

# Consumer Access to Postal Services at the Post Office Network in Northern Ireland:



Opportunities and Challenges

October 2022



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# 1. Executive Summary

We have a statutory duty in relation to postal services which includes issues relating to the number and location of post offices across Northern Ireland. To help fulfil our statutory duty, we represent and campaign on behalf of all Northern Ireland consumers, in particular those in vulnerable circumstances, and pay particular regard to consumers:

- who are disabled or have long term health conditions
- who are of pensionable age
- who are on low incomes
- who live in rural areas

This report focusses on consumer access to postal services at post offices. The Post Office network has a wide and extensive reach throughout Northern Ireland with an important presence in rural and urban deprived areas.



The report, using our independent research findings and other analysis, identifies the opportunities that exist to benefit consumers across Northern Ireland in the parcel market. These include for Post Office Ltd to:

- Increase consumer access to pick up and drop off services for online shopping, and the potential to reduce delivery related restrictions for consumers across Northern Ireland – surcharging, withdrawal of free delivery and do not deliver – by developing more partnerships with online retailers with a view to offering free delivery to a post office.
- Improve consumer, and small and micro business choice when sending parcels by selling parcel services directly to these groups from various operators, in the form of a one stop shop both over the counter and from an online platform.
- Build on the network's strengths by improving the consumer experience through an annual assessment of the consumer experience of its network and all the different operating models. Our research provides a useful starting point for Post Office Ltd and shows the key areas to improve are privacy, queuing and opening hours. In the wider context, it should also cover the range of services available at the various outlets and whether these are meeting consumer needs.

The report also identifies the key challenges that exist which will affect consumers' access to postal services including parcels, across the Post Office network in Northern Ireland. These are:

- Consumer affordability issues with the universal postal service especially with the price of sending a second-class small parcel with Royal Mail at a post office. Ofcom has a critical role to play. It must address these affordability issues as part of its future review of the price safeguard cap for second class letters and small parcels.
- Securing access to the network for rural consumers. Rural post offices make up most of the network in Northern Ireland, but many would be commercially unviable without the UK government's subsidy payment to Post Office Ltd. The UK government must continue to support the rural network through the network subsidy payment. Without it there would be a significant risk of consumer detriment in rural areas across Northern Ireland through reduced access and risk of closures.
- Measuring the accessibility of the post office network in Northern Ireland plays a key role in high consumer satisfaction scores on the convenient location of their post office. Measuring accessibility is vital to protect consumers especially for those with disabilities, on low incomes and older consumers that live in urban, urban deprived and rural areas. This can be achieved by Post Office Ltd reporting on the Post Office network at a national level on the UK government's access criteria, and its reporting on key user groups including small businesses, disadvantaged individuals, individuals with disabilities and those aged over 65. This will identify gaps in the network in Northern Ireland and allow for remedial action to be taken.
- Consulting and engaging with consumers at a local level, and making the right decisions for consumers is important. There will always be occasions when the Post Office network changes at a local level. It is vital that Post Office Ltd continues to notify, engage and consult with those affected by any future proposed changes in Northern Ireland. The Principles of Community Engagement play an important role<sup>1</sup> facilitating these discussions with the communities affected and it is vital that this approach continues into the future. There is strong support among Northern Ireland consumers for at least the current process being maintained.

<sup>1</sup> [https://www.postofficeviews.co.uk/national-consultation-team/principles-of-community-engagement/user\\_uploads/principles-of-community-engagement\\_june-2018-2.pdf](https://www.postofficeviews.co.uk/national-consultation-team/principles-of-community-engagement/user_uploads/principles-of-community-engagement_june-2018-2.pdf)

## 2. About Us

The Consumer Council was established in April 1985 as a non-departmental public body (NDPB) under the General Consumer Council (Northern Ireland) Order 1984 (The Order). We operate under the Department for the Economy (DfE) on behalf of the Northern Ireland Executive.

Our vision is to protect and empower consumers in Northern Ireland by ensuring the legislation and regulation for consumer protection works effectively for consumers here.

Our mission is to be the trusted go-to organisation for Northern Ireland consumers, working with governments and stakeholders to inform policy and decision making, using our research, insight and expertise to deliver positive outcomes for consumers.

We have statutory duties in relation to consumer affairs, energy, postal services, transport, water and sewerage, and food accessibility. These include responding to enquiries, investigating complaints, carrying out independent research, educating and empowering consumers, and advising government on matters relating to consumer affairs.

With regards to postal services, the Consumers, Estate Agents and Redress (CEAR) Act 2007 and the Office of Communication's regulatory conditions for Royal Mail, as the universal service provider, provide the Consumer Council with statutory responsibility for representing postal consumers in Northern Ireland.

Our work focuses on carrying out research, influencing policy, providing advice and information, and investigating complaints made by consumers in vulnerable circumstances, and gives us information gathering and investigation powers to help fulfil this statutory function. Our investigation powers also include issues relating to the number and location of post offices across Northern Ireland.

Our non-statutory functions educate and empower consumers against unfair or discriminatory practices in any market including financial services. We are also a designated super-complaints body under the Enterprise Act 2002 and the Financial Services and Markets Act 2013.

