

## Future of the Post Office

Volume 756: debated on Wednesday 13 November 2024

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🕒 1.17pm

**The Parliamentary Under-Secretary of State for Business and Trade** >  
(Gareth Thomas)

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With permission, I will make a statement on the Post Office. Frankly, the Government inherited a Post Office that is simply not fit for purpose, following disinterest from the previous Government, a toxic culture in head office and years of under-investment.

Our top priority remains delivering redress to those affected by the Horizon scandal. We have already taken significant steps to increase the payment of redress, which has nearly doubled under this Government. Let me be clear with the House, though. There are still complex cases to resolve, and we have identified gaps in the compensation process, but we are beginning to make progress. As of 31 October, £438 million has been paid to over 3,100 claimants. In July, we launched the new Horizon convictions redress scheme for victims whose convictions were overturned by legislation, and we have announced our intention to set up an appeals system for the much-criticised Horizon shortfall scheme.

We were clear in our manifesto that we will work to strengthen the post office network in consultation with postmasters, trade unions and customers. The post office network provides critical services that are valued by communities across the whole of the UK. Their essential services go beyond post; they provide access to cash, banking and other financial services too. This Government recognises that access to cash remains particularly important to millions of people across the UK. Through its network of 11,500 branches across the UK, the Post Office continues to provide vital banking services to communities and businesses alike through the banking framework, and to protect access to cash.

I know how highly this House rightly values postmasters and what they provide day in and day out to the communities they serve, but we have to recognise that the Post Office is far from perfect. We have seen this from the evidence given at the inquiry. It is clear that there needs to be a significant cultural change at the Post Office to ensure that it genuinely prioritises the needs of postmasters and delivers customers' needs far into the future. It is also clear that more needs to be done to rebuild trust within the business and with the public who depend on its services. It is also no secret that the business is facing commercial challenges. Nearly half of its branches are not profitable or only make a small profit from the Post Office business, postmaster pay has not increased materially for a decade, and the company has a high cost base and needs to transform its IT system.

Earlier today, Nigel Railton set out his ambition for the future of the Post Office, in his role as its chair. Postmasters have to be placed front and centre of the Post Office, and we agree that the culture of Post Office headquarters, in particular, needs to change fundamentally to deliver that. As part of this, the Post Office plans to reduce central costs and look seriously at other ways to deliver efficiencies, which should enable real-terms increases in postmaster pay.

Mr Railton's ambitions are a new deal for postmasters that puts postmasters at the heart of the Post Office. There will be stronger postmaster engagement in the running of the business. As part of this, a new postmaster panel will be established to enable current postmasters to work with the company to improve the support and training provided to postmasters. The Post Office will also set up a new consultative council that will work with the Post Office's senior management on how these new plans are taken forward, to provide genuine challenge and maintain focus on the needs of postmasters. Mr Railton's plan seeks to make changes to the business, with the ambition of significantly increasing postmaster remuneration, and it sets out an intention to transform the service and support that postmasters receive from the Post Office.

No decisions to close any or all of the remaining directly managed branches have been taken. The Post Office will continue to deliver on the 11,500 minimum branches requirement set by Government. We have made it clear to the Post Office that we expect it to consult postmasters, trade unions and other stakeholders before any individual decisions are taken. Aspects of the plans are also subject to Government funding and the outcomes of the upcoming spending review.

Lastly, we have already set out our plan to publish a Green Paper to consult the public on the long-term future of the Post Office, not least on how it should be governed after a decade of decline. Doing nothing at the Post Office is simply not an option. There is more work to be done, but there has to be change. I commend this statement to the House.

**Madam Deputy Speaker** >  
(Ms Nusrat Ghani)

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I call the shadow Minister.

🕒 1.22pm

**Andrew Griffith** >  
(Arundel and South Downs) (Con)

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I thank the Minister for his statement and for sharing an advance copy with me. Let me add from the Opposition Benches that the victims of the Horizon IT scandal deserve full redress and I welcome the efforts to hasten the roll-out of the payments being made, building on the work of my excellent hon. Friend the Member for Thirsk and Malton (Kevin Hollinrake). I note that we were promised an update on that particular matter by the Government in mid-November. I am not sure whether that was what the Minister was doing today, but please can he undertake to give this House regular updates on such an important matter?

