branches.

+ The Post Office provides a wide range of services to customers in the retail mails, financial services, government services and telephony markets. Customers can access services through a branch network unrivalled in its geographical coverage as well as through its telephone call centres and website. The Post Office is committed to further enhancing accessibility and convenience – for example by increasing opening hours of branches as well as putting more services online.

+ The Department for Business Innovation & Skills outlined Government policy for the Post Office in its November 2010 document 'Securing the Post Office Network in the Digital Age'. This committed funding of £1.34bn in the years through to 2015. Half of this comprises network subsidy to help maintain the size of the network and around half is investment to modernise branches – to enhance the customer environment and provide longer opening hours. This document can be found at <http://www.bis.gov.uk/assets/biscore/business-sectors/docs/s/10-1260-securing-the-post-office-network.pdf>

¹ National Economic Research Associates (NERA), The Social Value of the Post Office Network: Report for Postcomm (2009)



“New features of our main Post Office branches include more modern environments with open plan counters and significantly increased opening hours.”

- + In accordance with the Government funding agreement, thousands of Post Office branches will be modernised between 2012 and 2015. This will mean service improvements and longer opening hours, for example open earlier in the mornings and in the evenings, to make Post Office branches more accessible for customers.
- + Over the last financial year, more than 124 new-style main and local Post Office branches have been opened, bringing the nationwide total to over 200. Customer satisfaction scores in these branches are consistently above 90%. After further testing and refinement of the new-style branches, the Post Office will roll out the modernisation programme more widely. By March 2015, around 6,000 branches will have been converted, strengthening the overall network that reaches every community in the UK.
- + New features of our main Post Office branches include more modern environments with open plan counters and significantly increased opening hours with new technology offered in many locations, such as cutting edge biometric data capture equipment which has been instrumental in growing new government business. In local branches, customers now benefit from open plan counters at the retail position that are open for as long as the retail business is open. This enables people to pay for their groceries and make the most of Post Office products and services at the same time.
- + In rural and urban deprived areas, the Post Office often provides the only retail and service facility to the community. A range of innovative ways of maintaining this service has been developed, including mobile Post Offices and the use of village halls and pubs. The Post Office continues to work hard to maintain availability across the UK and it continues to exceed the accessibility standards required by government – providing social value at the heart of communities.
- + Investment in the branch network is supporting plans to secure new business. The Post Office is becoming established as an effective front office for local and national Government. This builds on a long history of delivering essential government services – the Post Office continues to manage more than three million Post Office card accounts for people receiving benefits, state pensions and tax credit payments. With this experience, the Post Office is ideally positioned as an intermediary between the public and national and local government.

Section 3.

“In local branches, customers now benefit from open plan counters at the retail position that are open for as long as the retail business is open.”

- + The Post Office can offer cost-effective delivery of services; a secure IT infrastructure in seamless conjunction with back offices and full front office service for payments, applications, identity verification, data capture and information. The Post Office also offers digital services for customers who do not have internet access, and a face-to-face channel for those transactions that cannot be done online. The Post Office is working with Government departments, agencies and local councils to explore new forms of service delivery that improve accuracy, eliminate fraud and reduce costs. For example, the Post Office Application, Enrolment and Identity (AEI) unit uses advanced biometric technology to capture fingerprints, electronic signatures and digital facial images. Customers in 755 branches can now use this facility to renew photo card driving licences. At the end of March almost 1.5m transactions had been completed using this AEI digital service.
- + The mails sector continues to account for around a third of the business transacted through the Post Office network. Income from Royal Mail has grown this year due to an increase in the value and number of packets, parcels and international mail sold through the Post Office.
- + Within Financial Services the value held in Post Office branded savings

accounts has now grown to £15.8 billion and opportunities to increase the range of savings accounts are being sought. The Post Office recently launched a new Premier Cash ISA, for example, which is already proving popular with customers. Through relationships with partner banks, around 80 per cent of all UK debit card holders now have access to services such as cash withdrawals and balance enquiries at 11,818 Post Office branches, greatly enhancing convenience for these customers. In addition the Post Office has one of the largest free-to-use ATM networks in the country - 2,200 at the end of March 2012 and growing.

- + The financial results and stabilised network in 2011/12 have been achieved against a backdrop of securing new business and while trialling new-style branches in preparation for the largest modernisation programme in Post Office history over the next three years.
- + Wider economic issues mean these are challenging times for all retail businesses throughout the UK. Despite this, as the information in this report shows, the Post Office network at the end of March 2012 has a stronger and more positive platform for future stability and improvement than has been the case in recent years.



4. Finances & Revenue

“Government services, which had been declining as a percentage of overall business for the last decade, is now increasing in line with our aspiration to play a greater role as front office for national and local government.”

Summary of section

Revenue increased in 2011/12 by £39 million to £1,160 million. This reflected growth in mails volumes for packets, parcels and international mail, and growth in identity related work, lottery, retail and personal financial services. This was partially offset by a decline in traditional products such as bill payments. There was an increase in the Network Subsidy Payment to £180 million (£150 million in 2011).

Post Office product revenue declined year on year since 2004/5 and this was a prime driver of the network rationalisation programmes seen over the past ten years, as the Post Office sought to contain costs and ensure that the remaining Post Office branches had sufficient business to keep them economically viable. This year has, however, seen

overall revenues start to rise again and a network that is now stable in size. An important corner has been turned and a platform for future growth coupled with investment and modernisation is being established.

Within overall revenue growth, the composition of business between the government, mails, finance and telephony markets has remained broadly the same over the last two years. However, government services which had been declining as a percentage of overall business for the last decade, has seen a small increase and is now beginning to make up more of the overall business. This is in line with the strategic aspirations for the Post Office to play a greater role as a front office for both national and local government.

