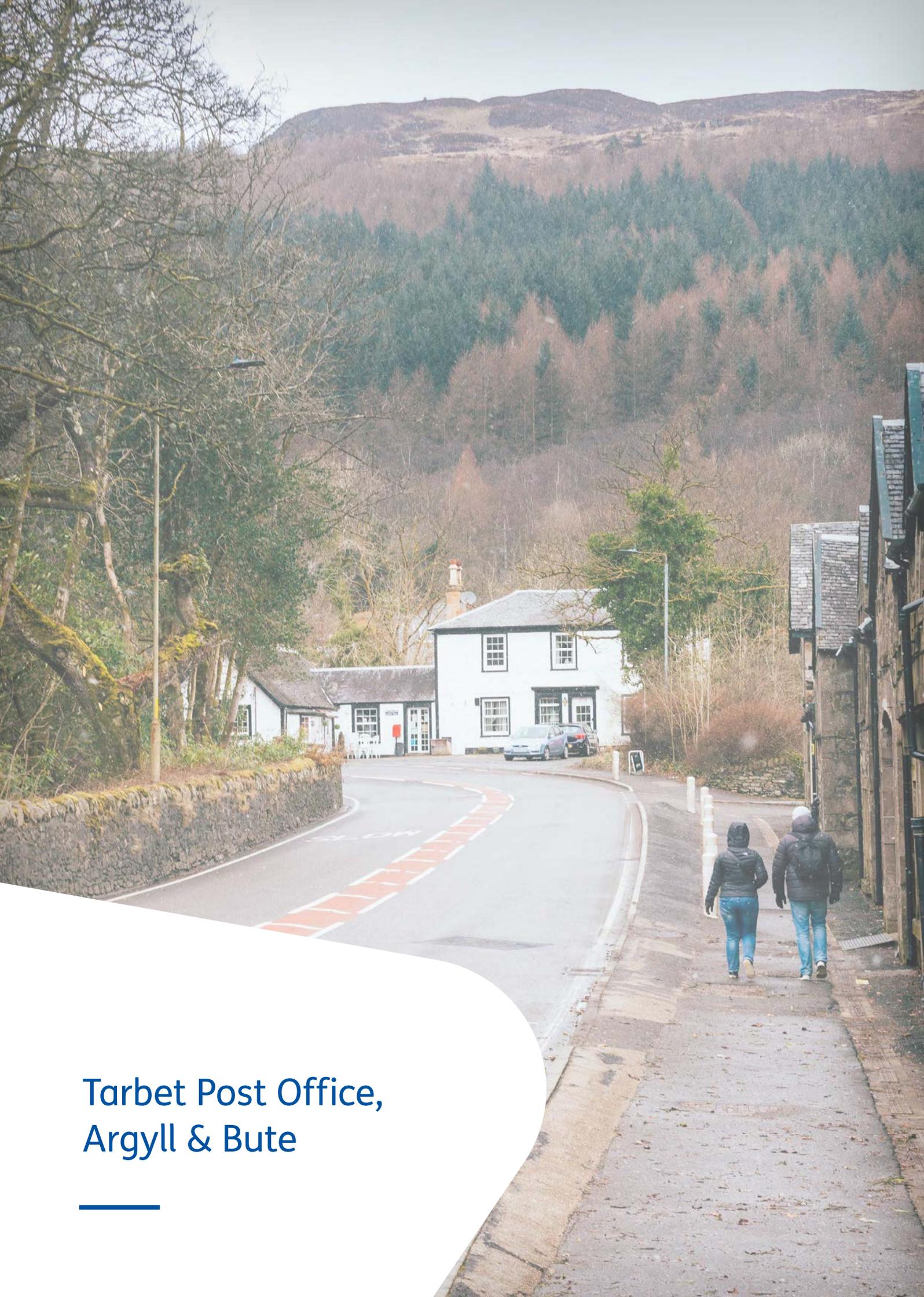


Subpostmaster views on Post Office Outreach services

Insight report

April 2020





Tarbet Post Office,
Argyll & Bute

Contents

1. Executive Summary	4
2. Methodology	7
3. Findings	8
4. Conclusions	14
5. Recommendations	15

Who we are

Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence policy and drive positive change. We are on the side of people in Scotland who need help, and we change lives for the better.