We also welcome the increased focus on postmasters. That is absolutely right. It is, however, with regret that we learn today that the Post Office feels it has no choice but to begin the process of making radical decisions to reduce costs. How has this come about? In common with many other town centre enterprises, the Post Office's costs are skyrocketing. Business rates are going up, national insurance contributions are going up, the threshold at which national insurance becomes payable is going down and its obligations around the minimum wage are going up.

There is a direct line of sight connecting today's announcement and the Chancellor's Budget, yet the Minister did not mention that once in his statement. The chairman of the Post Office himself said in his speech this morning that those changes have made business more difficult for Post Office branches. That is something for Labour Members to consider. Can the Minister guarantee that the Budget has had no impact on this decision? Alternatively, since that is not the case, does he acknowledge that this was the inevitable consequence of the burdens that his Government are placing on businesses, large and small?

Will the Minister tell us when he first knew of the plans set out by the Post Office today and whether he approved the chairman's statement? The Post Office chairman has made it clear that these plans are subject to Government funding, so can the Minister make a commitment from the Dispatch Box today that that funding will indeed be coming, and that we will not face six months of uncertainty while those negotiations continue? Did his Government do an impact assessment to determine the cost of the Budget measures on the Post Office and other local services? If they did that impact assessment, will they publish it, and if not, why not? Were they worried that the Post Office would not like the result? The measures in the Government's Budget were clearly, as we see here today, a jobs tax. After today's impact on 100 high streets, will the Minister go back to the Chancellor and ask her to nix the NICs increase?

This news is yet another pasting in the onslaught on many rural communities. Thousands of our constituents in communities up and down the country will be waiting in trepidation today to discover the fate of their local post office. Those who rely on their post office are often the most vulnerable in society. What guarantees can the Minister provide that, unlike the family farm tax, this is not a further assault on rural communities from this Government? It was under the last Government that we entered into a new partnership with the Post Office to help millions of people to access Government services and support online, enabling them to visit a post office to confirm their identity in person. That guaranteed to those without the internet that they would not be left behind. Can the Minister confirm that there will be no withdrawal of Government services currently provided through the Post Office?

For many, post offices also provide valuable, vital banking services. I am proud of the role the last Government undertook to launch banking hubs across the country. It was a privilege to see the focus of my hon. Friend the Member for West Worcestershire (Dame Harriett Baldwin), working in the Treasury Committee to drive forward that lifeline for communities from Saltash to Kilkeel. It was encouraging to read in Nigel Railton's speech this morning that the Post Office has committed to the significant increase in the number of banking hubs to 500 by 2030. We welcome that. However, the devil is in the detail, especially where this Government are concerned. Has the Minister engaged with colleagues in the Treasury to discuss the impact of today's news on the banking framework negotiations, which are essential to underwrite that roll-out of banking hubs? What support will the Government offer to secure the future of more banking hubs in areas that need them most?

Despite the fact that no one around the Cabinet table has ever set up a business, I would have thought it would be obvious that placing unaccountable burdens on business would push up the cost of wages and employment, and that if they introduced a jobs tax, that would be the consequence. However, that is exactly what this Government have tried to do, and here we are, no less than two weeks later, with our high streets facing the devastating consequences of the Government's decisions.

**Gareth Thomas >**

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I am grateful to the shadow Minister for some of his comments. I am happy to confirm that I will keep the House updated on work around the future of the Post Office, as well as, even more importantly, on the work to ensure that all those sub-postmasters who were the victims of the Horizon scandal get full and fair redress. On that point, I should say at the outset that I have met a series of sub-postmasters who were victims of the Horizon scandal, and each of them certainly left their mark on me. Their stories will stay with me for a very long time, and in that regard I am sure that I speak for the whole House, given the conversations that Members have had with individual sub-postmasters in their constituencies. I am therefore acutely aware of my responsibility, and the Government's responsibility more generally, to follow through on our commitment to speed up redress.

The number of cases that have been settled with full and fair compensation has nearly doubled in the four months since we came into government, compared with the four months before. We have taken a series of additional steps to try to make it easier for sub-postmasters who were the victims of the scandal to get full and fair redress quickly, not least by fixing some payments for those applying under the Horizon shortfall scheme and similarly fixing some payments under the Horizon convictions redress scheme, which we launched back in July.

The hon. Gentleman's wider point about the Budget's impact on the high street sounded like he was replaying his lines from last week's Budget debate. I recall him being the right-hand man to Kwasi Kwarteng, who helped to do huge damage to businesses up and down the country and helped to drive interest rates to a 16-year high, so I gently suggest that he has more work to do to be convincing on his support for businesses.

