

No. 623/2019

25<sup>th</sup> October 2019

Dear Colleagues

## **POST OFFICE: BEIS SELECT COMMITTEE REPORT PUBLISHED FOLLOWING INQUIRY INTO THE POST OFFICE NETWORK**

Further to LTBs 215, 305 and 398/19. The Business Energy and Industrial Strategy (BEIS) Select Committee has today published its report following the inquiry into the Post Office Network earlier this year. We obviously welcome today's report, the clear and strong recommendations and in particular the call on the government and/or Post Office to:

- Reconsider the ill-conceived strategy of privatising Crown Offices
- Fairly reward all hard-working Postmasters
- Involve the CWU in the working group for Postmasters' pay
- Extend the Network Subsidy Payment beyond 2021 giving long term certainty for Postmasters

The full report can be accessed by using the following link:

<https://publications.parliament.uk/pa/cm201920/cmselect/cmbeis/247/247.pdf>

As Branches will be aware, this inquiry came about following the Union's activities including our "Save the Post Office" campaign against Crown Office franchising. The inquiry, which was announced on 5<sup>th</sup> April, received 59 submissions and held two oral evidence sessions in Westminster. Andy Furey gave oral evidence at the first session held on 21<sup>st</sup> May and the Post Office Minister, Kelly Tolhurst MP gave evidence at the second session on 25<sup>th</sup> June.

The CWU submitted two written reports to the inquiry, the second of which focused on Postmasters' pay and our call for worker status and rights to collective bargaining for our Postmaster members. The 12 key recommendations from our first submission and the full report from our second submission ("Supplementary evidence") are attached to this LTB for ease of reference, along with our press release of this morning.

In a press statement released alongside the report (attached), Rachel Reeves MP, Chair of the BEIS Select Committee states:

*“Post offices are a crucial public service and perform a vital social role in our struggling high streets, helping to fill the gaps left by retreating banks. But our Post Office system is under threat. Sub-postmasters are working long hours and struggling to make a living, and the retailers running Post Offices are finding it hard to make them viable. If we want to avoid a bleak future of post-office closures, the Government needs to step forward with a long-term funding commitment beyond 2021 to support the Post Office network.”*

The BEIS Committee press statement also notes:

*“The report is critical of the outcome of the rush to off-load Crown Post Offices, leaving services being handed over to WH Smith, a retailer poorly rated by consumers, with a record of paying suppliers late and who are not accredited to the Living Wage Foundation. **The report disagrees with the strategy of closing Crown Post Offices and recommends the Post Office Ltd and the Government reconsider.**”*

The report is also highly critical of the recent decision by Barclays bank to not sign up to the “Banking Framework 2 Agreement” with the Post Office (despite 27 other banks doing so), which allows Barclays customers to access cash from Post Office counters around the country. This was scheduled to take effect from 8<sup>th</sup> January 2020. However, due seemingly to pressure from various sources including Ministers, MPs, charities and consumers, Barclays announced last night that it was reversing its decision and would now be signing up to the Banking Framework 2 Agreement with the Post Office for the next three years. The associated Barclays press statement, along with the original statement of 8<sup>th</sup> October is attached to this LTB for your information. Also attached is the Post Office’s communication of 24<sup>th</sup> October. Rachel Reeves states the following about Barclays’ decision in the BEIS Select Committee press statement:

*“Barclays has finally read the writing on the wall and caved to public and political pressure to dump this woefully misguided policy. I met with Barclays yesterday and as a Committee we were very keen that they should face proper public scrutiny for their actions. The BEIS Committee has called out this egregious behaviour towards customers and we welcome the fact that Barclays has belatedly realised the game is up on this policy.”*

A further LTB with our full analysis of the BEIS report, in conjunction with our Research Department will follow and any further developments will be reported.

If you have any questions in relation to this LTB, please contact Lea Sheridan - [ls Sheridan@cwu.org](mailto:ls Sheridan@cwu.org).

Yours sincerely

**Andy Furey**  
**Assistant Secretary**

**Terry Pullinger**  
**Deputy General Secretary (P)**

**Dave Ward**  
**General Secretary**