

Post Office Banking

Government Response  
to Consultation

March 2010

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# Foreword



The Post Office may be one of this country's oldest institutions, but it has a vital role to play in today's society, and in the future.

The Post Office is convenient, trusted, and local – it can step in where other banks do not. It can provide a service for the whole community, offering a range of good value, simple financial products for everyone, available in branches right across the country. These are the clear messages that you have given us in your responses to the consultation. And we intend to act on them.

This document sets out the expanded role we want the Post Office to play:

- Making affordable credit more readily available by working closely with credit unions
- Increasing financial inclusion, by providing local access to more High Street bank accounts
- Giving children their own account to allow them to save at their local Post Office
- Providing a way for people to manage their household bills, with a new account that will allow those on low incomes to take better advantage of direct debit rates for energy and water bills.

We also set out new measures on mortgages, access to business banking, and a Post Office current account which would be available in all of its 11,500 branches. These new products will add to the wide range of banking products and services already on offer at the Post Office – credit cards, insurance, loans, foreign currency, and savings.

The measures the Government is taking mark a step change in banking at the Post Office. They also demonstrate the Government's ongoing commitment to the Post Office network – commitment the Government is backing up with £180m of new Government funding for the network for 2011/12, beyond the £1.7bn that is already being invested from 2007 to 2011.

We are committed to a vibrant future for the Post Office network, using a well-loved institution to provide up-to-date services for today's communities.

A handwritten signature in black ink, appearing to read "John Mandelson".

Rt Hon Lord Mandelson

A handwritten signature in black ink, appearing to read "Pat McFadden".

Rt Hon Pat McFadden MP

# Executive summary

- 1 The Post Office is a trusted national institution with an unparalleled geographical reach. Over 20 million people visit a Post Office each week. Over the last 5 years, it has also become one of the fastest growing providers of financial services in the UK. Over 2 million people use Post Office Financial Services (such as credit cards, savings and insurance), and many more use the Post Office's wider banking offering which includes the Post Office card account, the ability to access cash over Post Office counters and at ATMs, and bill payment services.
- 2 The Government is keen for the Post Office to expand its financial services business. The Prime Minister announced in September 2009 that he "wanted the Post Office to play a much bigger role, bringing banking services back to the heart of people's communities."
- 3 Following this, the Government launched a consultation on expanding Post Office banking on 2 December 2009. The consultation ran until 24 February 2010. 2405 responses were received. The Government thanks respondents for all the comments it received in relation to this consultation and welcomes the high level of public support the proposals received.
- 4 People were clear in their responses to the consultation that what they value most about the banking and financial services available at the Post Office is their location and their accessibility. This was felt to be particularly important in rural and deprived urban areas, where people are often less well served by existing financial institutions.
- 5 The Government recognises that the Post Office has an important role to play in increasing financial inclusion. The Government sees the Post Office as a natural distribution partner for credit unions, **making affordable credit** available to communities which too often are forced to rely on the very high cost loans offered by doorstep lenders and illegal loan sharks. The Government wants to deepen and widen the current relationship, using the nationwide reach of the Post Office to put credit union products, take up of which is currently concentrated in a limited number of neighbourhoods, within the reach of everyone. The Government will continue to work to improve the supply of affordable credit for low-income households, including by supporting third sector lenders. At the Budget the Government announced an intention to consult on options to make sure banks make an appropriate contribution to community lenders. It will propose using a new community levy to be funded by retail banks to support a link between credit unions and Post Offices, allowing people to access credit union loans, current accounts and savings accounts throughout the Post Office's 11,500 branches.
- 6 There was strong support for the **ability to access current accounts from other banks** at the Post Office. RBS and the Post Office are in detailed negotiations regarding a commercial deal on providing access to RBS current accounts at Post Offices, and discussions with

Santander over access to current accounts are at an advanced stage. This is in addition to the 12 banks which already offer this service for their current accounts. Taken together, this would mean that around 86% of current accounts would be accessible at any Post Office around the country.

- 7 Given the clear enthusiasm among respondents for **children's savings accounts** as a way of helping children learn about money and bringing new customers into Post Offices, the Government and the Post Office have agreed that the Post Office will launch a children's savings account in the next twelve months. This will complement the Post Office's existing Child Trust Fund offering.
- 8 There was also strong support for a **Post Office current account**. International comparisons indicate that this is the principal difference between the Post Office's offer and those of Post Banks abroad. The Post Office has now committed to the launch of this account, which will form a central part of their financial services offer and will be launched when market conditions allow.
- 9 The Government has received strong representations from respondents that there is a role for the Post Office to provide a **weekly budgeting account**. The Government intends to make available a weekly budgeting account through the Post Office. This would help people on low incomes to manage their household budgets, and save money by taking advantage of the discounts available for using direct debit to pay their utility bills. Work has started on how to make this account a reality, including working with utility companies on the role they can play in developing the account.
- 10 The Government recognises the important role that Post Offices play for **small businesses** – with almost 50% of small businesses using the Post Office twice a week. Post Offices are particularly valued as access points for business banking facilities, which will be enhanced by the agreement between the Post Office and Santander allowing all its business account holders to access their accounts at the Post Office. In addition, the Government will be exploring how the proposed increased contribution to community lenders made by banks could be applied to allow access to loans from Community Development Finance Institutions (CDFIs), via the Post Office. The Post Office will explore the development of a Post Office business bank account, which would be available throughout the network. Following responses made to this consultation, the Post Office and RDAs will also explore how they can best work together to serve SMEs in each region.
- 11 These measures demonstrate the Government's ongoing commitment to the Post Office network. The Government is backing up this commitment with £180m of new Government **funding for the network** for 2011/12, beyond the £1.7bn that is already being invested from 2007 to 2011.

# 1. Introduction

- 1. 1** The Post Office is a trusted national institution with an unparalleled geographical reach. Over 20 million people visit a Post Office each week. Over the last 5 years, it has also become one of the fastest growing providers of financial services in the UK. Over 2 million people use Post Office Financial Services, for example to invest their money or to buy insurance, and many more use other Post Office banking products which include the Post Office card account (POca), the ability to access cash over counters and at ATMs, and bill payment facilities.
- 1. 2** But although the Post Office already offers a wide variety of financial products and services, the Government believes that it could do more, offering a broader range of services to its millions of customers. Recognising this, the Prime Minister announced on 29 September 2009 that he wanted “the Post Office to play a much bigger role, bringing banking services back to the heart of people’s communities.” The Government subsequently launched a consultation to seek people’s views on how Post Office banking could be further expanded. At the launch of the consultation on 2 December 2009, Lord Mandelson, the Business Secretary, said that “The Post Office is a great British institution that has been part of our economic and social fabric for well over three hundred years. Growing financial services at the Post Office will help secure the future of the network and give people access to a full range of banking products at an institution they trust and value.”
- 1. 3** Expanding the financial services available at the Post Office is one part of the Government’s strategy for a vibrant Post Office network. The Government is firmly committed to a sustainable future for the Post Office network. Beyond the investment of £1.7bn to 2011 that it has already committed, the Government is providing a further £180m for 2011/12 to support the community network, to maintain the overall network size at around 11,500 branches.
- 1. 4** This document sets out information about how the consultation was conducted (Section 2), a summary of the responses received (Sections 3 to 7) and the Government’s response (Section 8). The Annexes provide additional information about the organisations that responded to the consultation and the responses received.

**1. 5** This Government response and the consultation document are available electronically at [www.bis.gov.uk/postofficebanking](http://www.bis.gov.uk/postofficebanking), along with a revised economic impact assessment and equality impact assessment. You may make copies of this document without seeking permission. Printed copies of this Government response can be ordered from:

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**1. 6** Other versions of this document may be made available on request in Braille, in a Welsh language translation, in large fonts and other formats.

## 2. The consultation process

**2. 1** The national public consultation was conducted between 2 December 2009 and 24 February 2010. The consultation asked six questions:

- **Question 1 – What do you value about the Post Office’s existing financial, banking and payment services, and what determines whether you use them?**
- **Question 2 – Do the products or services offered by Post Banks around the world provide any opportunities for the development of banking or financial services at the Post Office in the UK?**
- **Question 3 – Do you agree that these are the right values for banking at the Post Office, i.e. universal, accessible, trusted and sustainable?**
- **Question 4 – Do you think these are the right areas and products to focus on?**
- **Question 5 – What new financial services would you like to see available at your local Post Office?**
- **Question 6 – The Government already offers and supports substantial credit services for people on low incomes, such as Social Fund loans and credit unions; what other range of services could the Post Office offer to support those on low incomes and address financial exclusion, and how could these best be made to work together?**

**2. 2** A broad range of methods were used to publicise the consultation:

- The Department for Business, Innovation and Skills (BIS) issued a press notice.
- The Secretary of State for BIS wrote articles published in national and regional newspapers.
- Post Offices were provided with information to inform customers.
- A dedicated website was set up to host relevant documents and with the facility for people to reply to the consultation online.
- Printed copies of the consultation document were sent to the organisations listed in Annex D of the consultation document<sup>1</sup>.
- Copies of the consultation document were freely available on request through the BIS publications orderline.