I hope the hon. Gentleman is willing to take responsibility for another impact, because more than 9,500 bank branches have closed over the past 14 years, which has had a considerable impact on the future of the high street. With Nigel Railton, our plan is to improve banking services and to roll out banking hubs, which I hope will make a significant difference.

On the Budget more generally, given the financial mess in which the Conservatives left the country and given the lack of money set aside for Horizon compensation, I think the hon. Gentleman should be a little more honest to this House about his responsibility for the scale of the mess we inherited.

**Madam Deputy Speaker >**  
(Ms Nusrat Ghani)

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I call the Chair of the Business and Trade Committee.

**Liam Byrne** >

(Birmingham Hodge Hill and Solihull North) (Lab)

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Today is the last day of the Horizon inquiry. I look forward to working with you, Madam Deputy Speaker, and with colleagues across the House to explore appropriate sanctions for those who clearly misled us as the scandal unfolded. I look forward to seeing the Minister and the Minister of State, Ministry of Justice, my hon. Friend the Member for Swindon South (Heidi Alexander), before the Committee on Tuesday 19 November to explore how redress payments can be paid faster.

It is surely right that we aim to grow the top line of Post Office businesses, which has to mean that high street banks contribute more to the core business. What steps can the Minister take to ensure this happens?

**Gareth Thomas** >

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I welcome that the Committee's first act is to look at redress for sub-postmasters who were victims of the Horizon scandal. I will happily appear next week to talk through where we are on compensation payments.

My right hon. Friend is right to say that one of the bright spots in the Post Office's future lies in banking, and the continuing commitment of its sub-postmasters is the brightest spot. With the right support from the financial services industry, there is clearly more that the Post Office could offer on the high street through banking hubs and the post office network. We will work with the Post Office, and the banks have a particular responsibility, given how many bank branches have closed, to work constructively with the Post Office to improve the banking offer on the high street.

**Madam Deputy Speaker** >

(Ms Nusrat Ghani)

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I call the Liberal Democrat spokesperson.

**Sarah Gibson** >

(Chippenham) (LD)

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I also thank the Minister for his statement.

Post Office branches across the UK are a vital part of our local communities and high streets, with millions of people depending on them, especially in more rural areas of the south-west, such as my constituency. The news that 115 branches and around 1,000 jobs could be at risk is extremely concerning. I am pleased to hear the Minister's reassurances, but the organisation needs reform. Local communities cannot be left without the essential services that post offices offer, especially as we see high street banks disappear. The Government must guarantee that local services and post office jobs are protected.

We also urge the Government to take action to set the Post Office on a sustainable footing for the long term. The Liberal Democrats have put forward a proposal for mutualisation of the Post Office, which would give sub-postmasters more independence and control. We should encourage post offices to play a more active role in our local economies, acting, as Members have mentioned previously, as community banking hubs and Government services hubs.

These post offices are often the only non-digital places where a local community can access Driver and Vehicle Licensing Agency services and passport services, or to prepay for their utility bills. These post offices are essential for some of our more elderly and vulnerable residents.

The Government have announced that they are looking into broader reform of the organisation, and they will produce a Green Paper next year. Will the Minister assure the House that these proposals, including mutualisation and strengthening the services provided by post offices, will be properly considered so that we can ensure post offices are fit for the future?

Madam Deputy Speaker, I have a final quick point—

**Madam Deputy Speaker** >

(Ms Nusrat Ghani)

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Order. You only have two minutes.

**Gareth Thomas** >

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I underline that no decision has been taken on any or all the directly managed branches. However, these branches cost significantly more to run than those run by franchisees. We have made it clear to the Post Office that, as it reviews these costs, it must talk to sub-postmasters, trade unions and other stakeholders.

The more general point about ensuring that people in rural areas can access a post office branch is well understood within the Department and across Government. There has been no decision to change the commitment to run 11,500 branches or to change the level of Government funding provided to run the network across the country.

I agree with the hon. Member for Chippenham (Sarah Gibson) that the Post Office can do more. That is one reason why we committed in opposition—and are delivering in government—to rolling out more banking hubs, which will be run by the Post Office. She made an interesting point about digital exclusion and the Post Office's potential to do more in that regard.

Lastly, given my background, I am interested in mutualisation, but I hope the hon. Lady will recognise that there are significant challenges in determining whether mutualisation is a realistic possibility at this stage. One reason for our commitment to publishing a Green Paper next year is to explore these issues in more detail.