As an insight-led evidence-based organisation, we:

- Provide consumers with expert advice and confidential guidance.
  - Engage with government, regulators and consumer bodies to influence public policy.
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- Empower consumers with the information and tools to build confidence and knowledge.
- Investigate and resolve consumer complaints under statutory and non-statutory functions.
- Undertake best practice research to identify and quantify emerging risks to consumers.
- Campaign for market reform as an advocate for consumer choice and protection.

We have responsibilities under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998 to ensure government policies recognise consumer needs in rural areas, and promote equality of opportunity and good relations across a range of equality categories.

We represent and campaign on behalf of all Northern Ireland citizens, in particular those in vulnerable circumstances, and pay particular regard to consumers:

- who are disabled or have long term health conditions
- who are of pensionable age
- who are on low incomes
- who live in rural areas

We use a set of eight guiding principles developed by the United Nations to assess where the consumer interest lies, and develop and communicate our policies, interventions and support. These provide an agreed framework through which we approach regulatory and policy work.

**Figure 1. Consumer Principles**



The principles ensure we apply a consistent approach across our statutory and non-statutory functions, and in all our engagement with consumers and stakeholders.

They serve to protect consumers, setting out the minimum standards expected from markets when delivering products or services in Northern Ireland. They also frame our policy position and approach to resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, in particular among vulnerable groups.

The Consumer Council recommends that key decision makers involved in the postal market adopt these eight principles to ensure this market fully meets the needs of consumers across Northern Ireland.

### 3. The Post Office Network in Northern Ireland and Postal Services

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#### **Importance of postal services and the role of post offices**

The Post Office network provides consumers across the UK with vital access to a range of highly valued essential services. These include access to the postal service, basic and personal banking facilities, and government services such as licensing and identity services. This report focusses on consumer access to postal services at post offices.

Ofcom's recent postal tracker research helps to underline the importance of postal services to consumers in Northern Ireland. It shows that 67% say they would feel cut off from society if they could not send or receive post<sup>2</sup>. This points to the essential nature of the postal service to consumers.

Consumers across Northern Ireland also value post offices as an access point to postal services. This is highlighted by our research which shows that 84% of consumers say access to a post office is important when deciding to use Royal Mail with only 4% saying this is not important<sup>3</sup>.

#### **The number and locations of post offices across Northern Ireland**

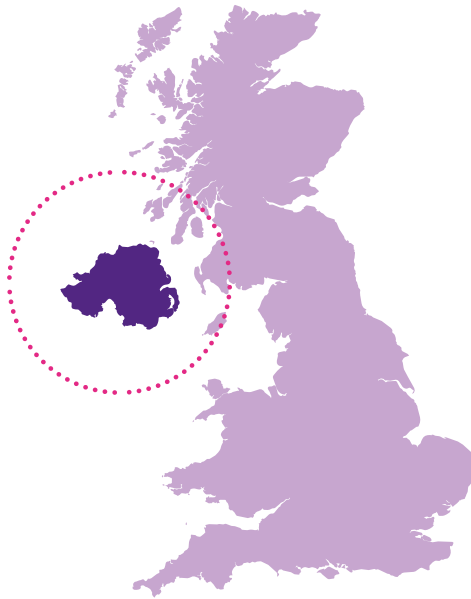
The Post Office has a wide and extensive reach throughout Northern Ireland. The network consists of approximately 502 post office outlets, and they are found in various communities<sup>4</sup>. For instance:

- 326 post office outlets are located in rural areas which represents 65% of the network;
- 97 post office outlets are located in urban areas which represents 19% of the network; and
- 79 post office outlets are located in urban deprived areas which represents 16% of the network.

Additionally, further analysis of the Post Office network shows that Northern Ireland has a greater proportion of outlets located in rural and urban deprived areas when compared with the rest of the UK (Table 1). This helps to illustrate the important role of post offices to more vulnerable consumers living in these areas.

**Table 1. Percentage of post office branches located in rural, urban and urban deprived areas in Northern Ireland and the UK<sup>5</sup>.**

Location	NI	UK	% Point Difference
<b>Rural</b>	65%	54%	11%
<b>Urban Deprived</b>	16%	12%	4%
<b>Urban</b>	19%	35%	-16%



<sup>2</sup> Ofcom. [Residential Postal Tracker Q3 2021 - Q2 2022](#). Published on 6 September 2022. Question (C3\_5): Here are some statements that other people have made about sending and receiving post. To what extent do you agree or disagree with each one? - I would feel cut off from society if I couldn't send or receive post. Nation – Northern Ireland.

<sup>3</sup> Social Market Research. February 2022. Question: How important or unimportant are the following to you when deciding to use Royal Mail to send letters and parcels within the UK? - Access to a post office. Base size 1,002.

<sup>4</sup> Consumer Council analysis carried out in September 2022 based on Post Office Ltd data.

<sup>5</sup> Consumer Council analysis of [The Post Office Network Report 2021](#).