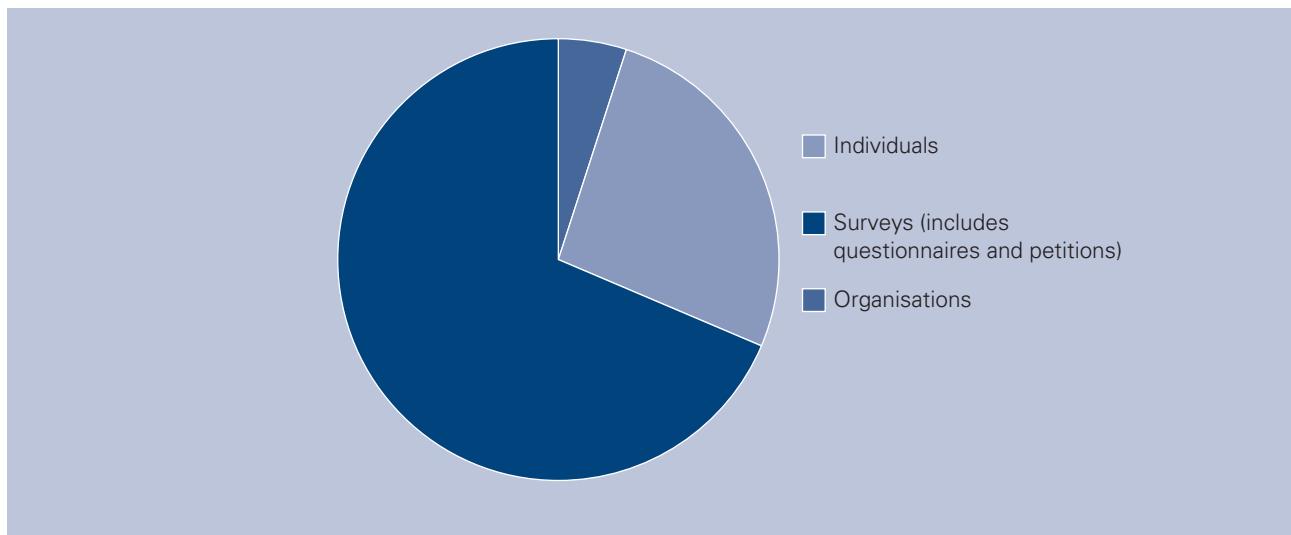
<sup>1</sup> Available from [www.bis.gov.uk/consultations](http://www.bis.gov.uk/consultations)

- A Welsh language translation was produced and sent to Welsh organisations.
- During the consultation period we met with the organisations which requested a meeting.

**2.3** Overall, 2,405 responses were received. The numbers received through each method were as follows:

- Letters, emails and response forms from individuals: 635.
- Letters, emails and response forms from organisations: 120.
- Surveys (includes questionnaires, standard letters and petitions): 1,650.

**Figure 1: Pie-chart showing type of response**



**2.4** The Government is grateful for all the consultation responses received. These have been analysed by BIS officials and have been taken into account in the Government response. Some of the comments and observations made have been quoted in this document as representative of the thoughts and views expressed in responses to the consultation. This paper seeks to reflect the views expressed, although it is not possible to describe all the responses in detail.

**2.5** For each section of the response we have grouped comments pertaining to the relevant consultation questions. Sections 3, 4 and 5 of this document therefore relate to only one consultation question each, but Section 6 groups responses to consultation questions 4, 5 and 6 as there was a significant degree of overlap in responses. Section 7 summarises the other comments that were most frequently made by respondents. Where percentages have been used they have generally been calculated on the basis of the number of responses to that particular question. It should be noted however, that the consultation was a qualitative, not a quantitative exercise, so the data is necessarily based on an interpretation of respondents' answers. For further details see Annex B.

### 3. What people value about the Post Office

Q1

**What do you value about the Post Office's existing financial and banking products and services and what determines whether you use them?**

#### **Top 10 features that people valued about the Post Office**

<b>Accessibility or location:</b>	<b>62%</b>
<b>Access to cash or banking facilities:</b>	<b>27%</b>
<b>Other services:</b>	<b>26%</b>
<b>Trusted or reliable institution:</b>	<b>23%</b>
<b>Post Office card account:</b>	<b>21%</b>
<b>Face-to-face service or friendliness:</b>	<b>20%</b>
<b>General convenience:</b>	<b>15%</b>
<b>Opening hours:</b>	<b>10%</b>
<b>Social value/community benefit:</b>	<b>9%</b>
<b>Bill payment:</b>	<b>7%</b>

Percentages calculated out of the number of respondents who addressed this question (576)

3. 1 This question elicited a high level of responses from individuals. Many organisations responded on behalf of those they represent.
3. 2 Since what people valued about the Post Office frequently appeared to determine their use, or vice versa, we have not distinguished between the two in this analysis.
3. 3 The main feature which individual respondents valued about the Post Office's banking and financial services is Post Offices' **locations and accessibility**: many stated that they find their local Post Office a closer and therefore more practical location to do their banking than the nearest high street bank branch. Many respondents who said that they valued the Post Office's location also noted that they lived in rural areas, although the importance of Post Office's provision of services in urban deprived areas was also noted. Some respondents favourably compared the ease of visiting their local Post Office with the cost and/or difficulty of travelling to the nearest bank or building society branch and noted that being able to walk or cycle was better for the environment than travelling by car.

"I value the fact that I am, as Parish Clerk in a small rural village, able to pay cheques into the Parish Council bank account without having to travel to the nearest bank (8 miles away)."

- 3. 4** In addition to welcoming Post Office's accessibility or location, respondents valued the Post Office because they find it **convenient**, for example because it is a 'one stop shop' or because of its more favourable **opening hours** when compared to banks.
- 3. 5** Many respondents noted that they valued **the face to face service** that Post Offices provide (which some contrasted to call centres) and the **friendliness** of staff. Post Office staff were praised for the high quality of their service. Some respondents noted that they preferred accessing their money inside a Post Office over a counter rather than at an ATM because they felt it was **safer**. Others welcomed the increase in the number of ATMs at Post Offices.

"There is nothing better than a face to face discussion with someone rather than calling a call centre somewhere in the world and trying to get the person on the other end to understand your problem."
- 3. 6** The key services that respondents valued being able to access at a Post Office were:
  - a. Access to **cash or banking facilities**;
  - b. Access to **benefits or pensions**, in particular through the Post Office card account (POca);
  - c. **Bill payment facilities**, with some respondents expressing a desire for all bills (including TV licences) to be payable at the Post Office at no additional cost;
  - d. Availability of **foreign exchange services**; and
  - e. A wide range of **Government services**; and
  - f. Other services including mails products.
- 3. 7** Many respondents noted the **social role** of the Post Office and individuals noted they felt that by using the local Post Office they were helping to support its viability and the local community more generally, particularly in rural areas. There were some calls for the Government to continue to fund the Post Office network in recognition of this social value.
- 3. 8** Suggestions for **new products** were also included in some responses to this question. These have been included in Section 6, dealing with additional financial products and services.

## 4. Post Banks around the world

**Q2**

**Do the products or services offered by Post Banks around the world provide any opportunities for the development of banking and financial services at the Post Office in the UK?**

- **92% agreed that Post Banks around the world provided opportunities for the Post Office.**
- **8% disagreed that Post Banks around the world provided opportunities for the Post Office.**

Percentages calculated out of the number of respondents who expressed an opinion to question 2 (205)

- 4. 1** The majority of respondents chose not to engage with this question. Many felt that they did not know enough about the products and services offered by Post Banks abroad to provide an answer.
- 4. 2** Many who did respond to this question simply agreed that post banks abroad did offer opportunities for the development of banking and financial services at the Post Office, though they did not cite examples of particular products or services to support this assertion. We interpreted this as implied agreement with the examples of products in the consultation document. Several responses commented that they felt the examples of Kiwibank and BancoPosta highlighted in the consultation document illustrated that the Post Office does already offer a wide range of banking products.
- 4. 3** The consultation document set out examples of products offered by other Post Banks around the world. Of these, the products that were most frequently suggested as being of importance were a Post Office Current Account, access to other banks' accounts and a Post Office business account. There were several suggestions that the Post Office could offer **money transfer** services – something which it in fact already offers through its Moneygram service.
- 4. 4** The international success of the Post Bank model was noted by many respondents. Other particular international examples that were suggested as providing potential opportunities for ways in which the Post Office could expand its range of banking products and services included:
  - La Poste and La Banque Postale (France)
  - Sparkassen (Germany)
  - Poczta Polska (Poland)
  - Swiss Post (Switzerland)

**4. 5** Some respondents noted that a number of other countries have state-backed Post Banks, and expressed a belief that this model would be more beneficial for the Post Office network (see Section 7). Others cautioned that the markets for banking services were not the same in all countries, and that international comparisons should take account of this context.

## 5. Values for banking at the Post Office

Q3

**Do you agree that these are the right values for banking at the Post Office, i.e. universal, accessible, trusted and sustainable?**

- **99 % agreed that these were the right values for banking at the Post Office**
- **1% disagreed that these were the right values for banking at the Post Office**

Percentages calculated out of the number of respondents who expressed an opinion to question 3 (388)

**5. 1** The consultation document proposed four values for Post Office Banking:

- **Universal:** a range of products that is attractive to everyone in the community, not just sections of it.
- **Accessible:** products should make use of the Post Office's greatest asset and be widely accessible across the network.
- **Trusted:** products that live up to the Post Office's strong brand and responsible approach.
- **Sustainable:** a strong, secure and sustainable future for the Post Office network, supported by financial services which are commercially viable for the Post Office and offer good value to consumers and taxpayers.

**5. 2** A clear majority of those who responded to this question agreed that these were the right values for banking at the Post Office. Most comments were around the meaning of particular values (while not disagreeing with their inclusion), although there were a few suggestions for additional values.

**5. 3** Many respondents felt that it was important that the value '**universal**' should cover products and services for everyone, not only for those who are, or are at risk of becoming, financially excluded. While the importance of the Post Office in serving the latter group was widely recognised, it was also noted that in many rural areas the Post Office may be the only local provider of financial services and should therefore offer products for all customer groups. A few respondents did however feel that the Post Office should focus primarily on providing products to those who are not well served by other financial institutions. The value 'universal' also provoked some comments that all products should be available in all branches. On the other hand several organisations proposed a differentiated model, whereby a core set of products would be available in all branches and would be supplemented by additional products where feasible, and through making use of alternative channels such as the internet.

"A major value of the Post Office is its inherent (and unquantifiable) ability to draw together all sections of society. If you travel around the country, as I do, it is amazing the variety of people that one meets in Post Offices. The Post Office should serve poor people equally as well as millionaires. Why not? It is a universal service and the Post Office needs to have its provision organised across the social continuum of the UK. In this way there should be financial gains for everyone."

