

# Barclays admit defeat

24 October 2019

Barclays Bank have reversed their decision to withdraw access to cash agreement with local post offices. The BEIS Committee report on the Future of the Post Office Network called upon Barclays Bank to stop its customers withdrawing cash from post offices and described the original decision from Barclays as a ‘highly retrograde step’ which hurts vulnerable customers, undermines the Post Office network, and hits poorly remunerated sub-postmasters.

- [Read the report summary](#)
- [Read the conclusions and recommendations](#)
- [Read the full report: Future of the Post Office Network](#)

## Chair's comments

Rachel Reeves, Chair of the Business, Energy and Industrial Strategy (BEIS) Committee has responded to the decision:

“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.”

The BEIS Committee report also makes a series of recommendations to address fears that the “fragile” Post Office network could collapse or that services in the future could be hollowed out.

The report urges the Government to come forward urgently with a long-term commitment to support the Post Office network. Given the essential public service it provides, the Committee recommends the Government extend the Network Subsidy Payment beyond 2021 to give long term certainty for sub-postmasters and retailers.

Rachel Reeves, BEIS Chair, said:

“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 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[1]. The

report disagrees with the strategy of closing Crown Post Offices and recommends the Post Office Ltd and the Government reconsider.

The report also highlights the Government's back-tracking on previous commitments to make the Post Office a front office for its services. This has resulted in a reduction in Post Office and sub-postmasters' revenue and income and also, in effect, excluded those who still need face-to-face services. The report recognises the potential for online channels to compliment counter-services but calls on the Government to consider a wide-ranging review to look at how it is providing services and the role that face-to-face provision can play through the Post Office network, especially for vulnerable and hard-to-reach customers who do not have online access.