1. Executive Summary

- 1.1** In 2019 Citizens Advice Scotland (CAS) commissioned Ipsos MORI to carry out qualitative research on subpostmasters' experiences of delivering Post Office Outreach services. This research, undertaken with support from the National Federation of Subpostmasters, sought to establish subpostmasters' levels of satisfaction, the challenges and opportunities of the job, and their plans for the future of their Outreach services.
- 1.2** This research was prompted by previous research carried out by Ipsos MORI for CAS which explored consumers' views on Outreach Services. This research found that consumers greatly valued Outreach services and felt they played a vital role in the community.
- 1.3** Fieldwork was undertaken during May-July 2019 and comprised 27 semi-structured telephone interviews with subpostmasters delivering Outreach services in England, Scotland and Wales.



What we found:

1.4 Support from Post Office

An overarching theme identified was the level of support offered by Post Office Limited (POL) to subpostmasters delivering Outreach services. In many respects, subpostmasters felt adequately supported, and there is no sense that POL is neglecting its Outreach services. But in other respects, subpostmasters felt more support could be offered.

1.5 Given that many subpostmasters operate multiple Outreach services in remote locations, losing their services could have a significant impact on consumers and communities, and many services would be hard to replace. It is clearly in the interests of POL for subpostmasters to continue to feel happy in their work, and for the challenges identified in this research to be addressed.

1.6 POL support is a thread that runs through many of the specific themes highlighted below as well as the recommendations at the end of this report.

1.7 Service design and operation

Our research uncovered a mixed picture of service design and operation of Outreach services. In general, subpostmasters felt they had little say over the services they offered, with POL expecting them to provide most of the services available in a bricks and mortar branch. They generally accepted this as they felt that their customers should have access to a wide range of services, but some subpostmasters criticised their lack of choice over the location of Outreach services, identifying problems such as poor conditions and accessibility.

1.8 Use and awareness

The numbers of consumers using Outreach services appeared to vary by location. Subpostmasters generally felt their services were well used but also felt that consumers might be better informed of the range of services they could offer. Subpostmasters used various methods to improve awareness of their services, including leaflet drops, notices in local

magazines and newspapers and, in some cases, websites and social media. Some subpostmasters reported that local communities were actively involved in designing or running Outreach services. Others identified ways in which awareness of their services could be improved, highlighting the need for more advertising and communication with their respective communities.

1.9 Motivation and incentives

A theme that emerged strongly from the interviews was the commitment subpostmasters felt to their work. This stemmed from a feeling of loyalty to their customers and a sense of how important Outreach services were to the communities they served. Most subpostmasters planned to continue running their Outreach services.

“For me, personally, it is quite enjoyable and rewarding being able to service a large part of this county, and being able to provide a service that was non-existent for a period of time.”

Subpostmaster, Mobile service.

1.10 Challenges of the job

Although subpostmasters generally found providing Outreach services enjoyable, many of them expressed dissatisfaction on issues such as workloads, poor equipment, the inaccessibility of some Outreach or delivery locations, and associated security and safety risks. Many also felt that POL provided inadequate technical training and support.

1.11 Financial support

Subpostmasters reported varying levels and types of financial support from POL. There were also inconsistencies with regards to increases in funding, with some Outreach services having recently received an increase and others having not received one for a significant time. Very few subpostmasters were concerned that they would not be able to continue running their Outreach services, but some felt that they were working at service capacity, and that any drop-off in support might compromise the long-term sustainability of the service in their area.

What are Outreach services?

1.12 Post Office Outreach branches are part-time branches that offer services to parts of the UK not supplied by bricks and mortar Post Office branches. Many operate as “pop-up” services in community venues, others out of specially equipped vans. A small number offer door-to-door service. Outreach services do not generally offer the full range of services found in other branches.

1.13 There are four types of Outreach service:

- > **Hosted Service:** A subpostmaster from a neighbouring branch visits a community to provide Post Office services for a set number of hours per week, basing themselves in a community space such as a village hall or shop.
- > **Partner Service:** A Post Office branch operates through a partner business such as a local shop. Post Office services are generally available whenever the partner business is open.
- > **Mobile Service:** A subpostmaster visits a community at set times on certain days of the week in a specially equipped Mobile Post Office van.
- > **Home Service:** A service offered to very small communities, this enables consumers to order some Post Office products and services over the phone. Products are then delivered to the customer’s home or to a local Drop-In location for collection at a set time.

