



PRESS RELEASE

IMMEDIATE RELEASE: 30 August 2011

RESPONSE TO “COUNTER MEASURES”, CONSUMER FOCUS’S REPORT ON ACCESSING BANK ACCOUNTS AT THE POST OFFICE

The RSA welcomes this report, providing as it does a welcome reminder on two key points. Firstly, that only certain banks allow their customers to use Post Office Ltd (POL) branches, and secondly, that a huge number of customers from these banks are either totally unaware that this facility is open to them or unsure of which transactions they can undertake through it.

At one level, it is clearly a commercial decision for each bank as to whether they pay handling fees to POL to enable their customers to access their accounts at Post Office branches. No doubt, the banks have balanced the enhanced convenience for their customers against the costs of providing this service. Banks also want to get their customers into their own branches so that counter staff have the chance to sell other financial products and to deny POL, as a potential competitor, the chance for their staff to do the same. Some banks have come down on the side of customer convenience and do pay POL for this facility. An additional bank, RBS, is soon to start allowing their customers to make cash withdrawals from Post Office branches. HSBC and Santander (except former Alliance and Leicester customers) account holders will continue to be unable to access their accounts at Post Offices. At one level, if people want to gain access to the POL network for their banking, all they have to do is move their account to a bank offering Post Office access. If enough people did that, then HSBC and Santander would have to fall in line.

However, the most damning statistic in the report is that four fifths of bank customers who can in fact already access their account through post offices are unaware of this fact. This level of ignorance is quite extraordinary. This is a service that people say they really want but only 18% of potential users know they can do it. This one figure in the Consumer Focus survey shows the enormous untapped potential to make life easier for millions of people, particularly in rural areas without easy access to bank branches. It also highlights a relatively easy way for Post Office Ltd to make more income. POL branches would become more viable and hence less likely to close. The fees for handling more banking transactions could be a key factor in helping small rural sub post offices survive as viable concerns to the sub postmasters operating them.

Ken Parsons, Chief Executive of the Rural Shops Alliance, said, *“The current situation is a nonsense. The Government has the power, if it wished to exercise it, to persuade all banks to allow their customers to deposit and withdraw cash at post office branches. But far more importantly, this report should be a real wake-up call to Post Office Ltd. to market the services*

already on offer far more effectively. I have lost count of the number of times I have been in a rural sub post office and seen customers hesitantly enquiring whether they can carry out a particular transaction, obviously expecting the answer "no". There really is widespread confusion. The Consumer Focus report is important because it quantifies this and shows the real untapped potential to improve the viability of Post Office branches, particularly in rural locations, through effective marketing of existing bank services".

The full Consumer Focus report can be found at:
<http://www.consumerfocus.org.uk/files/2011/08/ConsumerFocus-CounterMeasures-2011-08.pdf>

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.

More Information:

Kenneth Parsons

- Tel 01761 462371 Mobile 07980 673675

Gary Hepburn

- Tel 01305 752050

Duty Press Contact

- Tel 07092 048546