**5. 4** While many responses recognised that a key strength of the Post Office is its **accessibility** through the geographical reach of its branch network, there were also suggestions that this could be supplemented through the development of additional channels. As well as recommending an expanded online offering (which it was suggested could also be available through terminals in Post Offices), some respondents noted the development of banking services delivered through mobile phones and the fact that the former Girobank was innovative in its provision of banking services. Some responses nevertheless stressed that the value '**accessible**' should recognise the continuing importance of the delivery of face to face services for those who may be unable or unwilling to use alternative channels, in particular vulnerable, disabled, or elderly consumers.

"We feel it is extremely important to remember that ... there will always be a core number of clients who cannot or will not conduct their financial affairs electronically over the internet. The personal touch provided by the post office, the contact with its staff and the local element should not be underestimated. Those who do not have access to services provided on an internet or telephone only based models are often those most likely to face financial exclusion"

**5. 5** Many respondents agreed that they trust the Post Office, and that '**trusted**' should be one of the core values for Post Office Banking. This was in some cases contrasted to a loss of confidence in other banks, leading to an opportunity for the Post Office to expand its own financial services offering. Some respondents however cautioned that the Network Change Programme had a negative impact on perceptions of the Post Office's reliability, and that they felt it was important to increase trust in the Post Office in order for an expanded financial services offering to be successful.

**5. 6** Some responses noted that the value '**sustainable**' should mean that products make money for Sub Postmasters as well as for Post Office Ltd, and could therefore contribute to the sustainability of both individual branches and the network as a whole. It was noted that transactional products or services which increased the number of visits to Post Offices could be particularly beneficial for network sustainability. Some respondents felt that the network would be more sustainable if all the profits generated by Post Office banking were retained in the UK, a criticism of Post Office Ltd's joint venture with the Bank of Ireland.

There were also several suggestions that sustainable as a value should also cover environmental factors.

“By providing local services, they [Post Offices] reduce the amount of travel necessary, with its impact on climate change, and increase the well-being of local people, with implications for health and social care costs.”

**5. 7** There were also some comments that there could be a potential conflict between the proposed values sustainable and universal, particularly if the Post Office were to offer products or services to promote financial inclusion as well as more commercial ones. Some respondents commented that products targeted at lower income consumers may be less profitable, which is why commercial financial institutions tend not to offer them, and that there could be a risk that if such products were not commercially viable, the financial sustainability of the network could be undermined. It was however noted that the Post Office was better placed to address this tension than other commercial organisations which might place less emphasis on the social (rather than commercial) benefits of products.

“Many people perceive the Post Office as a part of the state, rather than a financial services organisation, and this comes back to its unique cultural position and entrenchment across the UK. Moreover, it is seen as a provider of services rather than a commercial organisation. In payment services in particular, it is seen as a provider of choice and ‘another way’ which, if promoted and managed correctly, has the potential to be a great success.”

**5. 8** **Other values** that respondents suggested frequently reflected their answers to question 1, which asked what people valued about the Post Office’s existing financial services, and what determined whether they use them. Suggestions for additional values included:

- **Affordable**, or offering products which provide value for money.
- **Responsible**, particularly with respect to its lending policy.
- **Educational**, for example helping people to manage their money.
- **Professional**, about the way it delivers services.
- **Transparent**, offering products without hidden catches.
- **Local**, offering services in communities.
- **Commercial**, in order to help sustain the network.

## 6. New products and services

**Q4**

**Do you think these are the right areas and products to focus on?**

**Q5**

**What new financial services would you like to see available at your local Post Office?**

**Q6**

**The Government already offers and supports substantial credit services for people on low incomes, such as Social Fund loans and credit unions; what other range of services could the Post Office offer to support those on low incomes and address financial exclusion, and how could these best be made to work together?**

**Top 6 products/services that people would like to see available at their Post Office:**

<b>Current account:</b>	<b>64%</b>
<b>Access to bank accounts:</b>	<b>55%</b>
<b>Business account:</b>	<b>54%</b>
<b>Children's savings account:</b>	<b>49%</b>
<b>Weekly budgeting account:</b>	<b>42%</b>
<b>Credit unions:</b>	<b>37%</b>

Percentages calculated out of the number of respondents who addressed question 5 (2314)

**6.1** The consultation document identified three strengths that should form the basis of an expansion of financial services at the Post Office: access, support and inclusion.

- **Access:** the Post Office has a nationwide network of branches which make it uniquely placed to improve access to banking services.
- **Support:** people trust the Post Office which could make it a natural place for people to turn to when they need convenient access to financial services.
- **Inclusion:** the Post Office is used by a wide range of people, making it well placed to put banking services within easy reach of those who do not normally use or have difficulty accessing them.

**6.2** This section groups responses to the consultation questions 4, 5 and 6. Many respondents grouped questions 4 and 5 together, and responses to question 6 tended to comment on products suggested in the consultation document. A clear majority agreed that the areas and products suggested in the consultation document were the right ones to focus on, and then went on to note products they felt to be particularly important. Several MPs and sub postmasters surveyed their constituents or customers respectively on which of the products suggested in the consultation document they would most like to see developed at the Post Office. Organisations responding to the consultation tended to engage with question 6 to a greater degree than individuals.

**6.3** **Access to accounts from other banks** was frequently cited as a banking service (or product) that people would like to see at the Post Office. Many respondents explained that this was because the Post Office was more conveniently located than the nearest bank branch, particularly in rural areas. There were also several requests for such arrangements to be standardised, so that all banks offered the same range of services at Post Offices. A few responses did however go further in suggesting that agency arrangements for other banks should be the focus of Post Office financial services.

*"All UK bank accounts could have access for the deposit and withdrawal of cash and cheques at all post offices. This is especially important for small towns and villages where there is no branch for that person's bank."*

**6.4** The Post Office does not at present offer its own **Post Office current account**, and its introduction was the banking product that respondents most wanted to see. Several organisations did however note the potential risk that if the Post Office were to offer its own current account, this could make access arrangements (enabling other banks' accounts to be accessed at the Post Office) less attractive to other banks, although other responses noted the low level of switching between current account providers.

**6.5** Many respondents noted the importance of the Post Office's services for **businesses**, in particular small businesses and home workers. In addition to a high level of support for access to more banks' business accounts and a Post Office business account, respondents also suggested there could be an opportunity for the Post Office to provide loans for small businesses and other business services.

*"Small businesses are vital to the country's economy so any increase in the provision of business banking facilities will be beneficial to all. Time is particularly precious for small businesses (often one man bands) who lose business whilst away from their work premises undertaking banking duties often at a great distance at present."*

**6.6** Many respondents supported the introduction of a **children's savings account**, as it could not only encourage new customers to visit Post Offices and therefore improve their future sustainability, but could also offer a way of helping children learn about managing money. Several respondents also suggested the introduction of accounts for young people (as distinct from children) or student accounts. There was also support for **Saving Gateway**, which was felt to be a good way of encouraging people with low incomes to save. Some respondents also suggested an expansion of the range of existing savings accounts available at the Post Office, for example through introducing accounts which require no minimum deposit.

**6.7** Further suggestions for financial products or services included **charity or community accounts, mortgages** and a **pre-paid 'credit card'** which would allow people to purchase products online without the risk of going into debt. Several responses also expressed concern about plans to phase out cheques.

### Top 6 products/services that people would like to see available for those on low incomes

<b>Weekly budgeting account:</b>	<b>17%</b>
<b>Basic bank account/greater POca functionality:</b>	<b>15%</b>
<b>Financial advice:</b>	<b>15%</b>
<b>Links to credit unions:</b>	<b>15%</b>
<b>Savings products:</b>	<b>13%</b>
<b>Micro credit:</b>	<b>7%</b>

Percentages calculated out of the number of respondents who addressed this question (280).

**6.8** There was much support for a **weekly budgeting account** with an automatic budgeting function from both individuals and organisations, and some respondents noted that a similar account is available in Ireland. The proposed account would enable customers to take advantage of the savings that can be made by paying for services by direct debit, helping people, particularly those on low incomes, to save money and potentially act as a 'stepping stone' to other bank accounts. One organisation proposed a variation on this type of account which would be similar to a basic bank account, but with a bill payment mechanism and available from the Post Office, and others suggested an extension of the existing Post Office card account (POca). It was also noted that a budgeting facility could have a variety of uses, including improving access to home contents insurance or as a means of paying

into the Saving Gateway scheme, although several respondents expressed a concern that the ring-fenced aspect would mean that users would not be able to use funds as short term, accessible savings.

"We strongly support the introduction of a weekly budgeting account as this would allow those families who are not able to set up a regular current account to be able to set up direct debit payments for household outgoings... At present many families without a current account are forced to pay a 'poverty premium'... A Post Office budgeting account could go a long way to resolving this problem and keeping more money in the pockets of low-income families."

**6.9** Several responses mentioned that a Post Office **basic bank account** would be useful and noted a lack of awareness amongst the general public that all basic bank accounts can already be accessed (though not opened) at Post Offices. There were also some calls for the **Post Office card account (POca)** to be upgraded to allow it to accept payments from sources other than Government and to have additional functions such as a debit card or the ability to make direct debit payments.

"Clients like the simplicity provided by a Post Office card account. It is one of the primary reasons clients will choose to use this type of account over others. However, it is not suitable for all clients and some of those clients who have used it might, after a time, prefer to "graduate" to a banking product with more features but still retain the personal contact and ease of access they enjoy by using the Post Office."

**6.10** The work of **credit unions** to help address financial exclusion was noted by many organisations, and it was felt that the Post Office could complement their services. A number of respondents, particularly organisations with experience of working with low-income groups, were in favour of increasing the Post Office's links to credit unions. This was seen to be particularly beneficial in rural areas, where credit unions have more limited coverage. Improved links with the Post Office were also thought to offer significant benefits to the credit union sector, since by making more people aware of them and improving access to their accounts, credit union membership could increase.