**Karl Turner** >

(Kingston upon Hull East) (Lab)

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My hon. Friend is insistent that the Post Office continues to play a vital role in our communities. Given that the Horizon inquiry finishes today, will he say more about how sub-postmasters will now be considered by the Post Office in a way that, frankly, they have never been before?

**Gareth Thomas** >

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Each time I have met a sub-postmaster who was a victim of the Horizon scandal, I have been shocked by the way the Post Office treated them. I am sure other Members share that sentiment, having spoken to sub-postmasters in their constituencies who were also victims of the scandal.

The Post Office's culture must change fundamentally. I welcome Mr Railton's plan to set up both a consultative council, to work with sub-postmasters on the Post Office's commercial future, and a postmaster panel to provide more training and support for postmasters. One of the challenges for the Government, which is why we have committed to publishing a Green Paper, is to think through how we lock in that culture change. My hon. Friend, and indeed other Members, will be very welcome to engage with us during that Green Paper process.

**Bob Blackman** >

(Harrow East) (Con)

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There is a massive difference between Crown post offices and sub-post offices. Crown post offices are more expensive to run: they offer a bigger range of services and they are dedicated to the work of the Post Office. Given those costs, the Minister will know that several Crown post offices in his constituency and in mine are under threat. Will he give a commitment to the House that none of those Crown post offices will be downgraded before the Green Paper is issued and the future of the Post Office is decided?

**Gareth Thomas** >

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As I have already made clear, no decisions have been taken to close any directly managed branch. There is a need to look at the costs that the Post Office incurs going forward, in order to make it fit for purpose over the next five to 10 years. As a result, we will need to look at the future of directly managed branches, but only once Post Office managers have talked seriously with sub-postmasters, trade unions and other key stakeholders, as we have made clear to the Post Office. That is the right way to proceed. We have also made clear we will not change the commitment to provide 11,500 branches, which will ensure everybody continues to have good access to a Post Office branch in every part of the country.

**Mr Clive Betts** >

(Sheffield South East) (Lab)

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During the last Parliament, some time before the Liberal Democrats took up the issue, I met with my constituent, Richard Trinder, the sub-postmaster at Handsworth post office, and, online, with some of his colleagues from across the country. They raised the issue of mutualisation. I brought that up with the previous Post Office Minister, the hon. Member for Thirsk and Malton (Kevin Hollinrake), who gave the matter positive consideration and said he would support it. I note that my hon. Friend the Minister has said exactly the same today. I know it will be some time before we get the fundamentals of the Post Office sorted out, but will the Minister say how he will engage with sub-postmasters? They are key to the issue. We need to work and look with them at how mutualisation might work, and what sort of structures they would like to see created that can make it work positively, going forward.

**Gareth Thomas** >

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I welcome my hon. Friend's question. We need to take a number of steps in order to see mutualisation as a realistic way forward. In the first instance, there has to be a sustained change in Post Office culture about how sub-postmasters are treated. On that, the establishment of the postmaster panel and a consultative council, announced by the chair of the Post Office, Nigel Railton, are significant steps forward. I hope the sub-postmasters in my hon. Friend's constituency will genuinely engage with those bodies. I do not think we can impose mutualisation; it must come up from the grassroots, with the Government being willing to look at that option. The changes that Post Office senior management is looking to make are a good first step in their own right, and have the potential for future positive governance change in the long run. I genuinely encourage my hon. Friend and his sub-postmasters to engage in the Green Paper process.

**Martin Vickers** >

(Brigg and Immingham) (Con)

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One of the post offices on today's list of potential closures is in Grimsby, where many of my constituents work and run businesses. The Minister rightly says that Crown post offices are more costly. I can assure him that the one in Grimsby, for example, could easily operate in much smaller premises or in premises shared with other businesses in the commercial centre of the town. Will the Minister give an assurance that he will ensure the Post Office looks at operating out of alternative premises, and cuts its costs before considering closures?

**Gareth Thomas** >[Share](#)

We have made it clear to the Post Office that it has to talk to sub-postmasters, stakeholders and the trade unions about the costs associated with directly managed branches. We are committed to the requirement to ensure there is easy access to a post office branch for every community, up and down the country. We want the Post Office to continue to talk to people who want to run post offices in their communities, and we continue to encourage it to do so.

