

'They must look after us - or there will be no Post Offices left'

Retailers in Suffolk who run Post Office branches from their shops say they are at breaking point.

Danielle Lett finds out more

For many, the Post Office is an invaluable service - especially in rural towns and villages.

It's a place to post letters and parcels, buy stamps, sort travel insurance and passports, carry out banking (in the increasing absence of high street facilities), and...to catch up on the latest local gossip.

According to official statistics from the Government in a report released earlier this year, there are 11,415 branches in the Post Office network as of March 2021.

But that number is at threat, as scores of sub-postmasters across the country say they are operating Post Office facilities from within their retail businesses at a loss due to low remuneration costs.

This, coupled with a cost of living crisis, spells danger for the service's future.

One sub-postmaster at breaking point is Jeremy Brown.

Since 2007, Jeremy and wife Debbie have operated Hadleigh's First Class Greetings. Within the shop is the town's Post Office - which was in the building when he bought it.

"Most of us have no fixed income, and are paid purely transactions fees for the transactions we do by the Post Office.

"But the transaction fees we are paid are so low that it's insufficient to pay for staff costs, let alone anything towards overheads such as mortgage rates, electricity, or dare I say it, profit.

"I still have to pay my staff and overheads, so my retail business subsidises the Post Office, a wholly-owned government institution. The government says we're an essential service, providing a huge service to our community, as well the business community, but it seems totally inappropriate we are having to

subsidise this out of our own pocket. Essentially, sub-postmasters are paying to have a Post Office in their shops."

In the 15 years that Jeremy has been running his retail business and Post Office, he has noticed what he says is a staggering decline in how much he is remunerated for operating the latter within the former.

"The way we were remunerated when we first started is totally different to how we are now," he says.

"Back in 2007/2008, my income from the Post Office was nearly double what it is now. My wage bill wasn't as big, and I employed more staff, but my wage bill was probably half of what it is now. My Post Office income is 66% of what it was in 2012."

So why aren't sub-postmasters' remunerations rising in line with year-on-year inflation, and in fact going down?

"The government has told us, as part of something started in 2012 called the Network Transformation Programme, they want to reduce the subsidies they pay to Post Office Limited (POL). And that's when they started to cut our remunerations. They wanted the Post Office to make a profit of its own - which it has done, and it's done this by cutting what they've paid us.

"There is an almost certainty, in my opinion, that all Post Offices in the country are being subsidised by sub-postmasters' retail businesses. And some of them don't know it as they don't bother looking at the figures. They think having a Post Office generates footfall, and that it's good for them, but that's not necessarily the case as many transactions we do for the POL we are not paid for.

"Most of my customers think I get a big salary, but I don't get anything except transaction fees. If I sell a second class stamp, for



Jeremy and Debbie Brown outside their post office and retail business
Picture: SARAH LUCY BROWN

instance, I get paid 2p."

And it's not just Post Office services that sub-postmasters like Jeremy offer their local community.

"We used to have two banks in Hadleigh, but now we have none, so I'm the bank and the access to cash. If you're a Barclays business

customer paying in £1,000, their charge for paying in that cash that would be £15. But when I do it, I'm paid £1.20.

"I'm taking all of the risk, counting the cash and making sure there's no counterfeit notes, but if I've missed one, it's me who has to pay for it. It's loss-making

all the way around."

Another Suffolk sub-postmaster who shares similar concerns is Lesley Moore, whose husband runs Needham Market Post Office alongside Coffee Craft 'N' Moore. The duo have four staff within their business - all of whom are Post Office-trained.



“At the moment we’re concerned because we’re not getting a decent remuneration for what we do. And each year, the money for what we do goes down instead of going up – but we’re being expected to do more and more, especially with banks closing,” she says. “It’s a countrywide issue and

affects all Post Offices. I remember Sudbury’s WHSmith closing their Post Office as they knew they couldn’t make money from it, and a chain of convenient shops in Scotland have done the same as it was costing them money. If a business like WHSmith can’t make money from the Post Office, how

do they expect us to? It shows a complete lack of vision or business understanding.”

Both Jeremy and Lesley have sought help, and written to their local MPs and the Post Office itself.

“I received a very disappointing reply, which said that enquiries

Post Office response

A spokesperson from the Post Office has responded and said: “At the end of August we announced a significant package of changes to remuneration and a one-off lump sum to get money to postmasters as quickly as possible. We are doubling the per transaction payment to postmasters for banking deposits which is a significant move considering there were over 5 million cash deposit transactions in July alone. We’re also doubling the payment postmasters receive for all Payout transactions, backdated to April 1, and likely to be a method used by Government and councils for any further financial support offered to people over the coming months. “Following a successful four months for our online businesses, particularly travel money and travel insurance, the trading profit we have generated has been used to provide a windfall lump sum payment to postmasters who ensure our brand is strong and trusted thanks to their efforts running branches on the high street.” At the end of August, the Post Office held a conference with postmasters to announce a raft of remuneration changes, and a special one-off lump sum which is says is ‘to help with dealing with the cost of living crisis’. Improvements, taken from a speech delivered by Post

Office CEO Nick Read, are as follows:
In cash & banking:
 We will double the per transaction payment for banking deposits
 We will pay you a fee for each £100 of any cash withdrawal of £500 or more
 And we will pay you for balance enquiries and failed transactions
 All of these improvements will be effective from the start of September trading.
In mails:
 We will introduce an acceptance payment for Click & Drop letters, passing on the full amount of the payment we receive from Royal Mail directly to you.
 Again this will be effective from September trading.
 And for payout:
 We will double the payment you receive for all Payout transactions for the rest of this financial year.
 This will be back-dated to 1 April 2022, so you receive a full year’s worth of this 100% uplift
 To provide you with immediate support in the midst of this cost of living crisis, we will also:
 Pay you a one-off lump sum worth 7% of your Mails and Travel Money remuneration based on the five months of trading already this financial year.
 You will receive this lump sum in your September remuneration.



There are 11,415 branches in the Post Office network

can only come from my own member of parliament. We also received a letter back from Post Office CEO Nick Read who said there’s not much they can do,” adds Jeremy.

“They just don’t seem to take us seriously. They did an emergency conference for us, but it’s just shown they don’t care about us. For instance, they said we will get extra money for cash withdrawals over £500 – but how many people take out more than £500? People will take out £500, but not over,” says Lesley.

“We are part of the community, and have been here for 22 years. We enjoy what we do, but the Post Office needs to look after its postmasters or there will be no Post Offices left.”

Jeremy adds: “The community needs us. But the problem if we were to close, as we can’t go on subsidising it forever with our retail businesses, is that the community may not understand why we’ve closed the Post Office and may boycott our retail businesses. We’re in a complete catch 22 situation.

“Other Post Offices, where they might be classified as the last shop in the village, or a community shop, get a subsidy – which I’m paying for. The government have to come forward and do something if they want to retain our presence on the high street.”

Has your business been affected?
 Email danielle.lett@archant.co.uk