**6.11** Respondents also noted that developing links with credit unions could help increase the visibility and use of **low-cost credit** providers. It was also felt that the Government should support the development of credit unions – and community development finance initiatives – independently of the Post Office, particularly since credit unions have more expertise at offering specialist support to those on low incomes.

"We also believe the Post Office is excellently located to further bridge the gap between credit unions and their current and future

customers. Credit unions and Post Offices both play a key part in their local communities and as credit unions offer inclusive financial services it seems appropriate that they both work together both for mutual benefit and to benefit those that are currently financially excluded or vulnerable.”

**6.12** A **lack of awareness** of the services that the Government already provides to support people with low incomes was noted by several organisations. As many people with low incomes are frequent Post Office customers, it was suggested that the Post Office could help to **signpost** customers to other organisations such as Citizens Advice, credit unions or community development finance initiatives, or **raise awareness** of initiatives such as the Social Fund, or financial education or advice services. The Financial Services’ Authority’s ‘Moneymadeclear’ guidance programme received several mentions in this respect as did Citizens’ Advice Bureaux and other government-sponsored advice services.

“Signposting from the Post Office to other agencies e.g. debt advice – where people who are struggling financially can make an appointment with debt advisers through the Post Office (possibly by Post Office workers online) or access to hotline numbers such as Consumer Credit Counselling Service, National Debtline and the Illegal Money Lending Team.”

**6.13** Several organisations suggested that the Post Office could potentially be used as a **delivery channel** for the Social Fund, possibly in conjunction with other providers in remote or hard to reach areas through Post Office Outreach services. Some responses noted that it could be more convenient for Social Fund loans to be distributed through Post Offices due to the wider geographical reach of the network (when compared to Jobcentre Plus), even if the Post Office were not to directly process applications. It was noted however that the Social Fund – and the provision of credit in general requires more specialist financial knowledge than may be available in many Post Offices.

“It would be very useful if Social Fund loans and grants could be paid through the [Post Office] network [due to travel distances]. It would be much more convenient and efficient if these could be paid through the local [Post Office] on production of the necessary identification.”

**6.14** This section has covered most of the new suggestions for products and services made in responses to the consultation. Some of these products or services have been previously considered by the Government, and for technical or other reasons have been deemed not to be feasible or appropriate. We set out the products and services which either the Government or the Post Office is in a position to take forward in Section 8.

## 7. Other Comments

**7. 1** Many of the additional comments made by respondents reinforced points made in replies to other questions, in particular about the convenience of the Post Office. This section draws together the comments we received that did not directly relate to particular questions or wider themes that emerged from the responses.

**7. 2** Many welcomed the consultation as demonstrating the Government's commitment to the Post Office, and expressed a hope that it could **prevent further closures** or even result in branches being reopened. Some respondents criticised the closures carried out under the Network Change Programme, and questioned why a consultation on increasing financial services had not preceded the programme.

**7. 3** Some respondents questioned whether the Post Office had the **capacity** to expand its financial services provision, particularly in smaller Post Offices which could lack privacy or staff expertise. Some respondents also expressed concerns that an increase in the provision of financial services in Post Offices could increase **waiting times** at the Post Office, although several respondents noted that one may also have to queue in a bank and that the provision of ATMs at Post Offices could help to reduce waiting times.

*"It is important that these new services are achievable. When deciding on what these should be, it must be recognised that there are limitations to what can be provided by Post Offices. The size of the premises which vary widely, the privacy a Post Office can offer and the capacity of sub postmasters will restrict the sort of financial services that can be realistically offered and that customers will feel confident in using."*

**7. 4** A number of respondents felt that Post Office's services need to be publicised more widely, since at present there is a lack of awareness about the financial services currently offered by the Post Office.

*"...advertising and promotional activity would be more effective. For obvious reasons the public are still not clear about which Post Office will transact specific products, neither is the public fully aware of the current range of products."*

**7. 5** A significant minority of respondents commented that they would like to see an expansion of banking at the Post Office through the creation of a **state-backed bank**, potentially through a link with NS&I or Northern Rock. Many respondents also commented on the Girobank facilities that were previously available at Post Offices. The desire for a state-backed bank seemed in many instances to be prompted by respondents' lack of trust in high street banks, and the perception that a state-backed bank would be a more secure location for their money. There was also some evidence that people feared that an expansion of Post Office banking based on commercial values could be at odds with the social role of

the network (see also Section 5), and some respondents criticised the existing arrangements through which Post Office financial services are delivered, in particular the joint venture with the Bank of Ireland. Some respondents also stated that they were not aware that some Post Office financial products were not backed by the UK Government.

**7. 6** There was a clear sense that as well as increasing banking services, the Government should continue to look at ways that it could support the Post Office by using it as a channel for central and local **government services**. Some local authorities gave examples of how they already make their services available through Post Offices, and some organisations gave examples of how local facilities are being combined with Post Office services.

# 8. Government response

**8. 1** The Government thanks respondents for all the comments it received in relation to this consultation. We are pleased that there is a high level of support for an expansion of the banking and financial services available at Post Offices.

**8. 2** The Government believes that the Post Office should develop its existing range of financial services for three main reasons:

- a. to build on people's desire for a local bank they trust;
- b. to ensure that essential financial services are placed in the heart of communities; and
- c. to develop an important revenue stream for the Post Office.

## **Vision**

**8. 3** The Government's vision for Post Office Banking is based on the Post Office's long history of delivering services in a local and friendly environment to all groups in society. We welcome the fact that a clear majority of respondents endorsed the values we proposed for banking at the Post Office, and the products which were suggested. Our vision for banking at the Post Office is based on four values: universal; accessible; trusted and sustainable. The Government recognises that the Post Office has an important role to play in increasing financial inclusion.

## **Local Access**

**8. 4** The scale and geographic reach of the Post Office network mean that it is uniquely placed to offer essential services such as access to banking services, benefits, and bill payment, as well as postal and government services. The Government has provided a £150m annual subsidy to the Post Office since 2003/04 and has recently committed to an increased level of subsidy of £180m for 2011/12. This funding helps to ensure that everyone has access to those key services, particularly in rural and deprived urban areas. All new Government funding for the Post Office (including for the provision of new products or services) is subject to gaining any necessary state aid approval from the European Commission.

**8. 5** The Government understands that one of the primary things people value about the Post Office is that it is local. In addition to the subsidy, we have also introduced access criteria to ensure that no one has to travel an unreasonable distance to their nearest post office. The Post Office exceeds these access criteria, with 99.7% of the population being within 3 miles of their nearest Post Office. This makes it an accessible and convenient place for people to do their banking.

## New Products And Services

**8. 6** The Government wants the Post Office to develop new products which give people reasons to visit their local Post Office and which therefore help ensure a vibrant and sustainable Post Office network.

**8. 7** The Government believes the Post Office should offer products and services for everyone. We recognise that, due to its reach and values, the Post Office is better placed than other institutions to offer products targeted at those on low incomes. We have therefore put a strong emphasis on this in developing new products. At the same time, we should be aware that the Post Office is used by all sections of society and should cater for all needs. The Post Office is committed to offering a variety of bank accounts and other financial products which suit the differing needs of its customers, and which can provide an appropriate return to both sub postmasters and Post Office Ltd, thereby helping future network sustainability and which meet appropriate regulatory, state aid and third party clearances.

**8. 8** **Access to current accounts:** People have been clear in their responses to the consultation that what they value most about the banking and financial services available at the Post Office is their location and thus their accessibility. Many respondents requested the ability to access their accounts at the Post Office, regardless of who they bank with.

- Discussions with Santander over access to Santander current accounts are at an advanced stage.
- RBS and the Post Office are in detailed negotiations regarding a commercial deal on providing access to RBS current accounts at Post Offices.

**8. 9** Taken together, this would mean that around 86% of personal current accounts in the UK would be accessible at Post Office branches with all but one of the major high street banks offering access. At the same time, to help provide Post Office customers with free and convenient access to their cash, the Post Office has substantially expanded the number of free to use ATMs at its branches. There are now over 2,000 free to use ATMs at Post Offices and there is an ambition to roll out more in the future at a potential rate of around five per week in 2010. They supplement the service whereby cash is available over the counter at over 11,500 Post Offices.

**8. 10** **Children's savings account:** The Government recognises the importance of developing the habit of saving and financial responsibility from an early age, and the Post Office already offers a Child Trust Fund (CTF) account to help families save longer-term for their child's future. To complement this, the Government and the Post Office have agreed that the Post Office will launch a Post Office children's savings account in the next twelve months. In addition, in order to enhance its savings

offer and ensure that the Post Office continues to offer products for the whole community, the Post Office will launch a Saving Gateway account in 2010.

- 8. 11 Current account:** One of the key steps towards completing the Post Office's financial services offer is for the Post Office to launch its own current account. There was strong support for this product from respondents and international comparisons indicate that this is the principal difference between the Post Office's offer and those of Post Banks abroad. The Post Office is committed to the launch of a current account, which will form a central part of its financial services offer and will move towards a full launch as soon as market conditions allow.
- 8. 12 Mortgages:** The Government recognises the impact of the current conditions in the housing market and wants the Post Office to play a more active role in mortgage lending, especially for first-time buyers. The Post Office will therefore be offering a new mortgage, with a 90% loan-to-value ratio, specifically targeted at first-time buyers. The Post Office will also increase its lending substantially, aiming to double the value of its mortgage book in the financial year 2010/11.
- 8. 13 Weekly budgeting account:** The Government has received strong representations from respondents that there is a role for the Post Office to provide an account that could help people with budgeting. Government intends to make available a weekly budgeting account through the Post Office which would help people on low incomes to manage their household budgets, and save money by taking advantage of the discounts for using direct debit to pay their utility bills. We have started work on how to make this a reality, including working with utility companies on the role they can play in developing the account.
- 8. 14 Credit unions:** The Government recognises that the Post Office has an important role to play in increasing financial inclusion. The Government sees the Post Office as a natural distribution partner for credit unions, making affordable credit available to communities which too often are forced to rely on the very high cost loans offered by doorstep lenders and illegal loan sharks. We want to deepen and widen the current relationship, using the nationwide reach of the Post Office to put credit union products, take up of which is currently concentrated in a limited number of neighbourhoods, within the reach of everyone. The Government will continue to work to improve the supply of affordable credit for low-income households, including by supporting third sector lenders. At the Budget the Government announced an intention to consult on options to make sure banks make an appropriate contribution to community lenders. It will propose using a new community levy to be funded by retail banks to support a link between credit unions and Post Offices, allowing people to access credit union loans, current accounts and savings accounts throughout the Post Office's 11,500 branches.