**Clive Efford** >

(Eltham and Chislehurst) (Lab)

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I am a veteran of virtually every debate, urgent question and statement on this issue over more years than I dare to mention. I welcome the statement by my hon. Friend the Minister, but it is disappointing to read some of the comments about the process for sub-postmasters to apply for compensation. We hear about people who have been repeatedly asked for the same information time and again. They are being asked to provide information that is 20 years old and to respond to questions they cannot answer because the Post Office has confiscated the documents and not returned them. The solicitor who represents those postmasters says that the system is designed to wear them down. I gently ask the Minister, what we can do to improve this process for the postmasters?

**Gareth Thomas** >[Share](#)

My hon. Friend makes a strong and compelling case. The criticisms that he has just articulated about the compensation process are ones I have heard directly from victims of the Horizon scandal and their legal representatives. We are looking at a series of further things that we can do to improve the compensation process. We have moved more staff in the group litigation order compensation process to help speed up redress for sub-postmasters in that scheme, whose remaining cases are more complex. Perfectly reasonably, people want to see them compensated as quickly as possible. I am optimistic that for claims that come into the GLO scheme before Christmas, we will see significant redress delivered to victims of the Horizon scandal by March.

**Mr Alistair Carmichael** >

(Orkney and Shetland) (LD)

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If sub-post offices are so much cheaper to run than Crown post offices, the Minister may wish to reflect on the fact that that is probably down to the level of remuneration for sub-postmasters. Notwithstanding what he says about no decisions having been made, it would be reassuring to those who rely on post offices and the staff who work in them, including in Kirkwall, which is on the list of those to be considered for closure, if they could be told when that decision will be made. When the Minister talks about consulting postmasters, trade unions and other stakeholders, are we safe to assume that "other stakeholders" include communities and customers? They will be looking for the full range of services and adequate physical space in which to access them.

**Gareth Thomas** >[Share](#)

The right hon. Gentleman is right to bring the House's attention back to the issue of sub-postmaster pay: there has been no material improvement in sub-postmaster pay for over a decade. If we are to see sub-postmasters genuinely treated better in the future, addressing the issue of pay is fundamental. I welcome the focus on that by the chair of the Post Office, Nigel Raiton, in his speech today. I gently re-emphasise to the right hon. Gentleman that we remain committed to the Government requirement to deliver 11,500 branches, to ensure that every community has easy access to the post office branch network. Communities will absolutely need to be involved in any decisions about individual branches.

**Dr Rupa Huq** >

(Ealing Central and Acton) (Lab)

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Acton lost its well used and still much missed post office in 2018, but it is home to the first ever urban Post Office-run banking hub. The trend is to co-locate services, but that seems to have drawn a blank—there are too many onerous parts to it, and businesses do not want it. So could the Minister help me investigate ways to merge the two services? The banking hub is the natural home for post office services, as it is owned by the Post Office, and, as a neighbouring MP, he could visit to cut the ribbon when we finally get postal services back to Acton, where they belong.

**Gareth Thomas** >[Share](#)

My hon. Friend has always been a great champion of her constituency. I have visited the banking hub in Acton in a previous life, before the general election. I would be very happy to revisit the post office. I hear her message about co-location and I assure her I will look at that. I am sure she will continue to press me on the future of banking hubs in Acton.

**Jeremy Corbyn** >

(Islington North) (Ind)

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I welcome the Minister's statement and his assertion that the Post Office is a central part of our community. The previous administration of the Post Office seemed to glory in selling off Crown post offices and reducing the service for all of us. Earlier, the hon. Member for Harrow East (Bob Blackman) said that there should be no more closures of Crown post offices. Can the Minister commit to that, and, in the consultation process, consider reopening post offices or extending the Crown post office network to ensure that a variety of services are on offer, and that the post office is central to the life of our high streets and communities all over the country and can play a huge role in the regeneration of our town centres?

Gareth Thomas &gt;

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My right hon. Friend is right to stress the importance of post office branches to the future of all our communities. In that regard, work is required from trade unions and others on highlighting the importance of banking services. I wish that work had been given more attention by my predecessor. *[Interruption.]* With due respect to those on the Opposition Front Bench who are heckling me, it has fallen to this Government to roll out banking hubs in a more significant way. On my right hon. Friend's more general point about directly managed branches, as I have already said to the House, given that they cost significantly more to run, it is right that we look at those costs. No individual decisions have been taken as yet, and we have made it clear to the Post Office that it needs to consult directly with sub-postmasters, trade unions and other stakeholders.