Section 4.

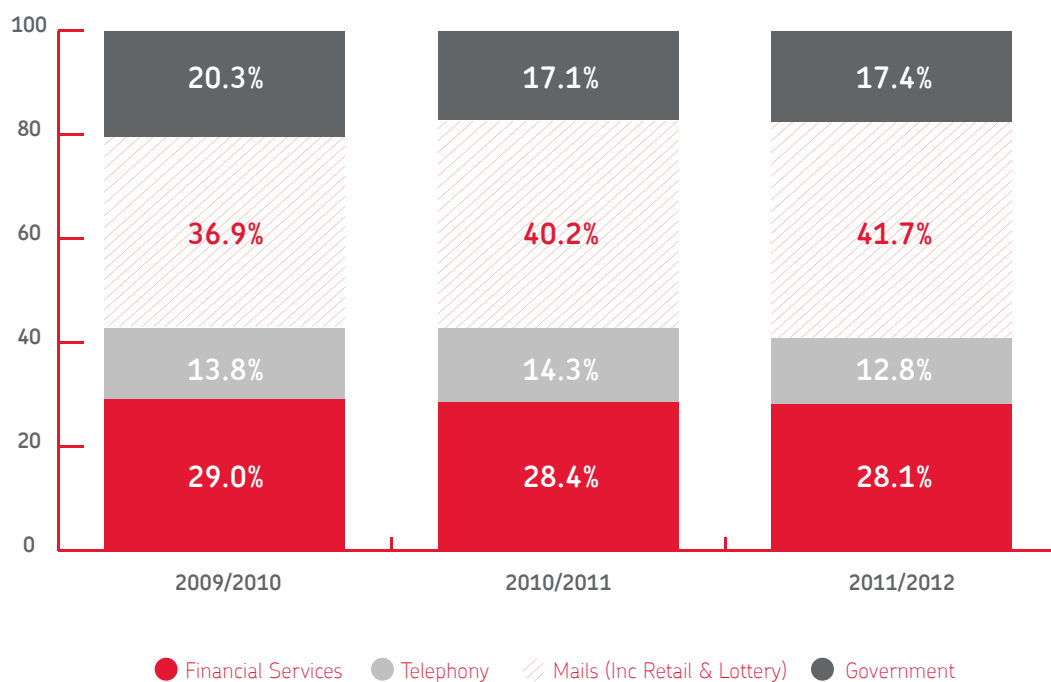
4.1 Post Office trading performance 2011/12*

Trading performance	2010/11	2011/12
External revenues (£m)	1,121	1,160
Operating profit after modernisation costs (£m) ¹	21	59
People employed	7,782	7,798
Post Office branches	11,820	11,818

¹ Before other operating exceptional items

* Information from Royal Mail Holdings PLC Annual Report and Financial Statements 2011/12 and Post Office Ltd Annual Report and Financial Statements 2011/12

4.2 Percentage of Post Office revenue (Excluding Network Subsidy Payment) by service category, 2008/9 to 2011/12



5. Size and make-up of the network

Summary of section

There were 11,818 open and trading branches at the end of March 2012 compared to 11,820 a year earlier at March 2011. This is the most stable the network has been for at least the last quarter of a century and is consistent with the Post Office strategic approach of seeking to maintain the network size, modernise branches and grow revenue.

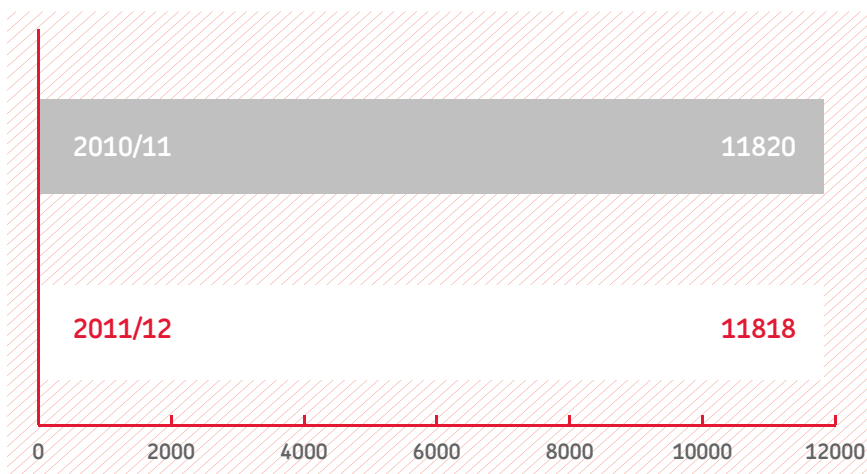
The number of Crown Post Office branches, which are operated directly by the Post Office, has remained constant over the last year at 373. Among the other Post Office branches, operated by subpostmasters and other agents who provide their own premises and staff on a franchise basis, there are a range of different Post Office models. These range from outreach and satellites (typically very small part time branches using for example a village hall or a mobile Post Office), through standard sub Post Office branches run by independent subpostmasters to larger franchise branches (for example those operated by Co-op or WH Smith). Over 50% of Post Office branches are in rural locations.

In addition, the network also includes the new-style Post Office local and main Post Office branches, which are designed to offer longer opening hours and an open plan customer environment. These new formats have been piloted over the last year, and the intention is to establish main and local branches across half of the network in the next three years.

The last year has seen the make up of the network stay relatively stable, although there has been a slight shift towards Post Office local and main as the new formats have been piloted, together with a slight increase in outreaches as this format has proved useful in maintaining services in smaller rural communities.

The percentage distribution of the network between rural, urban and urban deprived areas, and the distribution between different regions and countries within the UK, has remained broadly constant over the last year.