1.14 POL has granted “community status” to its Outreach branches. This means they are supported by the Network Subsidy Payments provided by the UK Government for Post Office branches that are not expected to be profitable. Unlike other subpostmasters, those operating outreach branches receive a flat rate of remuneration on top of transaction-specific fees.

Why are we looking at Outreach services?

1.15 Outreach services have become more important and widely used as the number of physical Post Office branches has declined over the last few years. This has largely occurred as part of POL’s Network Transformation Programme since 2010. As of March 2019 Outreach services numbered 1,633 and accounted for 14% of the UK Post Office branch network, as compared to less than 1% in 2000¹. The change has been most noticeable in remote and rural locations. With its large rural landmass, Scotland has therefore been particularly affected.

1.16 Because of their increasing importance to Scottish consumers, CAS is keen to identify whether Outreach services are delivering what communities need. In 2018 we published our insight report *Keeping communities connected: consumer views on Post Office Outreach services*².

1.17 In our 2019-20 workplan (section 3.1) we identified Outreach services as an ongoing area of focus and planned to complement our 2018 report on consumers’ views with research exploring the experiences of Outreach service providers.

1.18 CAS is aware of the distress and legal and financial problems caused by issues with the Horizon computer system, which as of March 2020 is the subject of the BEIS Select Committee inquiry on Post Office & Horizon. This is not the subject of the current insight report, and was not addressed in our research.

¹ House of Commons Library, Post Office numbers (2020).

² [Citizens Advice Scotland, Keeping communities connected: consumer views on Post Office Outreach services \(2018\)](#)

2. Methodology

2.1 CAS commissioned Ipsos MORI to undertake qualitative research exploring how subpostmasters felt about delivering Outreach services, what challenges they faced, and what was needed for them to offer a consistent or improved level of service for consumers.

Recruitment

2.2 Ipsos MORI adopted a qualitative research approach, conducting 27 semi-structured interviews with subpostmasters providing Outreach services across Scotland, England or Wales.

2.3 As the number of subpostmasters UK-wide is relatively small, no attempt was made to recruit for particular types of community profile. Instead, care was taken to recruit a diverse range of participants, representing all four types of Outreach service.

2.4 Care was also taken to ensure that the subpostmasters interviewed had been operating their Outreach services for varying lengths of time, and were responsible for differing numbers of branches. This ensured a representative sample of all types of Outreach provision.

Interview guide

2.5 Participants were interviewed using a semi-structured discussion guide designed by Ipsos MORI in consultation with CAS and the National Federation of Subpostmasters. Subpostmasters were asked a wide range of questions on the service they offered, including:

- > How they came to operate an Outreach service
- > What type of Outreach branch they provided
- > The frequency of service they offered
- > How many Outreach branches they were responsible for
- > The range of products and services offered at their branch(es)

2.6 Subpostmasters were also asked about the communities in which they operated. These questions gathered information regarding:

- > The popularity of Outreach services
- > Community awareness of their services
- > How they publicised their services

2.7 The interviews also explored subpostmasters' perceptions of the support they received from POL. Questions sought to establish:

- > Whether they felt they were adequately financially supported by POL
- > What training they received to operate Outreach services
- > What technical support was available

2.8 Finally, questions were asked about participants' plans for the future, including:

- > Whether they planned to expand, maintain, or decrease the services they offered
- > Whether their Outreach service was financially viable

3. Findings

3.1 A consistent theme to emerge from the interviews was around the level of support that participants felt they were offered by POL. This can be considered a thread that runs through many of the themes listed below. Given that subpostmasters operating Outreach services deliver a unique service in a range of remote locations, often running several branches simultaneously, it is important that POL values and assists them, and takes seriously the concerns they have raised.

“[I]f we hadn’t [set up the Outreach] it would have meant there would be nothing in the village at all...People would have had to travel to the nearest Post Office which is three and a half miles away. Which doesn’t sound a lot but there is no [regular] bus service there.”

Subpostmaster, Partner service.

3.2 CAS is aware that since or just prior to Ipsos MORI’s fieldwork in May-July 2019, POL

introduced several changes to the support model offered to Outreach branches. These included establishing a new field team, increasing transaction specific remuneration for all subpostmasters, and offering new monthly payments to subpostmasters operating remote Local branches who may also operate Outreach branches. These points are returned to in the conclusion. We are also aware that some subpostmasters interviewed about their technical training might not have been offered the most up-to-date version of that training.

