



## **Welsh Assembly Committee Inquiry: Access to Banking**

### **Further written evidence submitted by the National Federation of SubPostmasters (NFSP)**

The NFSP is grateful to the committee for launching the Inquiry and for giving us the opportunity to contribute to discussions.

This document provides further information in relation to or in response to issues raised during the Committee Hearing on 13 June 2019.

The National Federation of SubPostmasters (NFSP) is a professional trade association representing independent business people who act as agents for Post Office Ltd (PO). Our 8,000 members own and operate around 9,300 sub post offices. Privately owned post offices comprise 98% of the national post office network and are, collectively, a major employer nationally.

The NFSP exists to support subpostmasters to maximise profit from their post office and retail business. We are a member focused organisation.

There are 922 sub post offices in Wales (as of April 2019) - 748 are members of the NFSP.

## **Bank closures and access to cash**

The NFSP's response to the Inquiry addressed the current high levels of bank closures across Wales. This is an ongoing trend, and we currently see towns such as Llandovery and Rhos-on-Sea without any bank branches at all.

We stress once again that a significant number of people still rely on bank branches and use cash as their primary means of payment. These tend to be the most vulnerable members of society: older people, disabled people, people on low incomes, and residents of remote rural areas.

The absence of these services can lead to problems with money management, budgeting, independence, loneliness and isolation – i.e. social and financial inclusion. It is therefore vital that there exists an alternative to prevent community members from being left behind.

## **The post office network**

In the post office network, consumers and small businesses in Wales have access to basic banking services such as withdrawing cash, paying in cash and cheques, and obtaining balances. This is delivered in a branch setting, with face-to-face support, providing a sense of community that is increasingly under threat.

With a network of 11,500 branches, the post office network is unrivalled in its geographic spread. It is the largest financial services chain in the UK, with 99.4% of people in Wales living within 3 miles of their nearest branch. At a time of widespread uncertainty concerning the presence of bank branches, post offices represent a lifeline for those at risk of financial exclusion.

## **Issues to be addressed**

In order to maximise the potential of the post office network and benefit the most consumers, it is crucial that people are aware that there are already solutions in place to the problems mentioned above.

Two in five people still don't know about the availability of banking services at post offices. The NFSP Member Survey, referenced throughout our response, found that 55% of subpostmasters in Wales feel that only a minority of people in their local area are aware of the personal banking services they offer, while 61% feel that only a minority of businesses are aware of their business banking services. This is unacceptable given the scale of bank closures.

These low levels of awareness show that Post Office Ltd's five-point plan - put in place in 2018 to promote awareness of banking services in post offices - is not sufficient in its current form. It is essential that consumers are aware of the existing alternatives they have to carry out banking services, which includes their local post office.

Post Office Ltd must work with the UK government to increase awareness of the network's services. The NFSP would like to see both a national-level campaign (TV, radio, print media

etc) and resources allocated to enable post offices to carry out their own local-level campaign.

Whether post offices can ever act as direct and complete replacement for banks is debateable – indeed, perhaps doubtful – but there is scope for post offices to offer more services than they currently do.

Post office customers frequently wish to pay credit card/tax bills, print statements and set up direct debits and standing orders, but are currently unable to do so. We encourage Post Office Ltd to work with financial institutions to explore these possibilities.

The Committee has heard the different issues that result from bank branch closures, but by far the most fundamental and urgent are those relating to access to basic banking services and cash. These problems are affecting the greatest number of people, and the post office network is already in place as a solution to ensure financial inclusion across Wales.

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