5.1 Number of Post Office branches 2010/11 and 2011/12



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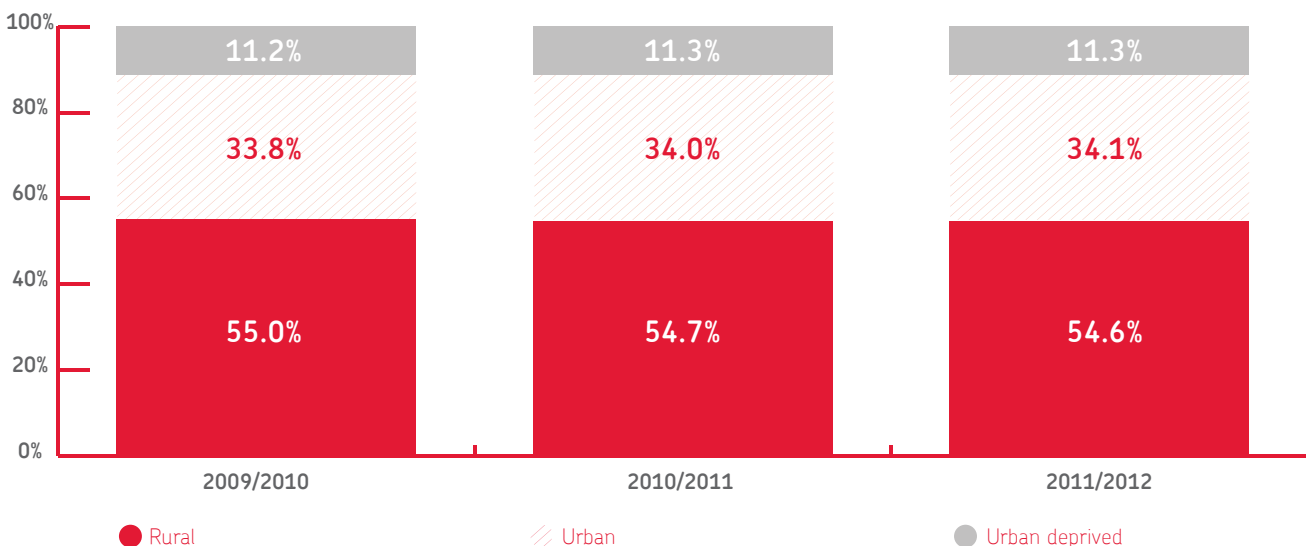
5.2 Quarterly Change in Network size over five years

Date	Total	Net Variances	% Quarterly Change
31.12.06	14295		
31.03.07	14219	-76	-0.53%
30.06.07	14147	-72	-0.51%
30.09.07	14118	-29	-0.20%
31.12.07	14052	-66	-0.47%
31.03.08	13567	-485	-3.45%
30.06.08	13165	-402	-2.96%
30.09.08	12524	-641	-4.87%
31.12.08	12046	-478	-3.82%
31.03.09	11952	-94	-0.78%
30.06.09	11956	4	0.03%
30.09.09	11942	-14	-0.12%
31.12.09	11923	-19	-0.16%
31.03.10	11905	-18	-0.15%
31.06.10	11872	-33	-0.28%
30.09.10	11832	-40	-0.34%
31.12.10	11847	15	0.13%
31.03.11	11820	-27	-0.23%
31.06.11	11798	-22	-0.19%
30.09.11	11785	-13	-0.11%
31.12.11	11801	16	0.14%
31.03.12	11818	17	0.14%

5.3 Change in Post Office branches by region in 2011/12

Region	No of Post Office branches at the end of March 2011	No of Post Office branches at the end of March 2012	Net Variance	% of loss/gain
North East	491	496	5	1.0
North West	1134	1133	-1	-0.1
Yorkshire and the Humber	992	992	0	0.0
West Midlands	922	921	-1	-0.1
South West	1293	1300	7	0.5
South East	1408	1408	0	0.0
London	682	684	2	0.3
East of England	1143	1140	-3	-0.3
East Midlands	894	882	-12	-1.4
Northern Ireland	478	480	2	0.4
Scotland	1433	1425	-8	-0.6
Wales	950	957	7	0.7
TOTAL	11820	11818	-2	0.0

5.4 Percentage of rural, urban deprived Post Office branches out of the total number of Post Office branches, 2009/2012



5.5 Regional proportion of each type of Post Office branch at the end of March 2012

	% Rural		% Urban other		% Urban deprived		% Urban deprived out of all urban offices	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
North East	50.5	50.8	30.8	30.4	18.7	18.8	37.9	38.1
North West	35.5	35.5	41.2	41.4	23.3	23.1	36.1	35.8
Yorkshire and the Humber	50.8	50.5	33.5	33.8	15.7	15.7	32.0	31.8
West Midlands	43.0	42.8	40.5	40.6	16.6	16.6	29.1	29.0
East of England	62.7	62.6	33.8	33.9	3.5	3.5	9.4	9.4
South West	71.0	71.0	25.0	25.0	4.0	4.0	13.9	13.8
South East	52.0	51.9	45.2	45.2	2.8	2.9	5.9	6.1
London	0.9	0.9	78.3	78.2	20.8	20.9	21.0	21.1
East Midlands	64.0	63.6	28.5	28.9	7.5	7.5	20.8	20.6
Northern Ireland	68.4	68.1	17.2	17.3	14.4	14.6	45.7	45.8
Scotland	67.8	67.6	21.6	21.8	10.5	10.5	32.8	32.5
Wales	70.9	71.1	17.8	17.8	11.3	11.2	38.8	38.6
National	54.7	54.6	34.0	34.1	11.3	11.3	24.9	24.9