3.3 Besides the overarching theme of POL support, we identified five key themes from participants’ responses: service design and operation; use and awareness; motivation and incentives; challenges of the job; and financial support.



Findings

Design and operation

- 3.4** Outreach branches are intended to mirror as far as possible the range of products and services offered by bricks and mortar Post Offices. All the subpostmasters interviewed provided financial and bill paying services and most provided retail and travel services, though not always the full range. A minority provided government services.
- 3.5** Participants stated that the range of services offered at Outreach services was largely determined by POL, with subpostmasters expected to offer as close as possible to the full range of services offered in a bricks and mortar branch. Most participants were content with this arrangement, believing that consumers should have access to all the services they would find in a traditional branch. Indeed, it was common for participants to note that consumers demanded some services that were unavailable in Outreach branches, predominantly government services.
- 3.6** Outreach services were often located in local areas that had previously been served by a bricks and mortar Post Office branch. Participants stated that the location of hosted and partner services tended to be determined by POL. A range of venues within communities was utilised, often centrally located and accessible for older and disabled consumers.
- 3.7** Several subpostmasters identified a lack of choice over the location of their Outreach venues, though many accepted the lack of options in the communities in question. CAS is also aware that POL is restricted in its location choices by the need for internet connectivity, and the increased hire rates charged by community venues with charitable status. Nonetheless, some subpostmasters felt the venues they had been provided with were in poor condition, were inaccessible, or had poor internet and telephone connectivity.
-
- “[S]omewhere that is available, with decent access for people...and somewhere for us to be able to have our equipment, have all of [our] sockets and everything put in, and be able to have space to set up and also to be warm.”**
Subpostmaster, Hosted service, on his ideal Outreach location.
-
- 3.8** All participants stated that their services were offered on a regular weekly operating schedule. Those who had inherited their service from a previous subpostmaster followed the existing schedule. Some stated that delivery schedules were determined by POL, occasionally with local community input. Some subpostmasters did not know how to contact POL to amend unworkable schedules.

Findings

Use and awareness

- 3.9** Subpostmasters generally felt that their Outreach services were well-known and well utilised, although this depended on the location and type of service. Outreach services tended to have a consistent set of regular consumers, including: older people managing their pensions, local businesses carrying out financial transactions, and younger community members using online retail.
- 3.10** Participants noted that the number of consumers using Outreach services was highly variable. Multiple factors contributed to this, including local population size and Outreach service location. Participants stated that lower footfall sometimes resulted from a service not being centrally located.
- 3.11** Subpostmasters noted that their consumers mainly used Outreach services for postal and financial services, particularly pension withdrawals. Some subpostmasters had recently observed an increase in demand for financial services, which they attributed to the closure of local banks. Others felt that not all their consumers were aware of the range of services they offered.

“We could always increase awareness, because people are just not aware of what we actually do...” Subpostmaster, Mobile service.

- 3.12** Participants linked consumer awareness of Outreach services to levels of promotion. Subpostmasters used various promotional techniques. Most common were paper-based techniques such as distributing flyers and putting up posters. Some subpostmasters used community resources such as magazines and newspapers, and a small number used community meetings and announcements.
- 3.13** Several subpostmasters had included local communities in the design of their Outreach service. This had generally been done either by subpostmasters communicating informally with community members or POL setting up public consultations to seek community input.
- 3.14** There were a few examples of communities organising Outreach services themselves through the purchase of a community space. Participants noted that this was motivated by the loss of multiple services, such as banks, postal services and local stores.
- 3.15** Some subpostmasters felt that their services could be better advertised. Awareness of a service often seemed to depend not on proactive marketing but on the recent closure of a bricks and mortar branch, shop, or bank forcing consumers to actively seek alternatives. Thus, while POL have clearly played a part in consulting with communities on the development of Outreach services, it seems that they could be doing more to help subpostmasters publicise their services, including through social media, and to new demographics.

Findings

Motivation and incentives

- 3.16** Subpostmasters had generally taken on an Outreach service in one of two ways. Some were asked by POL to provide a service, generally in an area close to a Post Office branch they already managed, to replace a bricks and mortar branch. Other respondents inherited an Outreach service from a previous provider.
- 3.17** In general, subpostmasters found providing Outreach services enjoyable and satisfying, and clearly felt that their work was valuable to the local community. This was echoed by consumers, many of whom expressed happiness at still being able to access postal services in their local area.