The Post Office will also be taking other steps to strengthen the relationship with credit unions, building on local arrangements to create a Best Practice Guide for sub postmasters on developing closer working links with credit unions.

**8.15 Access to business bank accounts:** Businesses have made it clear in their responses to the consultation that they value the range of services the Post Office already provides for them. The Post Office is an important element of the national infrastructure, helping small businesses nationwide to thrive. Almost half of small businesses visit a Post Office twice a week, and nearly 20% visit the Post Office every day. Post Offices are particularly valued as access points for business banking facilities, this will be enhanced by the agreement between the Post Office and Santander, allowing all its business account holders to access their accounts at the Post Office. This will be in addition to the services that the Post Office already offers to business customers of Alliance and Leicester Commercial Bank, Bank of Ireland and Clydesdale Bank such as paying in cash and cheques, withdrawing money, checking balances and getting change at their local Post Office.

**8.16 Other business services:** The Post Office has renewed its focus on its offer to small businesses. Post Office business insurance has now been successfully launched, with potential coverage for almost every small business in the country. Post Office's secure transit capabilities provide reliable and established cash collection facilities for businesses. The Post Office is developing innovative new services that businesses of all sizes can use to meet the needs of their customers. One example is 'Payout' – a service which allows businesses to make cash payments to specific identified customers in a secure, convenient way. In addition, the Government will be exploring how a proposed increased contribution to community lenders made by banks could be applied to allow access to loans from Community Development Finance Institutions (CDFIs), via the Post Office. The Post Office will explore the development of a Post Office business bank account, which would be available throughout the network. Following responses made to this consultation, Post Office and RDAs will also explore how they can best work together to serve SMEs in each region.

**8. 17** The Government has recently launched a consultation on the reform of the **Social Fund**<sup>2</sup>. *"Social Fund reform: debt, credit and low-income households"* proposes a package of reforms designed to modernise the Social Fund and make it more relevant in today's economy and society, which have seen significant change in the two decades since the scheme was introduced. The proposed reforms are designed to create a scheme that:

- is active rather than passive;
- makes it easier for customers to get one-off or occasional support;

<sup>2</sup> Department for Work and Pensions – Social Fund reform: debt, credit and low-income households 2010. [www.dwp.gov.uk/consultations/2010/social-fund-reform.shtml](http://www.dwp.gov.uk/consultations/2010/social-fund-reform.shtml)

- provides more support to frequent users of the Fund to help them tackle the underlying problems they face and move towards financial independence; and
- provides better value for money for the tax payer by reducing the number of frequent users.

**8. 18** Alongside this the proposals aim to align the Social Fund much more clearly with the wider financial inclusion agenda. The consultation period will run to 14 June at the earliest. You can find the document and details on how to respond at [www.dwp.gov.uk/consultations/2010/social-fund-reform.shtml](http://www.dwp.gov.uk/consultations/2010/social-fund-reform.shtml).

### **Branch environment**

**8. 19** As the Post Office further expands its range of products, the Government recognises – as respondents have pointed out - that there are some financial services, for which a different environment to the Post Office counter is preferable. The Government is already investing £1.7bn in the Post Office over the five years to 2011, enabling it to improve its ability to deliver financial services. The Post Office is developing specialist financial service areas, which enable more private and detailed discussions. Financial Specialists have also been introduced in larger branches, recruited specifically so that they can further assist customers with information about Post Office financial services products. Automated 'Post and Go' machines and queue management technology have been introduced in larger branches to reduce waiting times. Dedicated counters are also being introduced in some branches and new operating approaches are being developed that will make it easier for Post Offices to offer longer and more convenient opening hours in line with changing lifestyles in the UK.

### **State bank**

**8. 20** The Government recognises that there is a desire amongst a significant minority of respondents for a state-owned bank based on the Post Office. Respondents set out the potential benefits that the creation of such an institution might bring for the Post Office and its customers. The Post Office has a long standing agreement with the Bank of Ireland which runs until 2020, and this partnership has helped it become one of the fastest growing providers of financial services in the UK. Developing a new structure at this time would therefore be both expensive and time consuming. The Government has focused this response on the products and services which the Post Office could offer, which we believe are the most important current component of Post Office banking for consumers.

### **Government services**

**8. 21** Although the focus of the consultation was financial services, the Government recognises the importance of the provision of government services through the Post Office, particularly where face to face support or specialist facilities are necessary. However it is also important that people have a choice in how they access such services, including telephone and internet based services

which people may find more convenient. The Post Office is working with government departments to identify new government services which it could deliver, and pilots for the new Application, Enrolment and Identification technology for DVLA photocard licences are underway. Local and devolved government services also offer potential opportunities for the Post Office. The Government recently hosted a conference in order to explore potential ways in which the Post Office and local authorities could work together in future. Nevertheless Government cannot simply award contracts to the Post Office without following procurement rules. EU legislation and the need to achieve value for money for taxpayers require transparent procurement but it should be noted that the cost savings and technical and efficiency advances that the Post Office has introduced over the last few years, now put the Post Office in a better position for the consideration of Government contracts.

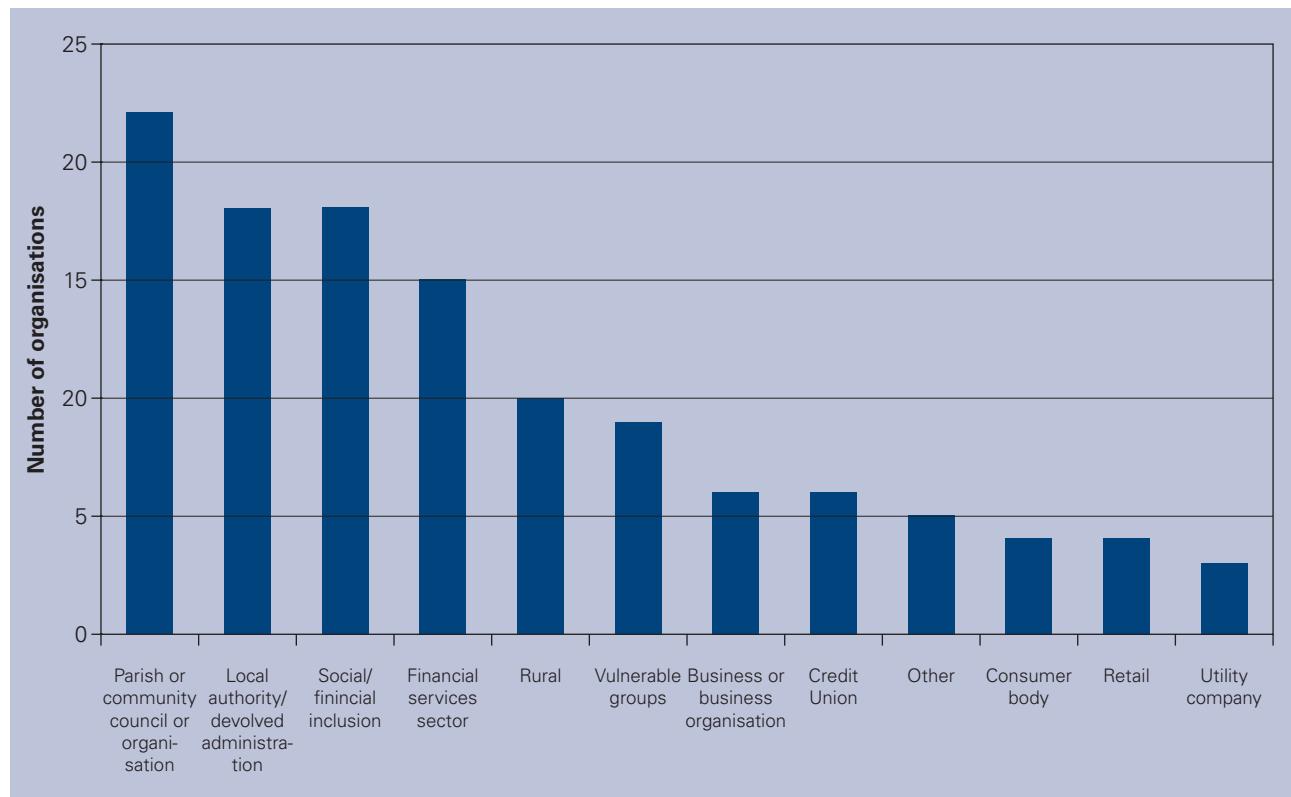
# Annex A: Organisations responding to the consultation

ABCUL (Association of British Credit Unions Limited)	Church of England
Accenture UK	Citizens Advice Bureau
Action with Communities in Rural England	Citizens Advice Bureau – Northern Ireland
Active and Cohesive Communities Overview and Scrutiny Committee of Newcastle-under-Lyme Borough Council	Citizens Advice Scotland
Age Concern and Help the Aged	City of Bradford Metropolitan District Council
Association of British Insurers	City of York Council
Association of Cash Machine Operators (ACMO)	Civil Service Pensioners' Alliance
Association of Convenience Stores	Civil Service Pensioner Alliance (Chilwell District)
Audlem Parish Council	Civil Service Pensioner Alliance (Leicestershire and Rutland)
Bank of Ireland	Civil Service Pensioners' Alliance (West Yorkshire)
Barnardo's	CJ Lang
Birmingham Financial Inclusion Partnership	Commission for Rural Communities
Bourton on the Water Parish Council	Communications Workers Union and Unite
Brabourne Parish Council	Community Council of Devon
Bridport & District Citizens Advice Bureau	Community Finance Development Association
British Bankers Association	Consumer Council
British Pensioners (East Grinstead and District Branch)	Consumer Focus
Building Societies Association	Co-operative Group
Campaign for Community Banking Services	Cornish Community Banking
Carmarthenshire County Council	Council of Thorverton Co-operative Trust Ltd (TCT Ltd)