5.6 Regional changes in rural Post Office branches

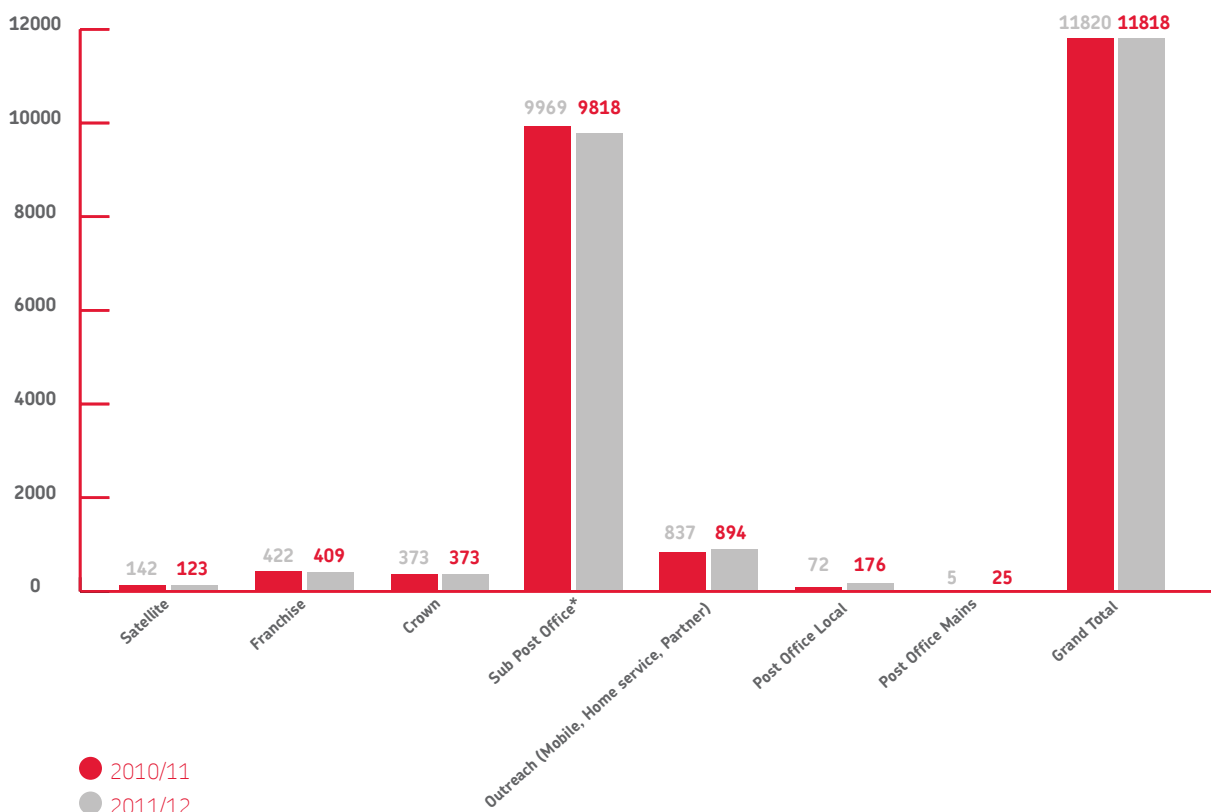
	Rural at start April 2011	Rural at start April 2012	Net change	% Loss/gain
North East	248	252	4	1.6
North West	403	402	-1	-0.2
Yorkshire and the Humber	504	501	-3	-0.6
West Midlands	396	394	-2	-0.5
South West	918	923	5	0.5
South East	732	731	-1	-0.1
London	6	6	0	0.0
East of England	717	714	-3	-0.4
East Midlands	572	561	-11	-2.0
Northern Ireland	327	327	0	0.0
Scotland	972	964	-8	-0.8
Wales	674	680	6	0.9
TOTAL	6469	6455	-14	-0.2

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5.7 Regional changes for urban and urban deprived Post Office branches

	Urban deprived at end of March 2011	Urban deprived at end of March 2012	Net change	% loss/gain	Urban other at end of March 2011	Urban other at end of March 2012	Net change	% gain
North East	92	93	1	1.1	151	151	0	0.0
North West	264	262	-2	-0.8	467	469	2	0.4
Yorkshire and the Humber	156	156	0	0.0	332	335	3	0.9
West Midlands	153	153	0	0.0	373	374	1	0.3
South West	40	40	0	0.0	386	386	0	0.0
South East	52	52	0	0.0	323	325	2	0.6
London	40	41	1	2.4	636	636	0	0.0
East of England	142	143	1	0.7	534	535	1	0.2
East Midlands	67	66	-1	-1.5	255	255	0	0.0
Northern Ireland	69	70	1	1.4	82	83	1	1.2
Scotland	151	150	-1	-0.7	310	311	1	0.3
Wales	107	107	0	0.0	169	170	1	0.6
TOTAL	1333	1333	0	0.0	4018	4030	12	0.3

5.8 Post Office contract types in 2010/11 and 2011/12



*Includes modified sub Post Office and scale payment Post Offices

6. Accessibility of the network

Summary of section

The Post Office is committed to meeting the six accessibility criteria that were originally laid down by the Government in 2007, and re-confirmed in the November 2010 policy document from the Department for Business Innovation & Skills.

These criteria have been fully met for the network both at the end of March 2011 and again at March 2012. The Post Office continues to work to ensure this will remain the case.

The criteria cover UK-wide accessibility for total, urban, urban deprived and rural populations. Moreover they ensure a strong geographical distribution of Post Office branches by including a separate criterion that works at postcode district level. There are around 2,800 geographic level postcode districts throughout the UK (an example would be the HP22 part of the postcode). Every one of these, including the most remote areas such as the Scottish Highlands (Kinlochleven, PH50) and Islands (Amhuinnsuidhe, Isle of Harris, HS3) meets these criteria. This helps demonstrate the unrivalled geographical coverage of the Post Office network.