“[T]he ones that know about it and use it are hugely appreciative...which is nice. [You feel] that sense of reward around genuinely helping someone in their life when they perhaps can’t drive a car.” Subpostmaster, Mobile service.

- 3.18** A less common view was that the Outreach service was part of the subpostmaster’s contractual obligation, and that they were “stuck” with the service.
- 3.19** Subpostmasters generally planned to continue running their Outreach services indefinitely. For many this was linked to the satisfaction that came from fulfilling a vital community role.

Challenges of the job

- 3.20** Although subpostmasters were generally happy in their work, they did raise various concerns regarding the demands of the job. Key issues included: workload, poor equipment, inaccessible locations, and inadequate technical support and training.
- 3.21 Workload**
Many subpostmasters identified their workload as a problem. Many balanced multiple Outreach services with a bricks-and-mortar branch, and some had taken on more Outreach services than initially anticipated, with POL repeatedly requesting that they take on new branches. Some subpostmasters noted that travel and set-up time was not considered by POL when they were asked to take on further Outreach duties, placing unacknowledged pressure on them.
- 3.22 Equipment**
Some subpostmasters offering hosted Outreach services felt that their equipment was bulky and difficult to transport. Furthermore, the Horizon computer system was identified as unreliable and insufficient for purpose.
- 3.23. Inaccessible locations and security concerns**
Subpostmasters operating in remote areas often faced poor weather and road conditions, hindering their ability to reach certain locations. Those providing mobile services from vans also identified adverse weather conditions as a problem, as it meant spending long periods of time in cold vehicles. The remoteness of some services also made several subpostmasters feel vulnerable handling large sums of money.

Findings

3.24 Inadequate technical support and training

All participants had communicated with POL since commencing their Outreach services, although the majority felt that the level of communication was minimal, and the level of training and technical support offered by POL insufficient.

3.25 Participants noted that support was mainly offered through training delivered by POL when they began operating their Outreach services. This covered the basic practical elements of the service and how to use equipment. However, not all participants had received such training and there were significant variations in the length of training and when it was offered. Opinions were mixed on the quality of the training, with some describing it as useful and others finding it rushed and poorly tailored to Outreach services.

3.26 Another form of support identified by participants was the POL helpline, which was primarily used when a day-to-day problem was encountered. Participants reported long waiting times which

often caused them to abandon calls. Furthermore, participants felt that helpline staff were not always equipped to assist with Outreach issues. This suggests that better training on Outreach services is required for helpline staff. One way of raising knowledge levels while bringing down waiting times might be to provide an Outreach-specific helpline.

“If you phone the technical support, they don’t know...obviously the equipment they use for the Outreach is different, but nobody has ever heard of it, nobody knows what you’re talking about. So, it’s like Outreach just doesn’t exist really.”
Subpostmaster, Hosted service.

3.27 The theme of communication from POL was a recurring one, with many subpostmasters noting a lack of regular contact. This was a particular issue for subpostmasters new to delivering Outreach, who were more likely to feel overwhelmed by the challenges involved.



Findings

Financial support

- 3.28** Participants highlighted varying levels of direct financial support from POL and various modes of payment. Likewise, there was a range of views on the support available to cover expenses, with some participants stating that this was available and others claiming that it was not.
- 3.29** CAS is aware that POL offers a Community Branch Development Fund to community status Post Office branches, including Outreach services³. This can be used to fund improvements to branches and promotional activities such as leaflet drops. Our findings suggest that some subpostmasters responsible for Outreach services are not aware of this fund.
- 3.30** A similar inconsistency was reported in relation to pay increases from POL. While some participants had received a pay review and increase, others expressed concern over the long-term lack of increase, despite business costs increasing.

- 3.31** The dominant view from participants was that the finance and pay received from POL did not allow them to make a profit. However, there was also a widespread feeling that, given the vital role Outreach services played, they were not required to be profitable, merely sustainable.
- 3.32** Most participants felt that current funding levels would allow them to continue running their Outreach branches. However, some subpostmasters stated that if POL support were to reduce in any way they would have to seriously question the sustainability of their services.

“I don’t see us wanting to stop it...but I would have to say that if [Post Office Ltd] reduced [their financial contribution], then we would have to have some serious conversations as to whether we could continue.” Subpostmaster, Hosted, Home and Partner services.

