

Government's plan to transform the Post Office network must be partnered with improvements in service standards if it is to succeed

*During the most recent Post Office closures, 2.7 million people had their say on the service that is vital to them. **Andy Burrows** argues that a new radical plan to make the post office network more sustainable will only work if significant improvements in service standards, consistency and reliability are pushed through simultaneously.*



Twenty million consumers still use post offices every week, with a network of 11,800 branches (larger than the UK's bank branches combined.) However, many post offices continue to be economically unsustainable. Many other countries face similar challenges, for example the United States where Congress is faced with a choice between mass closures or reductions in opening hours.

In the UK, there will be no further programme of closures. The Government has instead committed to a radical plan to make the network more sustainable and accessible. As part of this programme, known as 'Network Transformation', from summer 2012 more than half of post offices will convert to new operating models. This includes the conversion of one in five subpostoffices to the new 'Post Office Local' model. For millions of consumers, this means their post office will undergo major changes.

Consumer Focus recognises that change is necessary to ensure ongoing universal access to essential post office services. However, such a large-scale programme inevitably carries considerable risks as well as opportunities. PO Locals represent a fundamental shift in provision, with a move away from the traditional subpostoffice model, with services offered from a dedicated counter by a subpostmaster. Under the Locals model, post office services will be offered by trained retail staff from the main counter of retail outlets such as convenience stores or petrol stations.



Typically, PO Locals will not offer some services such as paying paper-based bills, some banking transactions, and the option to collect parcels directly from a post office branch.

New research from Consumer Focus explores the consumer experience of, and service standards in, PO Local pilot branches. We've found that PO Locals can offer some major positives for consumers, including longer opening hours and greater convenience. However, significant improvements will be needed if consumers are to benefit from these changes, with an emphasis on driving up service standards and the consistency and reliability of service – and to make improvements to the privacy, branch layout and product range on offer.

Our research has found improvements are needed in PO Locals, including:

Advice:

We have found widespread evidence of inconsistent, and often inaccurate, product and pricing advice. In over 360 visits to pilot branches, second class postage was sold correctly in only one in five visits; large or heavy parcels were refused in a quarter of cases; and over two-thirds of cases, researchers were sold Special Delivery without staff asking the questions necessary to determine whether it was the most suitable product to meet their needs. We therefore want to see significant improvements, in the form of an action plan, to improve staff training, ongoing operator support, and improve in-branch quality control

and compliance processes, so Locals offer the consistent and reliable service that consumers expect;

Product availability:

Over one in six customers (17 per cent) have been told they can't access a product or service that should have been available, and there is widespread uncertainty among consumers about which products are available. We therefore want to see a core menu of products and services, clearly presented in every post office branch, with a commitment to consult customers in the event a core product or service cannot be reasonably offered;

Privacy:

If post offices are to deliver the potential to offer expanded banking services, and to serve as the 'front office' for many Government transactions, branches will need to offer a suitably private environment for personal or sensitive transactions. However, over a third of PO Local users (34 per cent) found the in-branch privacy poor, and consumers who don't use PO Locals are twice as likely to say privacy, security and the counter environment is important to them;

Consistency of service:

Our report outlines problems with the reliability of service in many branches, with trained staff sometimes being unavailable, unexpected periods of closure, and the retail side of businesses taking priority. If consumers are to have confidence in the model, it will be important that PO Locals offer service reliability that is comparable with other retail, terminal-based and cash distribution networks;

Cash withdrawals:

Post Office Ltd is able to make cost-savings in some branches by not delivering supplies of cash – the operator pays pensions and benefits using the cash turnover from its existing retail business. However, our research has shown that operators often cap the amount of cash or benefits a consumer can withdraw, in around 10 per cent of cases. If these problems in supplying cash cannot be overcome, these cash supply arrangements should be changed.

Consumer Focus will work with Post Office Ltd to ensure these shortcomings are addressed, and the rollout of Network Transformation secures a more sustainable, accessible post office network. Changes will need to be driven by consumers' needs. Without attention, there is a risk some of the shortcomings in the pilots could be replicated across the 2,000 branches that convert to the new format.

Last week, the Business Select Committee heard from a range of bodies, including Consumer Focus, and it is likely the changes to our post offices will generate a significant consumer response once local changes get underway. During the last post office closure programme, over 2.7 million consumers signed petitions, wrote letters or attended meetings to make their voice heard.

If these changes are implemented successfully, and accompanied by a more attractive customer proposition and product range, the Post Office can secure its place as a relevant, modern and above all crucial part of our local communities. For Post Office Ltd, the challenges are clearly significant. But it is important for all of us that these changes can succeed, with the end result being a first class post office network that is fit for our changing consumer needs.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting.

About the author

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