## 4. A Diverse Network

The network is diverse. There are several different types of post offices that operate across Northern Ireland (Table 2). These are:

### Directly managed branches.

This type of branch is directly owned and operated by Post Office Ltd. They are located in either urban or urban deprived areas. A full range of postal services is available. This type of branch represents the smallest part of the network in Northern Ireland in terms of the number of branches.

### Main branches.

This type of branch offers a full range of postal products and services from a dedicated post office counter within retail premises such as larger convenience stores or supermarkets. Additionally, most postal services and other services are available over longer opening hours at an existing retail counter.

These are located across Northern Ireland in rural, urban deprived and urban areas. The majority are in urban deprived locations. A smaller number is located in rural areas.

### Local branches.

This type of branch is typically located within existing retail premises such as an established shop or garage, operating from a shared counter position and provides most postal services over longer opening hours.

Again, these are located in rural, urban deprived and urban areas. However, the majority are located in rural areas. This type of branch represents the largest part of the network in Northern Ireland.

### Traditional branches.

The significant majority are located in rural areas. They typically offer a full range of postal products and services.

### Outreaches.

These are all located in rural areas, and they consist of:

- **Partner outreach services.** Where a local business runs a post office service from their premises, for example a shop, mainly during the course of normal business hours, under the supervision of a nearby subpostmaster.
- **Hosted outreach services.** Where a subpostmaster from a nearby post office visits a community at fixed times and provides a service from a 'host' location, such as a village or community hall, or shop.
- **Mobile outreach services.** Where a subpostmaster from a nearby post office visits a location in a vehicle fitted with a post office counter and equipment, at fixed times and for a set period of time each week.

- **Home delivery outreach service.**

Where a subpostmaster from a nearby post office branch offers a limited service to registered customers, at the door, or at a local 'drop-in session' at a designated place.

This shows the diversity of the network in Northern Ireland, the different types of post offices that serve local communities and how consumers' experiences may vary depending on which type of post office they typically visit. Indeed, previous Consumer Council research highlighted some of the areas Post Office Ltd should focus on to improve the quality of service consumers receive<sup>6</sup>. This included improving access into Post Office Mains for postal consumers and enhancing the quality of service at Post Office Locals by improving the layout of the post office, privacy, queuing, staff knowledge and customer service.

**Table 2. Number of types of post office branches in Northern Ireland compared to the UK and percentage of the UK network<sup>7</sup>.**

Location	NI	UK	% of UK Network
<b>Directly Managed Branch</b>	5	118	4%
<b>Main</b>	121	3,376	4%
<b>Local</b>	234	4,134	6%
<b>Traditional branches</b>	99	2,136	5%
<b>Outreach</b>	43	1,651	3%
<b>Total</b>	502	11,415	4%

<sup>6</sup> The Consumer Council. [The Postal Consumer Experience Report](#). Postal consumers and the Network Transformation. Programme in Northern Ireland. 2018.

<sup>7</sup> Consumer Council analysis of Post Office data and [The Post Office Network Report 2021](#).

## 5. Post Offices, Letters and Parcels

### General usage

Our recent research underlines the value of the network. Over half (51%) of consumers say they use the Post Office at least once a month (Figure 1) and this increases to 58% for those living in rural areas. Additionally, a significant majority (91%) say they use a post office at least once a year and this increases to 97% for older consumers aged 60 and over<sup>8</sup>.

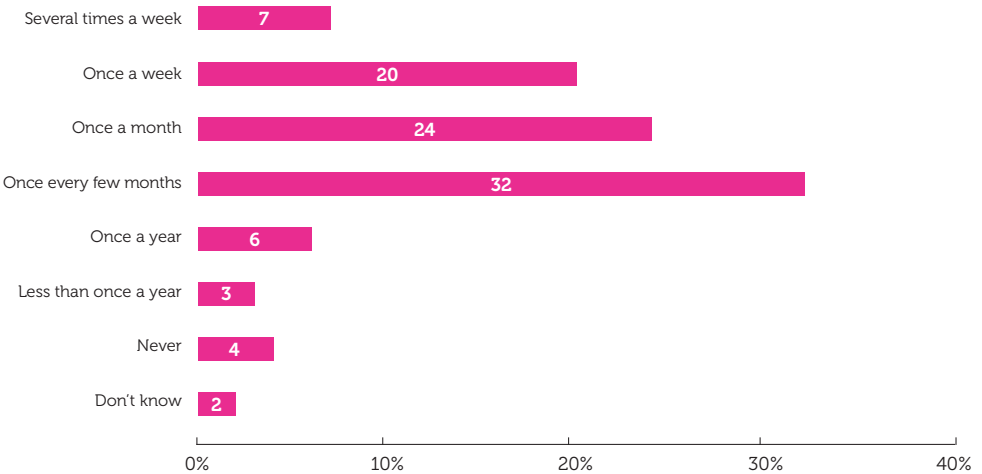


# 97%

**of consumers aged 60 and over use the post office at least once a year**

### Thinking about the last year, how often would you say you have used a post office branch?

Figure 1



### Postal services monthly usage

More specifically our research shows where different groups of consumers are more likely than consumers overall to use post offices to access certain types of postal services each month. For instance:

- 31% of consumers say they have used the post office to buy stamps and send letters. This increases to 45% for those aged 60 and above<sup>9</sup>.
- 31% of consumers say they have used the post office to send parcels<sup>10</sup>.
- 24% of consumers say they have used the post office to return online shopping. This increases to 31% for consumers living in rural areas<sup>11</sup>.
- 16% of consumers say they have used the post office to collect online shopping. This increases to 23% for consumers aged between 18-34<sup>12</sup>.