³ Post Office Limited, “Community Branch Development Scheme: Introduction to the Scheme”, 2018.



4. Conclusions

- 4.1** All participants recognised the importance of delivering Outreach services and the value that communities placed on the services. There was an understanding amongst participants that their work was vital in areas that had experienced a withdrawal of key services, including traditional Post Offices and banks.
- 4.2** Nonetheless, this research does reveal several areas for improvement. These include issues around Outreach service location, consumer awareness and accessibility of services, workloads and equipment, technical support and training, and financial support.
- 4.3** POL support for Outreach services is a theme that runs through many of these issues. While there is no suggestion that POL is neglecting its Outreach services, based on this research CAS considers that subpostmasters could be better supported in some areas to optimise the service they offer. Given that many subpostmasters operate multiple Outreach services in rural and remote locations, losing their services would be a significant blow to the communities served, and they would be hard to replace. It is clearly in POL's interest to keep subpostmasters contented in their work and to address the challenges we have identified.
- 4.4** Due to the nature of Outreach services the range of issues faced is likely to vary locally. Therefore, if POL is to improve its support for Outreach services it needs to engage closely with subpostmasters so that location-specific issues can be identified and addressed.
- 4.5** At the same time, we recognise that improving Outreach services depends on the Department for Business, Energy and Industrial Strategy (BEIS) and UK Government Investments ensuring an adequate funding settlement for POL going forward so that it can continue

to financially support Outreach services, including through Network Subsidy Payments.

- 4.6** CAS also acknowledges that since fieldwork for this report was completed POL have introduced several changes to their support model for Outreach branches. These include:
- Establishing a field team in April 2019 to visit Post Office branches and address subpostmasters' concerns through networking events, social media groups, emails, newsletters, and update calls.
 - Launching new social media guidelines for subpostmasters in 2019, and providing some ready made content such as images to promote products and services.
 - An increase in transaction-specific remuneration for all subpostmasters from 1 April 2020, including increased fees for processing banking transactions, travel money services, digital passport applications, and Special Delivery services.
 - Offering fixed monthly Remote Support Payments to Local Post Office branches in remote areas from 2019. As the subpostmasters who run remote Local branches will often be responsible for Outreach services as well, supporting them to run their bricks and mortar branches will ensure the sustainability of Outreach branches.

We are also aware that changes have been made to technical training for subpostmasters in the last two years, after many of the subpostmasters interviewed by Ipsos MORI had completed their training. CAS will continue to advocate on behalf of postal consumers and will assess how these changes are helping subpostmasters to provide the best possible service.

5. Recommendations

- 5.1** BEIS and UK Government Investments should ensure that POL receives adequate Network Subsidy Payments going forward so that POL is able to ensure ongoing support for Outreach services. This should include guaranteeing subsidy payments beyond 2021, when current funding arrangements come to an end. Outreach branches are not viable as retail services and should not be expected to perform as such given the vital community role they play.
- 5.2** POL should commit to a concrete programme of engagement with subpostmasters delivering Outreach services to identify issues arising locally and clearly relay administrative decisions and changes in support. These might relate to:
- > Locations for hosted Outreach services
 - > Ideas for improving consumer awareness and accessibility of services, including marketing services through new media and to new demographics
 - > Managing workloads
 - > Problems with equipment and vehicles
 - > Accessing remote Outreach or delivery locations
- 5.3** POL should review its technical support for subpostmasters. This should include ensuring that its helpline staff are properly equipped to deal with issues specific to Outreach services, and that helpline waiting times are not excessive. This may mean establishing a specific helpline service for Outreach branches or making it easier for subpostmasters to access field-team staff with Outreach expertise.
- 5.4** POL should publish clear guidance on how and when funding will be increased or decreased for Outreach branches, so that subpostmasters are clearly informed about future arrangements. It should continue to effectively market all funding schemes and financial support available for outreach services, including the Community Branch Development Fund, to maximise take-up.



Post Office & Store

Community Hall



By Kyle Scott
and Greg Thomas

www.cas.org.uk



@CitAdviceScot



CitizensAdviceScotland

The Scottish Association of Citizens Advice Bureaux -
Citizens Advice Scotland. Scottish charity (SC016637) and
company limited by guarantee (89892)

ISSN 2398-6190 (Print)

ISSN 2398-6204 (Electronic)