Countryside Alliance	Johnston Community Council
Credenhill Parish Council	Kempsford Parish Council
Credit Action	Kingswood Parish Council
Cumbria Housing Team	LINK ATM Scheme
Devon County Council	Little Leigh Parish Council
Devon Rural Network	Mae Age Concern Cymru a Help the Aged yng Nghymru
Durness Community Council	Manchester City Council
E.ON UK	Martin McColl Retail Group Ltd
East Grinstead Town Council	Maun Valley Credit Union
Essex County Council	Moneybox Credit Union
Essex Rural Partnership	Monks Eleigh Parish Council
Family Action	National Association of Local Councils
Federation of Small Business	National Energy action
Financial Inclusion Task Force	National Federation of SubPostmasters
Financial Services Consumer Panel	National Offender Management Service
Gingerbread	Nationwide Building Society
Gloucestershire Rural Community Council	Norwich City Council
Great Barton Parish Council	OFT
Hampshire County Council	Ofwat
Haslington Parish Council	Oxfordshire Rural Community Council
Herefordshire Council	Payments Council
Highland Council	Plumpton (East Sussex) Village Action Plan Business Team
Intellect	

Pollok Credit Union	Stowmarket Town Council
Post Office Advisory Group (Consumer Focus)	Stainton & Thornton Parish Council
Postcomm	Surrey Community Action
Royal Burgh of Pittenweem Community Council	Tattenhall & District Parish Council
Royal National Institute for the Blind	Teignbridge District Council
Rural Action East	The Hyde Group
Rural Services Network	Toynbee Hall
Rural Shops Alliance	UK Money Transmitters Association
RWE npower	Unst Community Council
Savings from Poverty	Urban Forum
Scottish Bankers' Association	Wandsworth Borough Council
Scottish Disability Equality Forum	Warboys Parish Council
Scottish Government	Welsh Assembly Government
Scottish Grocers' Federation Ltd	Welsh Language Board
Smeeth Parish Council	Which?
South West ACRE Network	Whitehaven Credit Union
Spaniel In The Works Theatre Company	Winsford Town Council
	World Gold Council

**Figure 2: Bar Chart showing organisations by sector**



# Annex B: Further analysis of consultation responses

## **B1. The data gathering process**

2,405 responses to the consultation were received:

- 635 were from individuals (including letters, emails, and response forms whether or emailed);
- 120 were from organisations (including letters, emails, and response forms whether or emailed);
- 1,650 'survey type' responses, including questionnaires, standard letters and petitions conducted by Members of Parliament or sub postmasters.

The responses to Questions 1 to 6 were categorised in order to compile the statistics in this annex and the consultation document. It should be noted however, that the consultation was a qualitative, not a quantitative exercise, so the data is necessarily based on an interpretation of respondents' answers.

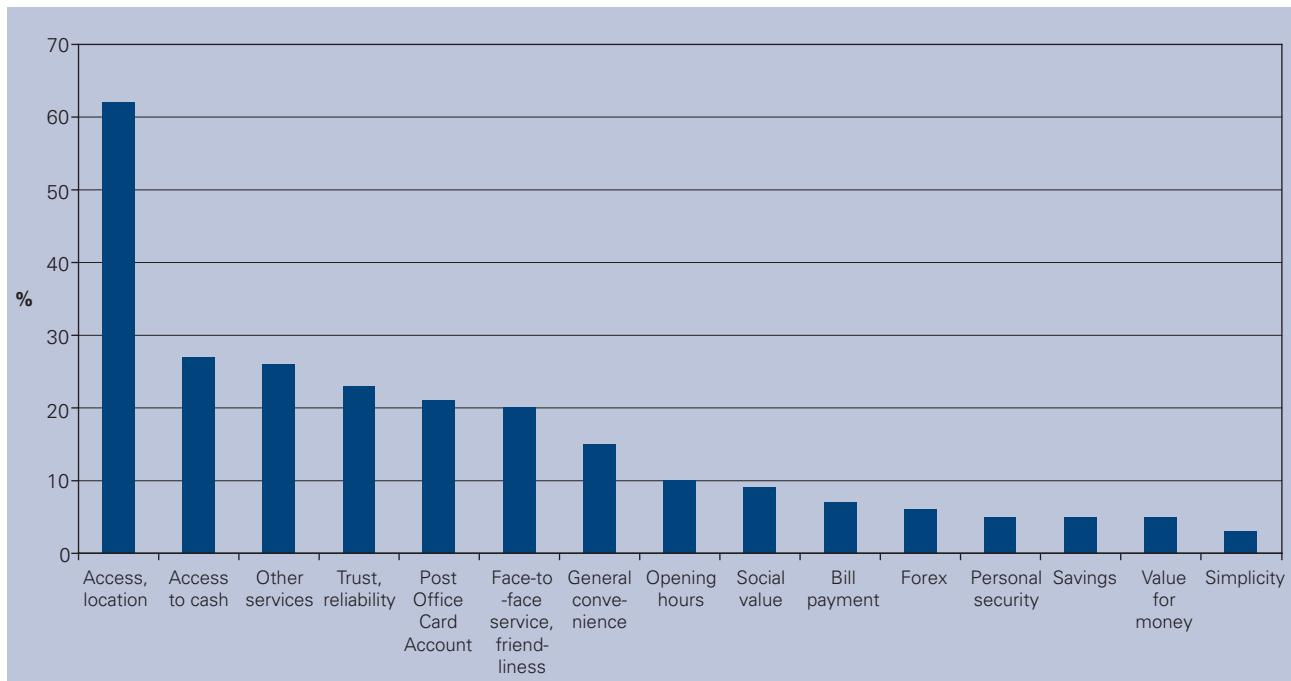
The number of responses to each question varied, with Question 5 attracting a much higher level of responses (96% of all respondents) in comparison to the others as the survey responses tended to focus on this question. Statistics are therefore presented on the basis of the percentage of respondents who chose to answer a particular question, rather than as a percentage of the total number of responses.

## **B2. Analysis of questions**

### **Question 1 – What do you value about the Post Office's existing financial and banking products and services and what determines whether you use them?**

24% (576) of the total number of respondents addressed this question. The most frequent features that were mentioned are listed below, and are presented here as a percentage of the number of respondents who chose to respond to this question. Since what people valued about the Post Office frequently appeared to determine their use, or vice versa, we have not distinguished between the two in this analysis.

**Figure 3: Features that people valued about the Post Office**



**Question 2 – Do the products or services offered by Post Banks around the world provide any opportunities for the development of banking and financial services at the Post Office in the UK?**

205 respondents (9% of all respondents) had an opinion on Question 2. Respondents answers to Question 2 are presented here as a percentage of the number of respondents who chose to respond to this question.

- 92% agreed that Post Banks around the world provided opportunities for the Post Office;
- 8% disagreed that Post Banks around the world provided opportunities for the Post Office.

**Question 3 – Do you agree that these are the right values for banking at the Post Office, i.e. universal, accessible, trusted and sustainable?**

388 respondents (16% of all respondents) had an opinion on Question 3. Respondents answers to Question 3 (388) are presented here as a percentage of the number of respondents who chose to respond to this question.

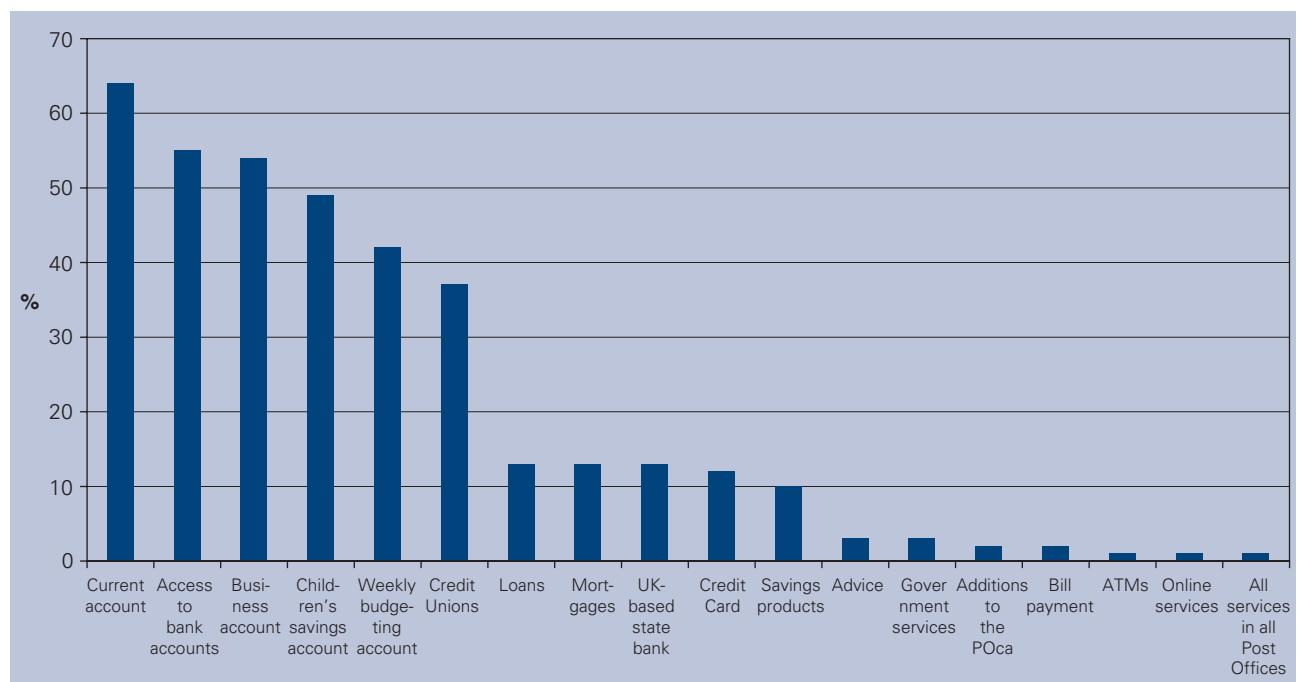
- 99% agreed that these were the right values for banking at the Post Office;
- 1% disagreed that these were the right values for banking at the Post Office

**Question 4 – Do you think these are the right areas and products to focus on?**

**Question 5 – What new financial services would you like to see available at your local Post Office?**

As many respondents answered question 4 and 5 together, these responses were grouped together and are presented here as a percentage of the 2,314 respondents (96%) who addressed question 4 and/or 5.