Chi Onwurah &gt;

(Newcastle upon Tyne Central and West) (Lab)

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The Post Office Horizon scandal is probably one of the greatest miscarriages of justice in our history, and I congratulate the Minister on the progress that the Government have made in speeding up compensation payments to postmasters. There was also a huge failure of IT—a failure in IT procurement, IT deployment and IT management—which has undermined public confidence in technology. What steps has the Minister taken to ensure that Fujitsu is held accountable, that the lessons are learned, and that, in the future, post offices have the fantastic technology that they need to support them in their important community role?

Gareth Thomas &gt;

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My hon. Friend makes a crucial point about the future of the Post Office—we must get right the technology that sub-postmasters are expected to use. There were serious problems and delays in the previous Government's efforts to find a replacement for Horizon. We have had to bring in additional consultants to work with the Post Office to bring forward a proper replacement. More generally, on Fujitsu, we expect the Horizon inquiry to bring forward a view about the accountability of particular organisations and particular individuals. We will look at what Sir Wyn's inquiry recommends and then make appropriate decisions on those issues.

Tim Farron &gt;

(Westmorland and Lonsdale) (LD)

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We are deeply alarmed that Kendal Crown post office appears on this list. Three years ago, the previous Government and the previous administration of Post Office Ltd also threatened Kendal Crown post office with closure. We won our campaign to save it, in part because Post Office Ltd conceded that there was not enough space in WH Smith in Kendal to accommodate the post office. That has not changed. Royal Mail may also lose its Kendal sorting office as a consequence of the closure. That has not changed either. What has changed is that two more high street banks—Halifax and Lloyds—have deserted Kendal town centre on the basis, they claim, that the post office down the road will be able to take up the slack. Is this not the time to give guarantees to post offices such as the one in Kendal that they will remain a Crown office for the foreseeable future to support our town and our economy?

Gareth Thomas &gt;

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I say gently to the hon. Member that I absolutely recognise his point about the role that bank branches play in communities such as Kendal and about their retreat from our high streets. The banks have a responsibility to work with the Post Office to make sure that communities can have access to the banking services that they need, particularly those offered through the post office. That is one reason why we want to significantly expand the number of banking hubs. On the hon. Member's point about the post office in Kendal, I simply underline the fact that no decisions have been made about Kendal or any other individual directly managed branch. We expect the Post Office to talk to sub-postmasters, trade unions and other stakeholders about this process, but genuinely I say to him that there are significant additional costs associated with the directly managed branches and it is right that the Post Office looks at that as well.

Jon Trickett &gt;

(Normanton and Hemsworth) (Lab)

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When the Minister said that the Post Office was not fit for purpose, it was hard not to agree with him, given the elite contempt that the organisation has shown for the people who worked for it. It dripped with contempt for ordinary folk. When the Minister meets the new management, will he bear in mind the experience of my constituents? I have 23 former mining villages, with chronic poverty throughout. One after another, the banks have withdrawn from every village and small township in our area. We have 20,000 people without a car and—quite honestly—a crap bus service. Many do not have access to the internet either. The only lifeline that they have is the post offices. Will the Minister ensure that there are no further closures from those villages—a withdrawal by the market or by the state—which worked so hard to create the wealth of our country in the last century?

Gareth Thomas &gt;

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I am acutely aware of the responsibility of Government to ensure that every community has access to a post office branch. That is why we are continuing to provide a £50 million subsidy to the Post Office to maintain the network going forward. It is also why we think the Post Office should do more when it comes to providing banking services—it is one of the potential areas for it to grow its business. In that regard, given the retreat of bank branches from constituencies such as my hon. Friend's, we absolutely think that the banks should work directly with the Post Office to improve the banking offer in all our communities.

**Madam Deputy Speaker** >  
(Ms Nusrat Ghani)

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It would help if the Minister occasionally looked at the Chair and kept his answers short so that we can get everybody in.

**Sir Gavin Williamson** >  
(Stone, Great Wyrley and Penkridge) (Con)

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In my constituency, there is real concern about the loss of more rural and village branches. Can the Minister give us some assurance that he will do everything that he can to preserve this vital link and that he will look at how the Post Office can operate more like a commercial franchise operator, which would support and help postmasters to really maximise their business?