### Postal services annual usage

Indeed, analysis of our research over a 12-month period shows<sup>13</sup>:

- 61% of consumers used a post office to send letters and buy stamps. This increases to 73% for those aged 60 and above.
- 57% of consumers used a post office to send parcels.
- 48% of consumers used a post office to return online orders. This increases to 60% for consumers living in rural areas.
- 45% of consumers used a post office to collect parcels.

<sup>8</sup> Social Market Research. March 2022. Question: Thinking about the last year, how often would you say you have used a post office branch? Base Size 1,003.

<sup>9</sup> Social Market Research. March 2022. Question: During the last 12 months, how often have you used any of the following services at a post office? - Buying stamps and sending letters. Base Size 1,003.

<sup>10</sup> Social Market Research. March 2022. Question: During the last 12 months, how often have you used any of the following services at a post office? - Sending parcels. Base Size 1,003.

<sup>11</sup> Social Market Research. March 2022. Question: During the last 12 months, how often have you used any of the following services at a post office? - Returning online orders. Base Size 1,003.

<sup>12</sup> Social Market Research. March 2022. Question: During the last 12 months, how often have you used any of the following services at a post office? - Collecting parcels. Base Size 1,003.

<sup>13</sup> Social Market Research. March 2022. Question: During the last 12 months, how often have you used any of the following services at a post office? - Collecting parcels. Base Size 1,003.

## 6. Consumer Access and Opportunities

Our recent research also points to the opportunities that can benefit consumers across Northern Ireland in the parcel market.

### Increasing consumer access to pick up and drop off services for online shopping

The key findings related to online shopping show that:

- 86% of consumers say it would be useful to be able to **return goods bought online at a post office to more retailers**. This increases to 89% for consumers living in rural areas<sup>14</sup>.
- 69% of consumers say it would be useful to **pick up more goods bought online instead of having the items delivered to their home**. This increases to 75% for consumers living in rural areas<sup>15</sup>.

Taking account of this evidence, Post Office Ltd should explore developing similar initiatives to the Amazon partnership with online retailers and online marketplaces, with a view to securing free delivery for Northern Ireland consumers. We discuss the opportunity to reduce delivery related restrictions in Northern Ireland in more detail below.

### Improving consumer choice when sending parcels

The key findings related to consumers sending parcels show that:

- 84% of consumers say it would be useful to be able to **drop off parcels where you bought postage online with a range of parcel operators**. This increases to 87% for consumers aged between 18-34.
- 82% of consumers say it would be useful to **buy parcel services offered by a range of parcel operators at the counter**. This increases to 85% for consumers living in rural areas<sup>16</sup>.

<sup>14</sup> Social Market Research. March 2022. Question: How useful would it be to be able to do each of the following at your local post office? - Pick up more goods bought online instead of having the items delivered to your home. Base size 1,003.

<sup>15</sup> Social Market Research. March 2022. Question: How useful would it be to be able to do each of the following at your local post office? - Return goods bought online to more retailers. Base size 1,003.

<sup>16</sup> Social Market Research. March 2022. Question: How useful would it be to be able to do each of the following at your local post office? - Buy parcel services at the counter offered by a range of parcel operators to send parcels. Base size 1,003.

There is value in Post Office Ltd exploring the benefits of selling parcel services directly to consumers from various operators in the form of a one stop shop. This could usefully take the form of an online parcel services price comparison tool if Post Office Ltd was able to offer more parcel operator services in a one stop shop model.

Indeed, we have recently published guidance on best practice from the consumer perspective on what operators and providers selling online parcel services should do to improve the consumer experience<sup>17</sup>. This will help support any developments in this area so online parcel selling platforms better meet consumer needs.

The option to buy directly at the counter would also be beneficial as consumers could get advice on which is the best service to use. This would reduce the risk of something going wrong.

Developments in these areas would improve consumer access and choice which in turn could keep downward pressure on the prices consumers pay.

In both areas, it is essential to make sure developments take place in all the different post office models including any new style branches such as Drop & Collect outlets. This will help to avoid any fragmentation of the network in terms of consumer access and choice.

### **Improving small and micro business choice when sending parcels**

The above suggestions would not only help consumers but also small and micro businesses across Northern Ireland. A recent study by the Ulster University shows that a key improvement in the parcel market for small and micro businesses selling online is better pricing in the parcel market. The study identifies that Royal Mail is the most used parcel provider followed by DPD. Post Office Ltd has commercial relationships with both operators.

Post Office Ltd and DPD announced an agreement for post offices to provide a Click and Collect service for DPD<sup>18</sup>. Developing this relationship so DPD's parcel services were available for senders at the post office is another opportunity to improve choice in the parcel market and keep downward pressure on prices.



