

# KEEP THE POST OFFICE CARD ACCOUNT IN PUBLIC HANDS

TO MEET THE DEMAND FOR GOVERNMENT-BACKED, SECURE BANKING, THE **CWU** PROPOSES A POST OFFICE PEOPLE'S BANK



**E**stablishing a Post Office People's Bank provides a clear and practical opportunity for both government-backed banking and a successful sustainable post office network.

The British public is fed-up with privatisation and free-marketeering. With deposits in the Post Office and National Savings and Investments soaring, there is clear demand for government-backed banking. The underlying irony here is that the Post Office used to have Girobank, which was sold off to Alliance and Leicester and has in turn been bought by Santander.

The failure in the banking system could provide the perfect opportunity to strengthen the post office network, revitalising it as the shop front for both government (central, devolved and local) and mail services.

A more immediate concern is the future of the Post Office Card Account (POCA), which is used by some of the most financially vulnerable in society and provides crucial income and stability to the post office network. Currently out to tender, this core service cannot be allowed to fall into private hands regardless of how 'competitive' the tender may be.

The CWU has written to James Purnell, Secretary of State for Work and Pensions, urging him to end the uncertainty of POCA's future. If the Post Office does not win this vital contract then we predict thousands of further closures across the country. This is a scenario that neither communities nor the government can afford. At the same time, we have an opportunity to respond to current needs by extending Post Office banking capabilities which will strengthen the network.

A vibrant post office network must be fully integrated with a modern state-owned mail industry. The CWU opposes any break-up of Royal Mail

and its subsidiary Post Office Ltd and and want to see them invested in as key institutions. There is a fundamental interdependence between Royal Mail and the Post Office which governs each of their success. Royal Mail needs the post office network to meet its universal service obligation and POL remains dependent on the provision of Royal Mail products for a large proportion of its income.

Joined-up government thinking is needed between the Departments for Business Enterprise and Regulatory Reform and Work and Pensions. The heads of these departments, Peter Mandelson and James Purnell, must have a united sustainable vision for the future of the post office network for a solution to work. In addition to the extension of the £150 million social network payment beyond 2011, we believe it should help fund urban deprived as well as rural post offices.

The mail industry is experiencing unfair competition which has brought no benefits to domestic or small business customers. Richard Hooper's report on the UK postal services sector is soon to be published. The CWU is concerned that this will pose a further threat of privatisation to Royal Mail. The post is an area of public and economic interest which must not be undermined by neo-liberal ambitions of chairmen like Allan Leighton.

With the decision on the future of the post office card account and publication of the Hooper report due imminently, the mail industry faces many uncertainties. It is well within the government's power to answer the demand for secure banking, not just through bank bail-outs, but taking the opportunity to use the Post Office to its full potential and backing a People's Bank.

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