**Gareth Thomas** >

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Absolutely. I recognise that the Post Office has a particularly responsibility to work with sub-postmasters who provide a post office service in rural communities. It is one reason why we remain committed to the requirement to provide 11,500 branches across the UK. One key change that we need to see in the Post Office, and one reason why I welcome the commitments in Sir Nigel Railton's plans today, is the commitment to a consultative council. That will, I hope, help to ensure that the voices of rural sub-postmasters and sub-postmasters more generally are heard much more directly by senior management. I also welcome the idea of a postmaster panel to provide support to sub-postmasters in general, but, in the context of this question, to rural sub-postmasters in particular.

**Amanda Martin** >  
(Portsmouth North) (Lab)

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I welcome the Minister's statement, his actions on the Horizon scandal, and his commitment to the service that the Post Office provides. I also note that the list of 115 proposed closures contains Cosham in my constituency. It is shocking that the Opposition blame this Government for this, given that, under the Conservatives, closure after closure of high street banks in Cosham made post office services even more vital to our community. How will the Minister ensure that postmasters, employees and community voices are heard in the discussions about retaining this vital branch in Cosham, and about the future development and working together of our high streets, banks and post offices?

**Gareth Thomas** >

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I am grateful to my hon. Friend for her question. I hope I can reassure her that when we publish our Green Paper on the future of the Post Office next year, I will welcome the voices of sub-postmasters from Portsmouth, as well as from the rest of the country; that will help us to think through longer-term questions around the future of the Post Office. As I have already underlined a number of times, no specific decisions have been taken about individual directly managed branches. We expect the Post Office to not only look at all its costs going forward but, crucially, consult with sub-postmasters, trade unions and other stakeholders.

**Chris Law** >  
(Dundee Central) (SNP)

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People in my constituency and across Scotland want a post office network from which they can access essential government services, such as their pensions. We frequently hear in this House about the ever-increasing number of bank closures. The minimum of 11,500 post office branches is welcome, but I have heard little from the UK Government about individual branches, other than that there will be consultation. We need more than that; we need guarantees. People across Scotland really want to know what the Government will do to step up. More than 100 closures were announced today. Did the Government play any role at all in that? If not, why were those closures not delayed until after the Green Paper was published?

**Gareth Thomas** >

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Perhaps the hon. Gentleman did not fully hear my answer. There have been no decisions to close any individual directly managed branch. As I have said, significant additional costs come with running a directly managed branch, as opposed to a post office franchise, and it is right that the Post Office look at those costs. To make a similar point to that raised by the right hon. Member for Stone, Great Wyrley and Penkridge (Sir Gavin Williamson), we recognise the responsibility to provide Post Office services to every community in Scotland and across the United Kingdom, so that communities can have easy access to post offices. That has not changed and will not change.

**Josh Dean** >  
(Hertford and Stortford) (Lab)

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I am very pleased to hear my hon. Friend's statement, and to have this discussion about the important role that post offices play in the operation of banking hubs. Our banking hub in Ware is incredibly important to our community, and I thank him for visiting its temporary site earlier this year. Will he commit to returning there with me when it finds its permanent site, hopefully in the very near future?

**Gareth Thomas** >

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I can assure my hon. Friend that I will happily come back to visit his constituency when the banking hub there has a permanent home. I would be delighted to.

**Lisa Smart** >  
(Hazel Grove) (LD)

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Post offices offer more than the sum of their parts, and their loss is felt keenly when branches close, as two have done recently in my constituency, on High Lane and on the Fiveways Parade in Hazel Grove. In both cases, the postmasters felt no longer able to continue in the role, at least in part for commercial reasons. Will the Government take this opportunity to look at strengthening the role of post offices, so that they offer even more local services, and at opening up new funding opportunities to keep these vital services in our communities?

**Gareth Thomas** >

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The situation the hon. Lady describes is exactly why I welcome the fact that the new management of the Post Office is putting the issue of sub-postmaster pay front and centre in its thinking. If we do not do something to shift sub-postmaster pay upwards, we will see more sub-postmasters making the sorts of decisions that she describes. We must do something urgently to address this. The Post Office management and chair are rightly homing in on that question as fundamental to the future of the Post Office. As I have underlined, I think there is more that the Post Office could do on banking; that view is certainly shared by the Post Office senior management team, and we are working directly with them to see what more can be done.

**Madam Deputy Speaker** >  
(Ms Nusrat Ghani)

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If everybody gives short questions—and short answers, Minister—we can get this done in the next 15 minutes.

**Peter Swallow** >  
(Brocknall) (Lab)

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My constituents in Crowthorne are rightly proud of our high street, but as there is no direct access on that street to banking services or a post office branch, they struggle to access vital services. Does the Minister agree that today's announcement highlights the need to roll out more banking hubs, while setting out a viable future for post offices, so that communities such as mine can access the vital services they need?