This wide coverage across the UK ensures the Post Office is accessible for all. This is the case for the population as a whole, and also specifically analysed groups such as the elderly, disadvantaged, those on low incomes, those with disabilities and small businesses. The accessibility offered to these groups helps explain why:

- + The Post Office is of such value to national and local government for the provision of services.

- + The Post Office is such an important organisation in financial services and the promotion of financial inclusion.
- + The Post Office is such an important UK-wide infrastructure for supporting small businesses, for example by providing access to the mail system to fulfil internet orders, and accessibility to convenient financial and banking services.

6.1 Compliance with Government's minimum network access criteria, at the end of March 2012

The Government access criteria are:

- 1. 99% of the UK population to be within three miles of their nearest Post Office outlet;**
- 2. 90% of the UK population to be within one mile of their nearest Post Office outlet;**
- 3. 99% of the total population in deprived urban areas across the UK to be within one mile of their nearest Post Office outlet;**
- 4. 95% of the total urban population across the UK to be within one mile of their nearest Post Office outlet;**
- 5. 95% of the total rural population across the UK to be within three miles of their nearest Post Office outlet.**

In addition, the following criterion will apply at a local level to ensure a minimum level of access for customers living in remote rural areas.



Section 6.

Accessibility Performance

Criteria	Total Population within 3 miles	Total Population within 1 mile	Deprived Urban Population within 1 mile	Urban Population within 1 mile	Rural Population within 3 miles	Postcode Districts with less than 95% Population within 6 miles
Minimum Requirement	99%	90%	99%	95%	95%	0
2010/11 Performance	99.7%	93.1%	99.8%	99.1%	99.2%	0
2011/12 Performance	99.7%	93.1%	99.8%	99.1%	99.1%	0

6. 95% of the population of every postcode district to be within six miles of their nearest Post Office outlet.

The results against these access criteria for the past two years are shown above.

The Post Office measures the performance of the network against the government access criteria by breaking down the population across the country into census Output Areas (OAs). Accessibility is calculated by measuring the distance of the centre (population weighted centroid) of the OA to its nearest Post Office access point. The total national accessibility is then calculated by adding the total population of each of the census OAs deemed to meet the criterion divided by the total population as a whole expressed as a percentage.

Urban, Urban Deprived and Rural accessibility is measured by taking account of OAs classified as Urban, Urban Deprived and Rural respectively only.

The Post Office provides to Consumer Focus the location co-ordinates of all individual open and trading Post Office branches at the end of each quarter. This is the core data upon which the accessibility results are based.

6.2 Accessibility to the Post Office network for key groups across the UK

The Postal Service Act 2011 (Provision 11) requires reporting on Post Office network access for a number of user groups over and above the established government access criteria as follows:

- + **Small businesses**
- + **Disadvantaged individuals**
- + **Individuals on low incomes**
- + **Individuals with disabilities**
- + **Elderly individuals**



The 2012 accessibility results for each of these categories are shown in the chart.

Criteria	% of population within 1 mile of Post Office branch	% of population within 3 miles of Post Office branch
Small businesses	91.1	99.6
Disadvantaged individuals	99.2	100.0
Individuals with low incomes (<£10k)	98.7	99.9
Individuals with low incomes (<£20k)	98.3	99.9
Individuals with disabilities	94.8	99.8
Elderly individuals	92.1	99.7

This accessibility reporting is over and above the Government Network Access Criteria. The Post Office commissioned a leading Geographic Modelling and Information Group¹ to complete the analysis based on the network of open Post Office branches at end of March 2012. Key data sets used in the analysis to identify the key user groups were as follows:

Small businesses

Based on the latest Blue Sheep² business universe dataset which had been geocoded. This database includes over 4 million small businesses across the UK.

Disadvantaged individuals

Based on the various 2010 Indices of Multiple Deprivation available for England, Scotland, Wales and Northern Ireland at Super Output Area level.

Individuals on low incomes

Based on CAMEO³ Income data which categorises each postcode unit within the UK as one of 8 income bandings (8 = Less than £10k, 1 = More than £100k). (CAMEO Income has been calibrated against key market research reports such as the Expenditure and Food Survey and the New Earnings Survey).

Individuals with disabilities

Based on data (for England, Scotland and Wales) taken from the Office for National Statistics 'NOMIS' facility which provides the November 2011 count of Disability Living Allowance claimants at ward and lower Super Output Area. For Northern Ireland, data was taken from the Department of Social Development's Northern Ireland Neighbourhood Information Service (NINIS) website at Output Area level.

Elderly individuals

Based on the current year population estimates broken down by age and gender from the Office for National Statistics at Output Area level. The age level used in this analysis is over 65.

The network accessibility for these specific groups was measured using the same methodology as the measure of the network against the Government Access Criteria - by breaking down the individual populations across the country into census Output Areas (OAs) and by calculating accessibility by measuring the distance of the centre (population weighted centroid) of the OA to its nearest Post Office access point.

³ CAMEO income data is a postcode level classification system for identifying GB consumers based on likely household income

¹ Callcredit Information Group

² Blue Sheep is the UK's leading business-to-business marketing services and solutions provider

7. Products and services available at the Post Office

The Post Office offers around 170 different products at branches across its network. These broadly fall into four market areas – government services, mails, financial services and telephony. The tables on the following pages show the main products falling within these areas.

