

# Post office card accounts

## Post Office card accounts and direct payment of benefits

The government is rolling out changes to the way that benefits, tax credits and state pensions are paid:

- Delivery through order books and giro cheques is being phased out, and claimants will instead be paid by direct payments, straight into an account
- 12% of people living in Scotland do not have a bank account. Post Office card accounts offer an alternative form of account for these 600,000 people – including many bureau clients - who cannot or choose not to open a bank account
- Post Office card accounts are simple, designed specifically for the receipt of direct payments. Clients cannot go into debt with a Post Office card account and anyone in receipt of state benefits can open one.

## Problems with Post Office card accounts

Nearly one third of all enquiries brought to bureaux in Scotland relate to social security benefits. Combined with the fact that many bureau clients do not have bank accounts, this means that Post Office card accounts are a significant issue for Scottish bureaux:

- Bureau clients are reporting a variety of difficulties in relation to Post Office card accounts
- The majority of these problems relate to the logistics of actually opening an account – specific concerns are discussed overleaf
- Client evidence demonstrates that these problems are leading to financial hardship and increased anxiety and stress in already vulnerable groups.

Scottish Citizens Advice Bureau (CAB) clients report that difficulties with Post Office card accounts are causing problems such as financial hardship and increased stress

**||** *A West of Scotland CAB reports of a client who found the literature very confusing. She could not hear well enough to use the helpline, so the bureau adviser had to ask questions for her and then transcribe the answers so that the client could understand and remember them.*

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## Current concerns

- The process of opening an account for direct payment of benefits involves too many different stages - Postwatch, the postal services watchdog, has differentiated eight discrete steps in the opening process before an account is activated
- This makes the system overly complex, confusing and labour intensive. This is a particular problem for pensioners, who often end up having to make repeat visits to the post office and citizens advice bureau
- Clients are reporting difficulties with form filling – there is too much documentation, leading to confusion
- The process is also time consuming, with one Scottish bureau noting that it is taking clients an average of six to eight weeks. This is causing financial hardship and additional stress and worry for already vulnerable clients, who are having to claim Social Fund crisis loans to tide themselves over
- The helpline is very busy and often unavailable. Clients with hearing difficulties face additional access problems
- Clients report that Post Office staff are frequently unhelpful or unable to answer their queries. Bureau advisers note a lack of consistency in the advice they receive from helpline staff, when they are able to get through
- Client evidence demonstrates administrative problems, such as letters that refer to an enclosed leaflet that is actually missing
- Some government allowances - such as the Local Housing Allowance and Education Maintenance Allowance - cannot be paid into the Post Office card account, leading to an inconsistency in payment methods.

## CAS calls for change

In order to address the issues raised by bureau client evidence, CAS calls for:

- A simplification of the system for opening a Post Office card account, focusing on a reduction in the number of stages and associated paperwork
- Shorter processing times, so that clients are not caused financial hardship
- Better training for frontline Post Office staff and helpline staff, to ensure accessibility and consistency of advice
- Widening of the service to allow for all government allowances to be available through Post Office card accounts
- More coherent and timely awareness raising, so that clients are making informed choices

These issues should be addressed timeously, so they are resolved before the Government continues to roll-out direct payment to different client groups.

## Case evidence

**||** *A West of Scotland CAB reports that it is having several visits a day from elderly clients who are confused about how to open a Post Office card account. Often, the clients end up making two trips to the Post Office and two to the bureau to complete the process. This makes the process very arduous, particularly for elderly clients with mobility problems.*

**||** *A West of Scotland CAB reports of an adviser who tried to get through to the helpline for over 20 minutes. Once connected, she was informed that she was number 38 in the queue. Taking this long to respond to calls is very off-putting, particularly for clients calling from a phone box or mobile phone.*

**||** *A West of Scotland CAB reports of a client in receipt of Retirement Pension who had just opened a new Post Office card account. His money had been lying in the account for two weeks, but he was unable to access it as he had not filled in the right form to receive his PIN. He did not know where to get this form from, and the Post Office had been very unhelpful.*