



PRESS RELEASE

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RURAL SHOPS ALLIANCE – POST OFFICES NEED NEW INCOME STREAMS TO REPLACE NS&I SAVINGS PRODUCTS

The recent announcement from National Savings & Investments (NS&I) that a number of their savings products will no longer be available over the counter at Post Offices is part of a long-term trend. All financial institutions are trying to move from expensive branch-based transactions to cheaper to operate electronic or call centre-based ways of working.

Ken Parsons, Chief Executive of the RSA, commented, "For the Post Office, the financial impact of NS&I's announcement is limited. However, it is another break with the past, with what was once an important core product for the Post Office being removed from their range of services. Government ministers have promised that the Post Office would become the "front office" for government, and that the income from this would be a key part of maintaining the branch network at its current level. The loss of business from declining traditional services, such as these NS&I accounts, needs to be matched by these new sources of revenue coming on stream simultaneously. This is clearly not happening. The government is currently consulting on plans to convert the status of Post Office Limited to that of a mutual company. It is bizarre to be doing this without ensuring that the income is there to support this change".

Notes for editors:

The Rural Shops Alliance (RSA) is the national voice for about 7,500 rural retailers. We campaign on their behalf and also help these shops to become more competitive with practical advice and support, to the benefit of thousands of rural communities. Many 'blue chip' suppliers and county councils sponsor and partner the work of the RSA. Our direct contact with rural shops and with these organisations means that we keep in close touch with emerging issues and concerns in our fast changing business sector.

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