Government services

The Post Office continues to play an important role as an intermediary between the public and government – for example, by managing more than three million Post Office card accounts for people receiving benefits, state pensions and tax credit payments. As government departments and local authorities look for different ways of delivering public services, the Post Office, with a presence in every community, is ideally positioned to compete for new work. With recent contracts secured from UK Border Agency and London authorities, and through a number of pilots undertaken with Department for Work & Pensions, the Post Office is proving it can deliver a wide range of essential services and is winning business based on price, access and the customer experience. In line with the Post Office strategic aim to play a greater role as a front office for national and local government, revenue from government services increased during 2011/12.

Mails

The Post Office is the UK's number one mails retailer and the services it offers on behalf of Royal Mail account for a third of its business. A long-term agreement with Royal Mail, secured prior to the Post Office being established as an independent business in April 2012, allows the Post Office to grow this area of business. It will continue to offer individuals and businesses unrivalled access to mails and parcel services while developing new and innovative services to meet the needs of today's customers and, in particular, small and medium sized businesses.

Financial services

As a trusted alternative to traditional banks, the Post Office continues to grow its presence in the financial services market offering a wide range of insurance, mortgage and savings products. It currently has over 2.5 million personal financial services customers and over £15.8 billion deposited in its savings accounts. The Post Office is the UK's largest supplier of travel money and eight out of ten of the UK's bank customers can now withdraw their cash for free over Post Office counters. The Post Office also offers business banking services that are used widely by small and medium sized businesses across the UK.

Telephony

Through its HomePhone and broadband services, the Post Office is the UK's fifth largest telecoms supplier with almost half a million customers, and the UK's second largest provider of E Top-ups for mobile phones. The Post Office has ambitious plans to grow this area of its business including moving into the mobile phone market.

Post Office products continue to earn accolades. At the British Travel Awards Post Office was named as the Best Travel Insurance Provider for the sixth year running and the Best Foreign Exchange/Travel Money Provider for the fifth year running. The Post Office also won 'Best Savings Provider' at the 2011 MoneySupermarket Supers Awards.

The past year has seen further product launches as the Post Office developed its offer in all four market areas. These include making access available at all Post Office branches to RBS, NatWest and Ulster Bank current accounts, introducing photocard driving licence renewal services and developing the Post Office range of value-for-money financial products such as Junior ISAs, inflation-linked bonds and competitive mortgages.



7.1 Products and services available at the Post Office

Service	Availability	Description of service
Government Services		Post Office offers a range of services for customers on behalf of Government Departments and Councils including applications, payments, identity verification, data capture and information services – available in a range of branches across the network
Post Office Card Account	All branches	A basic account for customers who are in receipt of state pensions, benefits & tax credits and who do not have a UK bank or building society account. Payments are made into the account by the paying department and customers can withdraw cash at all Post Office branches.
Local Council Services	Local Area based	Post Office provides services on behalf of over 300 local councils covering a wide range of applications and payment services both from and to residents and customers. Services include cash collection from residents for rents, rates, council tax, parking fines and licence fees, payment services including asylum seekers and rebates, form checking including benefits, planning and concessionary travel applications and identity checking and verification services.
Car Tax – Motor Vehicle Licence Issue	c4,600 branches	Motor Vehicle Licence and Statutory Off Road Notification (SORN) services provided. Customers can have their documents checked and get their licence at issuing Post Office branches nationwide.
Driving Licence application service	c740 branches	UK Driving photo licence application forms are checked in branch to ensure that all the information is correct. (Where applicable, documents are sent with the fee to the Driver and Vehicle Licensing Agency (DVLA). Driving Licence Application forms are available from all branches.
Driving Licence photocard renewal	c750 branches	The photo on the DVLA photocard licence has to be renewed every 10 years. The DVLA Photocard Renewal service at the Post Office helps save time and makes sure the photocard renewal application meets the DVLA standards by taking a photo to the required DVLA standards, ensuring that the application is error-free, capturing an electronic signature and sending the application electronically and securely to the DVLA.
International driving permit	Selected branches	Applications can be made in selected branches for an International Driving Permit, which is required to drive legally in many places overseas alongside a UK driving licence.
Passport Check and Send	c2,500 branches	Customers can take their passport applications to a Post Office where the application form and documentation are checked to ensure that everything is correct and the application is then despatched by Royal Mail Special Delivery priority processing. New, renewal and replacement passport application forms are available from Post Office branches offering the Passport Check and Send service.
Identity checking services	Selected branches	Customers who need to have photocopies of identity documents certified (for example when applying for a mortgage, bank account or new job) can have original documents checked and photocopies certified at the Post Office.
Biometric Enrolment for Foreign Nationals	Selected branches	Customers from outside the European Economic Area (EEA) who need to apply to extend their stay in the UK may need to apply for a Biometric Residence Permit. An applications service is available at selected Post Office branches. The Post Office captures biometric information by taking a photograph, fingerprints and digital signature and sends the information securely to the UK Border Agency.
CQC – CRB registration service	Selected branches	The Care Quality Commission (CQC) is the independent regulator of all health and social care services in England. Customers who need a Criminal Records Bureau (CRB) check from the CQC can get their application checked at the Post Office to verify their identity.
Rod fishing and game licences	All branches based on demand	A range of rod licences available for angling in England and Wales and Game licences to hunt game are stocked in branches where there is local demand. Fishing licences are available in England and Wales only. Game licences are available in Scotland and Northern Ireland only.

Products/Services available from Post Office Ltd

(Information is available on Post Office Ltd website – www.postoffice.co.uk)

Section 7.