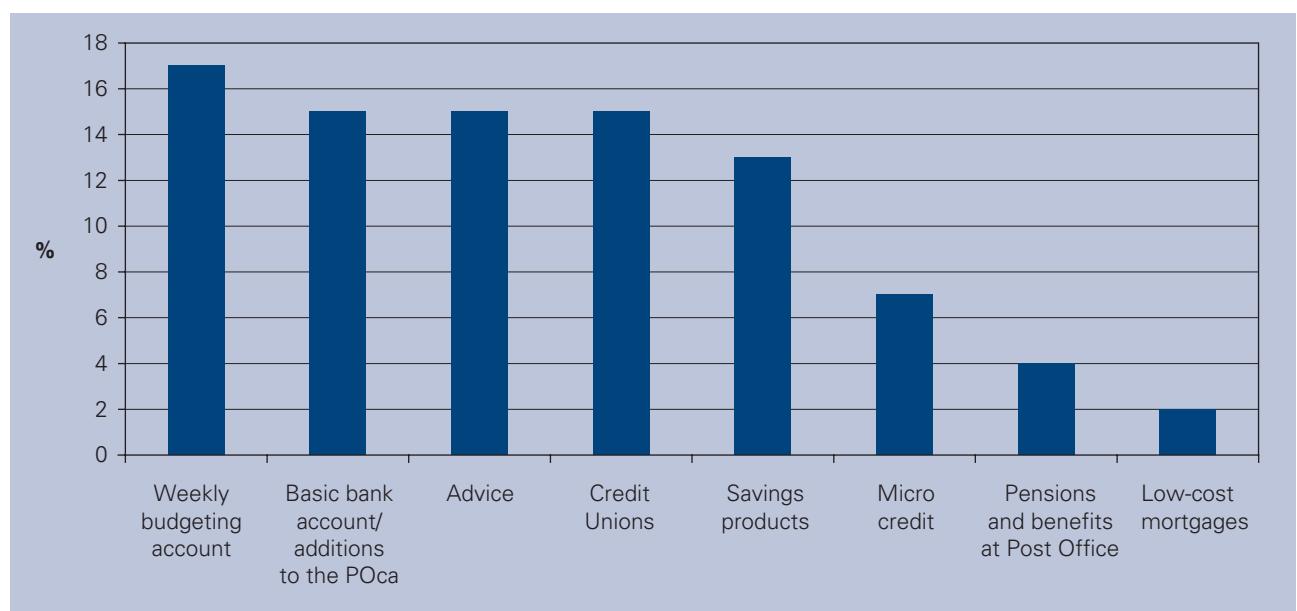
**Figure 4: Products and services that people would like to see available at the Post Office**



**Q6 – The Government already offers and supports substantial credit services for people on low incomes, such as Social Fund loans and credit unions; what other range of services could the Post Office offer to support those on low incomes and address financial exclusion, and how could these best be made to work together**

280 respondents (31%) addressed question 6, and the figures below are presented here as a percentage of the number of respondents who addressed this question. It should be noted that there was overlap in the products and services requested in questions 4, 5, and 6, as explained in Section 6.3.

**Figure 5: Products and services that people would like to see available for those on low incomes**



## Annex C: List of existing Post Office financial products and services

These are the financial products and services that are already available at the Post Office and are in addition to new products and services included in the Government response.

**Key: S – at selected branches, P – Print and post**

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Receiving Payments</b>					
Benefits/ Pensions/ Allowances Payment	Encashment of benefit payments, pensions and allowances by providing access to bank and building society accounts, the Post Office card account, and encashment of DWP cheques. Available over the counter at all branches, and also at over 2,000 ATMs located in Post Office branches. <a href="http://www.postoffice.co.uk/portal/po/content1?catId=94800755&amp;medi ald=19100189">http://www.postoffice.co.uk/portal/po/content1?catId=94800755&amp;medi ald=19100189</a>	✓	✗	✗	✗
Post Office Payout	This enables businesses to manage cashbacks and refunds without writing cheques by using a barcode. A reference code is then sent by text, email or post to the customers. The customers can take the reference code to any Post Office branch to receive the instant cash payment. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=63000704 &amp;medi ald=54700711">http://www.postoffice.co.uk/portal/po/jump2?catId=63000704 &amp;medi ald=54700711</a>	✓	✗	✗	✗
<b>Making Payments</b>					
Bill payments	Acceptance of payment and pre-payment towards a variety of bills including gas cards, electricity keys E-pay transactions, water, phone, council rent, mail order and insurance (some schemes available on an area basis as agreed with Local Authorities). Available at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=86500737 &amp;medi ald=20900329">http://www.postoffice.co.uk/portal/po/jump2?catId=86500737 &amp;medi ald=20900329</a>	✓	✗	✗	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Banking Services</b>					
Personal Banking	Free cash withdrawals, cashing of personal cheques, or cheque deposits (the latter in most cases) for partner banks: Alliance & Leicester, Bank of Ireland, Bank of Scotland, Barclays, cahoot, Clydesdale Bank, Halifax, Lloyds TSB, Nationwide, Northern Bank, The Co-operative Bank and smile. (See pages 39-40 for further details, including which basic accounts can also be accessed.) These services are available at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=19400181">http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=19400181</a>	✓	✗	✗	✓
Business Banking	Business banking services for customers of: Alliance & Leicester, Bank of Ireland, Clydesdale and HSBC (cheque deposit only in Scotland & Northern Ireland). These services are available at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=63000704&amp;mediald=96300774">http://www.postoffice.co.uk/portal/po/jump2?catId=63000704&amp;mediald=96300774</a>	✓	✗	✗	✓
Cash Machines	Over 2,000 free to use ATMs at branches. 705 ATMs are inside and 1,345 outside the branch. <a href="http://www.postoffice.co.uk/portal/po/cont2?catId=86500737&amp;mediald=95200763">http://www.postoffice.co.uk/portal/po/cont2?catId=86500737&amp;mediald=95200763</a>	✓	✗	✗	✓
<b>Money Transmission</b>					
Moneygram	International money transfer of up to £5,000 to over 190 countries. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=86500737&amp;mediald=96300777">http://www.postoffice.co.uk/portal/po/jump2?catId=86500737&amp;mediald=96300777</a>	✓	✗	✗	✗
Postal Orders	Purchase or encashment. These can be obtained at any branch. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=96200777">http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=96200777</a>	✓	✗	✗	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Money Transmission</b> (continued)					
Overseas Property money transfers	To buy or sell property abroad, or to make or receive regular international payments. This service is available by phone or online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=86500737&amp;mediald=92800751">http://www.postoffice.co.uk/portal/po/jump2?catId=86500737&amp;mediald=92800751</a>	X	✓	✓	X
<b>Savings</b>					
Post Office Instant Saver	Instant access savings account. Instant access to funds at all branches, by phone, online, by post or at 60,000 Link ATMs. Six free cash withdrawals per year. The account can be opened at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=23200510">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=23200510</a>	✓	✓	P	✓
Post Office Cash ISA (Variable)	Competitive interest rates, no withdrawal charges, tax-free, and easy access. Apply by post, or at any branch. Payments can be made at any branch or by post. Withdrawals can be made by post. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95700767">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95700767</a>	✓	X	P	X
National Savings & Investments – Easy Access Savings Account	Flexible savings, instant access, cash card for easy deposits and withdrawals, and tiered interest rates. Apply at any branch, by phone, or by post. Withdrawals can be made at any branch or Link cash machine. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95800881">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95800881</a>	✓	✓	X	✓
National Savings & Investments – Investment Account	Easy access (no notice of penalty) passbook savings account with tiered interest rates. Apply at any branch, by phone, withdraw by post. Withdrawals can be made by applying to NS&I <a href="http://www.postoffice.co.uk/portal/po/content1?catId=95800881&amp;mediald=72400733">http://www.postoffice.co.uk/portal/po/content1?catId=95800881&amp;mediald=72400733</a>	✓	✓	X	X