<sup>17</sup> The Consumer Council. Parcel Operator Guide. Improving the consumer experience when buying parcel services online. October 2022.

<sup>18</sup> <https://www.onepostoffice.co.uk/secure/latest-news/general-news/post-office-partners-with-dpd-to-roll-out-click-and-collect-services/>

### **Potential to reduce delivery related restrictions – surcharging, withdrawal of free delivery and do not deliver**

Separate research commissioned by the Consumer Council shows Northern Ireland consumers experience delivery related restrictions when they buy goods online<sup>19</sup> such as the withdrawal of free delivery as they live in Northern Ireland (29%) and having to pay more to get the item delivered (25%) to their home address. These are longstanding issues, and the situation has not been resolved for many Northern Ireland consumers. Also, nearly half of consumers (43%) experienced being told by the online retailer that it does not deliver to Northern Ireland.

### **Consumers with a disability are disproportionately affected**

Indeed, those consumers with a disability are more likely to experience<sup>20</sup> withdrawal of free delivery as they live in Northern Ireland (36% of those with a disability compared to 25% without a disability) and paying a higher delivery price to get the item delivered (31% of those with a disability compared to 22% without a disability).

Consumers being able to **pick up more goods bought online at a post office instead of having the items delivered to their home** may be one potential solution. This could be developed so online retailers do not apply delivery restrictions, as they have access to a wide-reaching network across Northern Ireland that various parcel operators are able to access. Post Office Ltd is in a strong position to explore this solution.

### **Building on the network's strengths by improving the consumer experience**

Our recent research (Table 3) also identifies the areas Post Office Ltd should focus on to improve the consumer experience across its network. It also outlines where consumers are most satisfied.

<sup>19</sup> Social Market Research. February 2022. Consumers' views on and experience of the postal service. Question: Thinking about the last 12 months, including the Christmas period, did you experience any of the following delivery issues when buying goods online? Base Size: 1,002.

<sup>20</sup> Social Market Research. February 2022. Consumers' views on and experience of the postal service. Question: Thinking about the last 12 months, including the Christmas period, did you experience any of the following delivery issues when buying goods online? Base Size: 1,002.

## **Convenience of location, access into the outlet and opening hours**

Consumers had the highest level of satisfaction in terms of **convenience of location** (81% satisfied) and **ease of access into premises** (81%). These are positive results.

However, it is important to highlight that those with a disability were more likely to be dissatisfied with these features. This will help Post Office Ltd when it proposes any changes to its network especially in relocating its outlets, and the groups it must focus on protecting so they continue to have adequate access to a post office branch at a convenient location.

These findings also show the value of the UK government access criteria which underpins these higher satisfaction scores. We discuss the importance of measuring accessibility in more detail below and how this can be improved to better protect consumers across Northern Ireland.

**Opening hours** is another matter for Post Office Ltd to monitor and improve. While 72% say they are satisfied, 10% say they are dissatisfied and this increases to 14% for those aged 18-34. In this context it is vital that Post Office Ltd improves satisfaction levels and focuses on younger consumers.

## **Quality of Service – Privacy and queuing**

It is also important to improve consumer satisfaction levels with **privacy**. This aspect has the lowest level of satisfaction (58%) and the largest proportion that are dissatisfied (14%). Indeed, the dissatisfaction in this area increases to 20% for those with a disability.

Another area of focus should be **queuing**. In this area, 62% say they are satisfied but 13% say they are dissatisfied. Again, dissatisfaction increases to 17% for those with a disability.

Understanding consumers' attitudes towards the service they receive across the network in Northern Ireland is important for the future sustainability of post office branches. This will help to identify the consumer issues that need to be addressed.

We suggest that Post Office Ltd measures and publishes the consumers' experience of its network across the different operating models. This would cover the areas we have discussed and outlined in Table 3. Additionally, the assessment should cover consumers' views on the range of services available at post offices and whether these meet their needs. We recommend Post Office Ltd carries out an annual assessment.



Table 3. To what extent are you satisfied or dissatisfied with your local post office in terms of...?

	Consumers (n= 1,002)	Older Consumers (n= 246)	With a Disability (n= 303)	Low Income (n = 567)	Rural (n = 300)
	Satisfied / Dissatisfied (%)	Satisfied / Dissatisfied (%)	Satisfied / Dissatisfied (%)	Satisfied / Dissatisfied (%)	Satisfied / Dissatisfied (%)
Convenience of location	81 / 6	87 / 6	80 / 9	79 / 6	80 / 4
Ease of access into the premises	81 / 6	86 / 7	78 / 11	79 / 7	83 / 4
Customer service	78 / 6	78 / 9	73 / 11	78 / 6	81 / 4
Staff knowledge	77 / 3	85 / 6	73 / 5	75 / 3	81 / 3
Suitability of the premises	75 / 5	74 / 9	73 / 6	73 / 3	73 / 7
Opening hours	72 / 10	83 / 7	73 / 9	73 / 8	72 / 9
Queuing	62 / 13	62 / 14	57 / 17	62 / 11	63 / 10
Privacy	58 / 14	56 / 18	56 / 20	58 / 12	52 / 11



## 7. Consumer Access and Challenges

### Affordability of the universal postal service

Affordability is a key feature of the universal postal service, provided by Royal Mail, and this feature is important to consumers. For instance, our research shows that 78% of Northern Ireland consumers say affordable letter prices are important to them and only 8% say this is not important<sup>21</sup>. Additionally, 78% of Northern Ireland consumers say affordable parcel prices are important to them and only 6% say this is not important<sup>22</sup>.