Service	Availability	Description of service
Mails		A range of Royal Mail and Parcelforce Worldwide services are available from Post Office branches nationwide – a full list of services is provided in table 7.3
Standard 1st and 2nd class post	All branches	Packets and letters accepted for standard 1st class, 2nd class delivery.
Parcels	All branches	A range of parcel delivery services within the UK are available.
Overseas postage	All branches	A range of overseas postage services are available.
Express postal services	All branches	A range of express delivery services are available.
Additional postage services	All branches	Recorded Signed For, Articles for the blind, etc.
Philatelic	All branches (stocked based on demand)	Royal Mail special issue stamps and associated products, such as presentation packs and first day covers.
Local Collect	Selected branches	Undelivered postal items are taken to the nearest participating Post Office by postal delivery staff for later collection, or if the customer has opted for the collection at their local Post Office branch.
Financial Services		The Post Office offers a range of Financial Services products including banking, foreign exchange, bill payment and savings and investment products
Personal banking	All branches	Free over-the-counter cash withdrawals, cashing of personal cheques, cash deposits or cheque deposits (the latter in most cases) for partner banks, e.g. Bank of Ireland, Bank of Scotland, Barclays, Cahoot, Clydesdale Bank, First Direct, First Trust, Halifax, HSBC, Lloyds TSB, Nationwide, NatWest, Northern Bank, Santander, Smile, The Co-operative Bank, Royal Bank of Scotland, Ulster & Yorkshire Bank.
Business banking	All branches	Business banking services available in branch on behalf of Santander, Co-operative, Bank of Ireland, Barclays and Clydesdale.
Cash machines	c2,200 locations nationwide	Over 2,200 free-to-use ATMs available at Post Office branches nationwide.
Bureau de Change	Available on demand at selected branches. Ordered for collection at all branches	A wide range of commission-free currencies and American Express travellers cheques are available at selected branches, with further branches offering specific currencies (Euro, Dollar) and all branches offering an order and collection service for all currencies.
Travel insurance	All branches	All branches and available on demand in 9,000 branches and via phone. Post Office website accepts secure payment for Visa, Mastercard, Maestro or Delta cards.
Travel Money Card	Selected branches	The Post Office Travel Money Card offers the security of travellers cheques with the convenience of plastic making it a secure, convenient way to carry foreign currency. Available in three currencies – Euro, US Dollar and Sterling. It is a pre-paid card that customers can load with currency. It can be topped up at selected branches or over the phone.
Moneygram	All branches	International money transfer of up to £6,000 to over 150 countries.
Automated bill payments	All branches	Acceptance of payment and pre-payment towards a variety of bills including gas, electricity, water, phone, council rent, mail order and insurance. Some schemes available on an area basis as agreed with local authorities.

7.1 Products and services available at the Post Office

Service	Availability	Description of service
Paystation and charging of electricity smart cards	All branches	To charge electric keys, Quantum Gas Cards, E-pay Transactions. Stocks of electricity tokens for meters are also available in selected branches based on local schemes.
Mortgages	Selected branches & online	A range of mortgages are available including fixed rate mortgages and tracker mortgages with products for first-time buyers and re-mortgaging.
Credit Card	Information in all branches	The Post Office Credit Card offers ways to save money at home and abroad. Information is available in all branches and customers can apply online and by phone.
Personal Loans	Online	The Post Office personal loan offers a competitive rate.
Online Saver	Online only	The online saver offers easy access with no notice and no penalty and unlimited withdrawals.
Online Bond	Online only	The online bond offers 1, 2, 3 year term with a guaranteed fixed return.
ISA	Apply in selected branches and by telephone and post	The Post Office offers a fixed rate and variable rate ISA. A stocks and shares junior ISA is available online or by telephone.
Growth Bonds	Apply in selected branches and by telephone and post	Fixed term bond product offering 1, 2 & 3 year terms.
Reward Saver	Apply in selected branches and by telephone and post	Variable interest rate product with a bonus for the first 12 months.
Instant Saver	Apply in selected branches and by telephone and post	Tax-free variable rate product with a bonus for the first 12 months. Available across 60,000 LINK ATM machines.
NS&I Premium Bonds	All branches	Premium Bonds are an investment where, instead of interest payments, investors have the chance to win tax-free prizes. Applications by telephone, in Post Office branches or online.
NS&I children's savings - Children's Bonus Bonds	All branches	Tax-free product that offers fixed rates of interest plus a bonus every 5 years until the child's 21st birthday. Applications by telephone or in Post Office branches.
Telephony		The Post Office offers a range of telephony products including Homephone products and Broadband services
Home Phone	All branches	The Post Office phone service offering customers line rental and cheap calls. Simple application process at Post Office branches, online or by telephone. Bills can be paid in cash at Post Office branches without an extra charge.
Broadband Standard	All branches	Capped usage broadband service available nationwide. Simple application process at Post Office branches, online or by telephone.
Broadband Extra	All branches	Unlimited usage broadband service, wireless router, available coverage. Simple application process at Post Office branches, online or by phone.
Phone cards	All branches	International calling card offering cheap calls to national and international destinations.
Mobile E top-ups	All branches	Top-up service for all pre-pay mobile providers.
Directory Enquiries		One flat free rate offering up to two number enquiries. Number texted to mobiles for free.

Products/Services available from Post Office Ltd

(Information is available on Post Office Ltd website – www.postoffice.co.uk)

Section 7.