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Savings</b> (continued)					
National Savings & Investments – Income Bonds	Easy access (no notice or penalty), regular monthly income, competitive interest rates, and a higher rate of interest on investments of over £25,000. Apply at any branch, by phone, online, by post, cash in by post <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95800888">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=95800888</a>	✓	✓	✓	✗
National Savings & Investments – Premium Bonds	All prizes tax free, two £1 million jackpots, and anyone 16 years old and above can invest. Apply at any branch, by phone, online, or by post. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=105000805">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=105000805</a>	✓	✓	✓	✗
National Savings & Investments – Children's Bonus Bonds	Tax free, anyone 16 years old and above can invest. Apply at any branch or by post, cash in by post. <a href="http://www.postoffice.co.uk/portal/po/content1?catId=95800971&amp;mediald=19900196">http://www.postoffice.co.uk/portal/po/content1?catId=95800971&amp;mediald=19900196</a>	✓	✗	✗	✗
Post Office Child Trust Fund	The Post Office Child Trust fund is designed to make the most of the £250 Child Trust Fund voucher by investing in shares. Apply at any branch or by post. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=19400175">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=19400175</a>	✓	✗	✗	✗
Post Office Fixed Rate Cash ISA	Fixed term, fixed rate deposit account. Offers one, two and three year term lengths. Apply at any branch or by post. Payments can be made at any branch or by post. <a href="http://www.postoffice.co.uk/portal/po/content1?catId=19300232&amp;mediald=105600780">http://www.postoffice.co.uk/portal/po/content1?catId=19300232&amp;mediald=105600780</a>	✓	✗	✗	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Savings</b> (continued)					
Post Office Growth Bond	Fixed Interest rates, no withdrawal charges, tax-free, and easy access. Apply at any branch or by post. Payments can be made at any branch or by post. Withdrawals can be made by post. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=19300235">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=19300235</a>	✓	✓	✓	✗
Post Office Investment ISA	Tax free, anyone 16 years old and above can invest. Apply at any branch or by post. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=82300737">http://www.postoffice.co.uk/portal/po/jump2?catId=19300232&amp;mediald=82300737</a>	✓	✗	P	✗
National Savings & Investments – Fixed Interest Savings Certificates	Tax free fixed interest product with guaranteed returns. Anyone seven years old and above can invest. Apply at any branch, by post, by phone or online. Payments can be made at any branch, by post or cash in by post <a href="http://www.postoffice.co.uk/portal/po/content1?catId=95800883&amp;mediald=72300721">http://www.postoffice.co.uk/portal/po/content1?catId=95800883&amp;mediald=72300721</a>	✓	✓	✓	✗
National Savings & Investments – Index Linked Savings Certificates	Tax free fixed interest product. Anyone seven years old and above can invest. Apply at any branch, by post, by phone or online. Payments can be made at any branch or by post. <a href="http://www.postoffice.co.uk/portal/po/content1?catId=95800883&amp;mediald=72200721">http://www.postoffice.co.uk/portal/po/content1?catId=95800883&amp;mediald=72200721</a>	✓	✓	✓	✗
Savings stamps	For use against payment of bills, Post Office transactions or as gifts. Buy and redeem at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=19400174">http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;mediald=19400174</a>	✓	✗	✗	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Savings</b> (continued)					
Christmas Club	To save towards Post Office Gift Vouchers or use at selected retail stores. Customers are required to complete a simple application form which is taken to branch with an initial load (minimum £5). Customers can pay into this account at any branch. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;me diald=68000708">http://www.postoffice.co.uk/portal/po/jump2?catId=94800755&amp;me diald=68000708</a>	✓	✗	Print and bring to branch	✗
<b>Insurance</b>					
Car Insurance	Information is available at branches, but applications are only accepted at selected branches, by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=19300227">http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=19300227</a>	S	✓	✓	✗
Home Insurance	Information is available at branches, but applications are only accepted at selected branches, by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=19300229">http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=19300229</a>	S	✓	✓	✗
Van Insurance	Information is available at branches, but applications are only accepted at by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=43100688">http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=43100688</a>	Leaflet only	✓	✓	✗
Motorcycle Insurance	Information is available at branches, but applications are only accepted at by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=72900709">http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=72900709</a>	Leaflet only	✓	✓	✗
Pet Insurance	Information is available at branches, but applications are only accepted by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=67800708">http://www.postoffice.co.uk/portal/po/jump2?catId=19300223&amp;me diald=67800708</a>	Leaflet only	✓	✓	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Insurance</b> (continued)					
Over 50's Life Cover	Applications accepted at all branches. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=95400765&amp;mediald=58700696">http://www.postoffice.co.uk/portal/po/jump2?catId=95400765&amp;mediald=58700696</a>	✓	✓	✓	✗
Life Insurance	Information is available at branches, but applications are only accepted by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=95400765&amp;mediald=61000695">http://www.postoffice.co.uk/portal/po/jump2?catId=95400765&amp;mediald=61000695</a>	Leaflet only	✓	✓	✗
Business Insurance	Information is available at branches, but applications are only accepted by phone and online. <a href="http://www.postoffice.co.uk/portal/po/jump1?catId=98200761&amp;mediald=107500769">http://www.postoffice.co.uk/portal/po/jump1?catId=98200761&amp;mediald=107500769</a>	Leaflet only	✓	Limited policies	✗
<b>Financial Travel Products</b>					
Bureau de Change	Post Office is the largest provider of Travel Money in the UK with over 70 foreign currencies & a range of American Express Travellers Cheques are available to purchase either in branch or online. Currencies can be ordered by 3pm for delivery the following day, those ordered in branch will be delivered to the same location and customers ordering on-line can choose from home delivery or branch collection.  In addition there are a large number of branches where customers can purchase currencies on demand: <ul style="list-style-type: none"><li>• 1,655 branches offer a range of the most popular currencies &amp; travellers cheques</li><li>• 2,624 branches offer Euros and US Dollars both in cash &amp; travellers cheques</li><li>• 4,480 offer Euros on demand.</li></ul> <a href="http://www.postoffice.co.uk/portal/po/content1?catId=19300207&amp;mediald=19300210&amp;intcampaignid=PI0364">http://www.postoffice.co.uk/portal/po/content1?catId=19300207&amp;mediald=19300210&amp;intcampaignid=PI0364</a>	S	✓	✓	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Financial Travel Products</b> (continued)					
Travel Money card	<p>A convenient and safe way to carry travel money abroad. A pre-paid Visa Electron card that can be loaded with either US Dollars or Euros (commission free) or sterling (1.5% commission rate). The card can be loaded from £50 to £5,000 at over 3,300 branches or online (maximum initial load £2,500 online). Customers can then top up in branch (maximum reload £5,000) or over the phone (maximum reload £500)</p> <p><a href="http://www.postoffice.co.uk/portal/po/content1?catId=19300207&amp;mediald=26800661">http://www.postoffice.co.uk/portal/po/content1?catId=19300207&amp;mediald=26800661</a></p>	✓	✓	✓	✓
Travel Insurance	<p>Comprehensive Travel Insurance available in-branch at over 8,000 branches, online and via call centre. Standard policy features include: 5-day turn around on completed claims, cover for scheduled airline failure, up to £10m for medical expenses and £1,500 for lost or stolen baggage</p> <p>Customers can choose between:</p> <ul style="list-style-type: none"> <li>• Single trip and Annual Multi-Trip cover</li> <li>• Individual, Couple &amp; Family policies (with Kids Go Free)</li> <li>• Destination such as UK, European, Worldwide (excl USA, Canada &amp; Caribbean) or Worldwide (incl USA, Canada &amp; Caribbean)</li> <li>• Optional extra including Winter Sports.</li> <li>• Cover for single trip policies has no maximum age limit and Annual Multi-trip is available up to 74 years</li> </ul> <p><a href="http://www.postoffice.co.uk/portal/po/jump1?catId=62900708&amp;mediald=63300708">http://www.postoffice.co.uk/portal/po/jump1?catId=62900708&amp;mediald=63300708</a></p>	✓	✓	✓	✗

Service	Description of service	Availability			
		Branch	Call centre	Web	ATM enabled
<b>Mortgages, Credit &amp; Loans</b>					
Credit Card	A range of Post Office credit cards are available. Information is available at all branches, but applications are only accepted at selected branches, by phone and online.  <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19400177&amp;mediald=34100665">http://www.postoffice.co.uk/portal/po/jump2?catId=19400177&amp;mediald=34100665</a>	S	✓	✓	✓
Mortgages	Information is available at all branches, but applications are only accepted at by phone and online.  <a href="http://www.postoffice.co.uk/portal/po/jump1?catId=19300206&amp;mediald=86600737">http://www.postoffice.co.uk/portal/po/jump1?catId=19300206&amp;mediald=86600737</a>	✓	✓	✓	✗
Personal Loans	Available online only.  <a href="http://www.postoffice.co.uk/portal/po/jump2?catId=19400177&amp;mediald=19400178">http://www.postoffice.co.uk/portal/po/jump2?catId=19400177&amp;mediald=19400178</a>	✗	✗	✓	✗

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)
<b>Personal current accounts</b>				
Alliance & Leicester	Yes	Yes	Yes††	Yes
Bank of Ireland	Yes	Yes	Yes	Yes
Bank of Scotland	Yes	Yes	No	No
Barclays – in England and Wales	Yes†	No	Yes†††	Yes
cahoot	Yes (with chequebook and card)	No	Yes†††	Yes
Clydesdale Bank	Yes	Yes	Yes	Yes
Halifax	Yes	Yes	No	No
Lloyds TSB – in England, Wales and Scotland	Yes†	Yes	Yes†††	Yes
Nationwide Building Society	Yes	Yes	No	No
Northern Bank	Yes	Yes	No	No
smile	Yes	Yes	Yes††	Yes
The Co-operative Bank	Yes	Yes	Yes††	Yes
<b>Basic bank accounts</b>				
Abbey – Basic Account	Yes	Yes	No	No
Alliance & Leicester – Basic Cash Account	Yes	Yes	Yes††	Yes
Bank of Ireland – Basic Cash Account	Yes	Yes	Yes	Yes
Bank of Scotland – Easycash	Yes	Yes	No	No
Barclays – Cash Card Account	Yes	No	No	No

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)
<b>Basic bank accounts (continued)</b>				
Clydesdale Bank – Readycash Account	Yes	Yes	Yes	Yes
First Trust Bank – Basic Bank Account	Yes	Yes	No	No
Halifax – Easycash	Yes	Yes	No	No
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	Yes	Yes	No	No
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	Yes	Yes	No	No

† You can also withdraw cash from your personal current account using your chequebook and card. Card and PIN is quicker, easier and more secure.

†† With card only.

††† With personalised paying-in slip from your bank.

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