The Post Office network in Northern Ireland is a vital access point to the universal postal service for consumers. Again, our research shows that 84% of consumers say access to a post office is important when deciding to use Royal Mail, with only 4% saying this is not important<sup>23</sup>. Indeed, 92% of those aged 60 and over say access to a post office is important and only 1% say it is not important.

This underlines why consumers need affordable prices at a post office.

The second-class service represents the most basic products for consumers, so they have access to an affordable universal postal service. However, our recent research also shows that too many Northern Ireland consumers currently have affordability issues with these basic services. For instance, focusing on small parcel prices which are the cheapest products, 46% have affordability issues with the minimum cost of sending a second-class small parcel at a post office, and 34% have affordability issues with the minimum online cost of sending a second-class small parcel. This is an important point as consumers pay different prices depending on where they buy the parcel service. The minimum cost of sending a small parcel by 2nd class post at a Post Office in February 2022 was £3.20 and £2.90 when buying postage online with Royal Mail<sup>24</sup>.

<sup>21</sup> Social Market Research. Consumers' views on and experience of the postal service. February 2022. Question: How important or unimportant are the following to you when deciding to use Royal Mail to send letters and parcels within the UK? - Letter prices are affordable. Base Size 1,002.

<sup>22</sup> Social Market Research. Consumers' views on and experience of the postal service. February 2022. Question: How important or unimportant are the following to you when deciding to use Royal Mail to send letters and parcels within the UK? - Parcel prices are affordable. Base size 1,002.

<sup>23</sup> Social Market Research. Consumers' views on and experience of the postal service. February 2022. Question: How important or unimportant are the following to you when deciding to use Royal Mail to send letters and parcels within the UK? - Access to a post office. Base size 1,002.

<sup>24</sup> Social Market Research. Consumers' views on and experience of the postal service. February 2022. Question: How affordable do you find the current minimum cost of postage for sending small parcels at a Post Office (£3.20)? Base size 1,002.

These affordability issues will negatively affect consumers across Northern Ireland as a greater proportion say the price of sending a small parcel at a post office is unaffordable compared to Royal Mail's online price. Alongside this, Ofcom's recent postal tracker indicates that 88% of consumers in Northern Ireland send parcels with Royal Mail at a Post Office<sup>25</sup>. This helps to emphasize the nature and extent of the issue. This is a risk to consumer access to the most basic element of the Universal Postal Service.

Ofcom has a critical role as the regulator, and it is one aspect it must address as part of its review of the price safeguard cap. Additionally, Ofcom must also take account of those consumers across Northern Ireland that are not online and that are unable to benefit from better online pricing. Ofcom must safeguard consumers' access at post offices with price protection measures.



## Securing the rural post office network for the future

Rural post offices make up most of the network in Northern Ireland. Nearly two thirds (65%) of the network consists of rural branches which is significantly greater compared with the proportion of the rural UK network (54%). Our analysis also shows that 95.9% of the rural population in Northern Ireland is within three miles of their nearest post office.

Additionally, our research shows the importance of post offices to those living in rural areas to provide access to postal services. For instance:

- 81% of rural consumers say access to a post office is important when deciding to use Royal Mail with only 4% saying this is not important.
- 77% of rural consumers used a post office to send letters and buy stamps over the last 12 months.
- 75% of rural consumers used a post office to send parcels over the last 12 months.
- 67% of rural consumers used a post office to return online orders over the last 12 months.
- 50% of rural consumers used a post office to collect parcels over the last 12 months.

<sup>25</sup> Ofcom Postal tracker. QD6. And how did you send these parcels? Please tick all methods you have used to send parcels in the last month - Royal Mail.

However, with lower footfall in the rural network many branches across Northern Ireland would be commercially unviable without the UK government's subsidy payment to Post Office Ltd which helps keep vital rural branches open<sup>26</sup>.

In this context, it is clear that the UK government's network subsidy payment must continue. Without it there would be a significant risk of consumer detriment in rural areas across the UK including Northern Ireland. This would lead to branch closures and loss of consumer access within local communities.

### **Measuring accessibility in Northern Ireland and identifying the gaps**

Measuring the accessibility of the post office network is vital to protect consumers throughout the UK especially those with disabilities, on low incomes and older consumers that live in urban, urban deprived and rural areas. It is also essential that when measuring accessibility, it considers accessibility in the different nations of the UK to help ensure there are equitable outcomes for consumers.