7.2 Bank account services available in Post Office branches

Bank	Cash withdrawal (with card and PIN)	Balance enquiry (with card and PIN)	Cash deposit (with card or with personalised paying-in slip from your bank)	Cheque deposit (with personalised paying-in slip and deposit envelope from your bank)
Personal accounts				
Bank of Ireland	Yes	Yes	Yes	Yes
Bank of Scotland	Yes	Yes	No	No
Barclays - in England and Wales	Yes	No	Yes **	Yes
cahoot	No	No	Yes **	Yes
Clydesdale Bank	Yes	Yes	Yes	Yes
First Direct - Scotland	No	No	Yes **	Yes
Halifax	Yes	Yes	Yes **	Yes
Lloyds TSB	Yes	Yes	Yes **	Yes
Nationwide Building Society	Yes	Yes	No	No
NatWest	Yes	Yes	No	No
Northern Bank	Yes	Yes	No	No
Santander (Former Alliance & Leicester accounts only)	Yes	Yes	Yes *	Yes
Smile	Yes	Yes	Yes *	Yes
The Co-operative Bank	Yes	Yes	Yes *	Yes
The Royal Bank of Scotland	Yes	Yes	No	No
Ulster Bank	Yes	Yes	No	No
Basic bank accounts				
Bank of Ireland - Basic Cash Account	Yes	Yes	Yes	Yes
Bank of Scotland	Yes	Yes	No	No
Barclays - Cash Card Account	Yes	No	No	No
Clydesdale Bank - Readycash Account	Yes	Yes	Yes	Yes
First Trust Bank - Basic Bank Account	Yes	Yes	No	No
Halifax - Easycash	Yes	Yes	Yes **	Yes
HSBC - Basic Bank Account	Yes	No	No	No
Lloyds TSB - Cash Account	Yes	Yes	Yes **	Yes
Nationwide Building Society - FlexAccount (cash card only)	Yes	Yes	No	No
NatWest - Step Account	Yes	Yes	No	No
Northern Bank - Cashmaster Basic	Yes	Yes	No	No
Santander (Former Abbey Basic Accounts Only)	Yes	Yes	No	No
Santander (Former Alliance & Leicester Basic Cash Accounts only)	Yes	Yes	Yes *	Yes
The Co-operative Bank - Cashminder	Yes	Yes	Yes *	Yes
The Royal Bank of Scotland - Key Account	Yes	Yes	No	No
Ulster Bank - Basic Bank Account	Yes	Yes	No	No
Yorkshire Bank - Readycash Account	Yes	Yes	No	No

* With card only

** With personalised paying-in slip from bank

Note: A number of Credit Union current account holders can access their accounts at Post Office branches through arrangements with the Co-operative Bank

7.3 Royal Mail products, stamps and services available at Post Office branches* – March 2012

1st class stamps (individual)	Parcelforce Worldwide Global Economy	1st class/2nd class packet (franked) mail
2nd class stamps (individual)	Parcelforce Worldwide Global Priority	Bulk postings franked mails
Other stamps	Parcelforce Worldwide British Forces Post Office parcels	Bulk postings stamped mails
1st class stamp books	Parcelforce Worldwide Ireland Express	Packet Post Returns
2nd class stamp books	Parcelforce Worldwide consignment subsequent item	Postage Paid Impression pouches
Stamps books vending	Special Stamps Sheets	Postage Paid Impression bagged mails
Recorded Signed For Stamp	Coin Covers	Postage Paid Impression single mail
Special delivery stamp	Commemorative, Smiler Sheets	Prepaid Stationery
First Class Labels	First day envelopes	Special delivery Business Response by 9
Second Class Labels	Mini Sheets	Special delivery Business Response
Recorded Signed For (sale and accept)	POL special stamps sheets	International Business Reply (Outbound)
Special Delivery by 9 (sale and accept)	Presentation packs	Parcelforce Worldwide Contract/Prepaid 9
Special Delivery (sale and accept)	Prestige Stamp Books	Parcelforce Worldwide Contract/Prepaid 10
Standard Parcels	Special Stamps Retail Books	Parcelforce Worldwide Contract/Prepaid 12
Airmail	Stamps Cards	Parcelforce Worldwide Contract/Prepaid 24
Airsure (sale and accept)	Annual products inc. Yearbook/Yearpack	Parcelforce Worldwide Contract/Prepaid 48
Airpacks (accept only until 31 October 2012)	Christmas Stamps Retail Books	Parcelforce Worldwide Contract/Prepaid Global Express
International signed for (sale and accept)	Response services (FREEPOST NAME)	Parcelforce Worldwide Contract/Prepaid Global Priority
Surface Mail	International reply paid coupons (redemption only)	Parcelforce Worldwide Contract/Prepaid Ireland Express
Redirection/International redirection – social	Local Collect	Parcelforce Worldwide Contract/Prepaid British Forces Post Office Parcels
Redirection/International redirection – business	Poste restante	Articles for the blind
Mail order returns/packet post returns/returns high volume	The following products are also accepted at Post Office branches:	Euro Priority returns
HM Forces letters (British Forces Post Office <2kg)	Online Postage/Fastdrop (packet)	Contract Euro Returns
Parcelforce Worldwide Express 9	Online Postage/Fastdrop (letter)	Contract Euro Priority
Parcelforce Worldwide Express 10	Smartstamp (packet)	Response services Standard
Parcelforce Worldwide Express 12	Smartstamp (letter)	Response services plus
Parcelforce Worldwide Express 24	1st class/2nd class letter stamped items	Overseas stamped mails
Parcelforce Worldwide Express 48	1st class/2nd class packet stamped items	Overseas meter mails
Parcelforce Worldwide Global Value	Meters (franked) pouches	Overseas stamped bundled
Parcelforce Worldwide Global Express	1st class/2nd class letter (franked) mail	Overseas franked bundled

* Some services are only available at selected branches

The Post Office board of directors

On 1 April 2012, the Post Office became an independent company and now has its own Chairman and full Board including Non-Executive Directors. The Board sets the company's strategic aims, provides leadership and reports to the shareholder.



Alice Perkins CB
Post Office Chairman



Susannah Storey
Non-Executive Director



Neil McCausland
Senior Independent Director



Paula Vennells
Chief Executive



Alasdair Marnoch
Non-Executive Director



Chris Day
Chief Financial Officer



Virginia Holmes
Non-Executive Director



Alwen Lyons
Company Secretary