### **UK government access criteria**

The UK government measures accessibility for the Post Office network by setting requirements that:

- 1.** 99% of the UK population are to be within three miles of their nearest Post Office outlet.
- 2.** 90% of the UK population are to be within one mile of their nearest Post Office outlet.
- 3.** 99% of the total population in deprived urban areas across the UK are to be within one mile of their nearest Post Office outlet.
- 4.** 95% of the total urban population across the UK are to be within one mile of their nearest Post Office outlet.
- 5.** 95% of the total rural population across the UK are to be within three miles of their nearest Post Office outlet.
- 6.** 95% of the population of every postcode district are to be within six miles of their nearest post office outlet.

Currently, this accessibility criteria is applied and reported on at a UK level. This means there is scope to mask gaps in accessibility in the different nations. Our analysis of the network in Northern Ireland illustrates this point by showing that only 74.5% of the Northern Ireland population is within one mile of their nearest Post Office outlet compared to the UK performance of 92.5%, a percentage point difference of 18%.

<sup>26</sup> <https://onepostoffice.co.uk/secure/latest-news/general-news/post-office-welcomes-227-million-funding-from-government/>

**Table 4. UK government access criteria - How Northern Ireland compares to the UK**

	UK <sup>27</sup>	NI <sup>28</sup>	% Point Difference
99% of the UK population to be within three miles of their nearest Post Office outlet	99.6%	98.2%	-1.4%
90% of the UK population to be within one mile of their nearest Post Office outlet	92.5%	74.5%	-18%
99% of the total population in deprived urban areas across the UK to be within one mile of their nearest Post Office outlet	99.3%	98.5%	-0.8%
95% of the total urban population across the UK to be within one mile of their nearest Post Office outlet	97.8%	94.7%	-3.1%
95% of the total rural population across the UK to be within three miles of their nearest Post Office outlet	98%	95.9%	-2.1%

Post Office Ltd reports on the accessibility at a UK level for key user groups consisting of small businesses, disadvantaged individuals, individuals with disabilities and those aged over 65. However, similar to the other criteria there is scope to mask gaps in accessibility for these specific user groups in the different nations that make up the UK.

Our analysis on some of these key user groups identifies key differences. The most concerning issue is the significant percentage difference of **Individuals**

**with disabilities** within **one mile** of a Post Office branch and % of the elderly population within one mile of a Post Office branch between the UK and Northern Ireland. In Northern Ireland 79.92% of those with a disability are within one mile of a Post Office branch compared to 95.21% in the UK which represents a difference of 15.29%. Also, in Northern Ireland 69.26% of the elderly population are within one mile of a Post Office compared to 91.62% across the UK, which represents a difference of 22.36% (Table 5).

<sup>27</sup> [The Post Office Network Report 2021](#)

<sup>28</sup> Consumer council analysis of the Post Office Network in Northern Ireland.

**Table 5. Accessibility key user groups - How Northern Ireland compares to the UK**

	UK <sup>29</sup>	NI <sup>30</sup>	% Point Difference
<b>Disadvantaged individuals</b> % of population within <b>one mile</b> of a Post Office branch	98.53%	96.80%	-1.73%
<b>Disadvantaged individuals</b> % of population within <b>three miles</b> of a Post Office branch	99.4%	98.54%	-0.86%
<b>Individuals with disabilities</b> % of population within <b>one mile</b> of a Post Office branch	95.21%	79.92%	-15.29%
<b>Individuals with disabilities</b> % of population within <b>three miles</b> of a Post Office branch	99.82%	98.54%	-1.28%
<b>Elderly Individuals</b> % of population within <b>one mile</b> of a Post Office branch	91.62%	69.26%	-22.36%
<b>Elderly Individuals</b> % of population within <b>three miles</b> of a Post Office branch	99.62%	97.75%	-1.87

This evidence highlights the need to strengthen the current approach to measuring accessibility. Consumers across Northern Ireland can be better protected from the widening of the gaps identified above. This will require analysis and reporting on the Post office network at a national level. This improved approach will improve transparency and would strengthen the existing approach in a way that ensures the different nations of the UK receive more equitable outcomes.

We suggest that Post Office Ltd reports annually at a UK level and for the different nations that make up the UK. This will complement our suggestion above that Post Office Ltd should measure and publish the consumer's experience of its network and the different operating models, again at a UK level and for the different nations.

<sup>29</sup> [The Post Office Network Report 2021](#)

<sup>30</sup> Consumer council analysis of the Post Office Network in Northern Ireland.

### **Consulting and engaging with consumers at a local level, and making the right decisions**

Alongside the strategic oversight around measuring accessibility of the network, consumers must be involved in any required or proposed changes to their local post office service provision.

There will always be occasions when the Post Office network changes at a local level. In this context, it is vital that Post Office Ltd notifies, engages and consults with those affected by any future proposed changes in Northern Ireland. The Principles of Community Engagement plays an important role<sup>31</sup> in facilitating these discussions with the communities affected and it is vital that this approach continues into the future.

This framework ensures consumers, elected representatives and some other representative bodies are informed about changes to and proposals for their local Post Office. It also ensures there is the opportunity for consumers to provide feedback to Post Office Ltd when significant changes are made or proposed to post office provision in local communities.

Post Office Ltd must continue to fully take account of a range of local factors to make sure consumers have adequate access to their post office. It is crucial for Post Office Ltd to:

- understand the local demographics including the elderly population and those with a disability;
- understand local community or political boundary issues;
- assess travelling time to the nearest post office especially in rural areas and the availability of public transport; and
- understand the deprivation levels of the area affected.

These factors complement measuring accessibility at a strategic level. Without adequate consideration of local factors, consumers would be at much greater risk of experiencing detriment, as local barriers could prevent them from accessing post offices which the access criteria would not identify.

<sup>31</sup> [https://www.postofficeviews.co.uk/national-consultation-team/principles-of-community-engagement/user\\_uploads/principles-of-community-engagement\\_june-2018-2.pdf](https://www.postofficeviews.co.uk/national-consultation-team/principles-of-community-engagement/user_uploads/principles-of-community-engagement_june-2018-2.pdf)

### Case Study: Proposed relocation of Duncairn Gardens Post Office<sup>32</sup>

One recent example shows how the Principles of Community Engagement framework for local changes can protect consumers.

This proposal was of great concern to the local community. As part of the consultation process Post Office Ltd met with the local community and elected representatives. In response to the concerns raised, Post Office Ltd decided not to progress with its proposal. This case study provides an example of the value of the engagement and consultation process, and how it can protect consumers.

Additionally, our research<sup>33</sup> shows a significant proportion of consumers across Northern Ireland support Post Office Ltd's engagement and consultation process (Table 6). The significant majority say it is important for Post Office Ltd to tell consumers (76%) about a temporary service interruption, to get feedback (59%) before it reinstates local service delivery in the local area, and to consult the local community (77%) before a decision is reached about the permanent closure of a branch and the local community (77%) before a decision is reached about the permanent relocation of a branch. This shows strong support for at least the current process being maintained.

Considering this evidence, it is vital that there is a robust framework that ensures consumers across Northern Ireland have a voice when there are proposed changes to their local post office.

<sup>32</sup> <https://belfastmedia.com/duncairn-street-post-office>

<sup>33</sup> Social Market Research. March 2022.



**Table 6. How important or unimportant is it for the Post Office to..?**

	Consumers (n= 1,003)	Older Consumers (n= 246)	With a Disability (n= 303)	Low Income (n = 567)	Rural (n = 300)
	Important / Not important (%)	Important / Not important (%)	Important / Not important (%)	Important / Not important (%)	Important / Not important (%)
Tell you about a temporary service interruption	76 / 4	81 / 2	81 / 4	78 / 4	72 / 4
Get feedback before it reinstates local service delivery in your area	59 / 6	63 / 6	59 / 7	58 / 6	57 / 9
Consult with you and the local community before a decision is reached about the permanent closure of a branch	77 / 4	85 / 5	76 / 6	75 / 5	74 / 7
Consult with you and the local community before a decision is reached about the permanent relocation of a branch	77 / 3	84 / 1	80 / 3	76 / 3	75 / 5



## 8. Conclusion

Post offices across Northern Ireland remain a vital outlet for consumers to access postal services including to send letters, parcels, return online shopping and collect parcels.

The location of post offices is a key strength of the network. The convenience of the location alongside is the ease of access into the premises are reflected by the highest satisfaction levels when we surveyed consumers across Northern Ireland. This must continue.



Our research identifies the key opportunities for Post Office Ltd to maintain and develop consumer access by:

- Increasing consumer access to parcel pick up and drop off services for online shopping;
- Improving consumer choice when sending parcels;
- Improving small and micro business choice when sending parcels;
- Contributing to an improved online shopping experience by helping to reduce delivery related restrictions for consumers across Northern Ireland;
- Building on the network's strengths by improving the consumer experience in the aspects of the service provision our research has identified; and
- Introducing an annual assessment of the consumers' experience of its network and the different operating models by carrying out independent research which it makes publicly available.

Our research also identifies the key challenges that will need to be addressed. Too many Northern Ireland consumers currently have affordability issues with second class services, for instance, the minimum cost of sending a second-class small parcel at a post office compared to when buying postage online. These issues must be addressed by Ofcom as part of its review of the price safeguard cap. Effective regulatory price protection measures are essential.

Another ongoing challenge is the sustainability of the rural offices. These outlets are vital for rural consumers and the UK government must continue to make adequate subsidy payments to secure this part of the network's future.

Measuring the accessibility of the post office network is vital to protect consumers throughout the UK especially those with disabilities, on low incomes and older consumers that live in urban, urban deprived and rural areas. However, this must also cover measuring accessibility in Northern Ireland. This can be achieved by Post Office Ltd reporting on the Post Office network at a national level on the UK government's access criteria and its reporting on key user groups including small businesses, disadvantaged individuals, individuals with disabilities and those aged over 65.

The benefit is that this will clearly identify gaps in the network in Northern Ireland and allow for remedial action to be taken.

Alongside this, consumers must be involved in any required or proposed changes to their local post office service provision. It is vital that there is a robust framework that ensures consumers across Northern Ireland have a voice when there are changes or proposed changes to their local post office. Consumers support at least the current approach being maintained. Any changes must be fair and ensure consumers have adequate access to post office outlets. We look forward to continuing to work constructively with Post Office Ltd on strategic considerations that affect the network and on local proposals that affect consumers.



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