**Gareth Thomas** >

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I agree with my hon. Friend that we need to see a faster roll-out of banking hubs. Given that the Conservative party sat back and did nothing while 9,500 bank branches closed, the urgency of the task of rolling out banking branches and improving the banking offer through the post office is acutely felt by my Department.

**Dr Kieran Mullan** >  
(Bexhill and Battle) (Con)

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The post office in Bexhill provides vital banking and other services to my constituents, and I have already been contacted by people concerned about its possible closure. Can the Minister ensure that the consultations he keeps mentioning include local communities and service users, and can he guarantee, given Labour's manifesto commitment to strengthen the post office network, that nothing will be done to reduce the scope of post office services available to my constituents, or the time when they are available?

**Gareth Thomas** >

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I can be absolutely clear with the hon. Gentleman: I said no decision had been made on any individual directly managed branch, and that is absolutely true. We are also clear that sub-postmasters, trade unions and communities will have to be consulted about the future of directly managed branches. We want an improvement in the services that post offices can provide; that is one of the reasons for our work on banking services with the Post Office going forward.

**Mr Luke Charters** >  
(York Outer) (Lab)

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I recently met two constituents who are yet to receive compensation as former sub-postmasters. I felt their pain, and I felt that their pain was being compounded by the long-drawn-out process, driving mental anguish for them on a daily basis. Can my hon. Friend update the House on when the appeal system for the Horizon shortfall scheme will be up and running?

**Gareth Thomas** >

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We expect the appeals process that we announced for the Horizon shortfall scheme to be up and running soon—realistically, probably early in the new year. I say gently to my hon. Friend that I share his deep concern that there are so many sub-postmasters who are victims of the Horizon scandal, and who are still to receive their compensation and full and fair redress. We have seen an

increase in the numbers getting redress, but there is more work to do; it is a challenge that we are very much focused on as a Government.

**Sarah Dyke** >  
(Glastonbury and Somerton) (LD)

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Street in my constituency will lose its main high street post office in early 2025. There is a new listing for another post office, but questions around its viability will now obviously arise. Can the Minister tell me how he will ensure that the Post Office is secured on a long-term, sustainable footing, to reassure my communities and rural communities like them that the vital high street services that they rely on will be retained?

**Gareth Thomas** >

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There are a number of elements to securing the future of the Post Office. First, we must look at its commercial operation, which is why an improvement in the banking offer available through post offices, and the commitment of the banks to working with the Post Office to roll out banking hubs, is so important. Secondly, we must look at how we can increase sub-postmaster pay, so that more people are willing to come forward to run post office branches. Thirdly, we must look at the Post Office's costs, and how they can be better managed.

**Tristan Osborne** >  
(Chatham and Aylesford) (Lab)

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I welcome the Minister's statement. In a changing context in which banking hubs are being looked at for places across the country, does he agree that we need to pursue them very aggressively and assertively, and also look at shared provision with local councils— for instance, at using libraries and other centres, so that we can spread the cost and keep these essential services open, where possible?

**Gareth Thomas** >

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I am absolutely open to any idea that will help to speed up the roll-out of banking hubs; I recognise that they are crucial for communities up and down the UK. If he has particular ideas, I am very happy to talk to him about them separately.

**Steff Aquarone** >  
(North Norfolk) (LD)

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I am very pleased that Horning post office in my constituency will reopen later this month, following months of hard work by the local community. That shows that there is an important future for our local post offices in rural North Norfolk, and that future includes supporting bank hubs in our market towns. The people of Holt are looking forward eagerly to the opening of their hub soon. Can the Minister tell me his personal vision for the future of the Post Office, and does that include supporting vital local services in our rural areas?

**Gareth Thomas** >

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I am delighted to hear the news about a post office branch opening in the hon. Gentleman's constituency; that will be of great comfort to his constituents. As I set out, one way in which we can improve the services available to all communities through the post office is better provision of banking services. We are actively working with the Post Office on that. The roll-out of banking hubs will also help to improve the quality of the service that post offices can provide for all our communities.

**Lee Barron** >  
(Corby and East Northamptonshire) (Lab)

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I welcome the assurances that the Minister has given. The Post Office will go about making the 115 potential branch closures and 1,000 job losses either by closing the Crown post office network, or by franchising it off. In Corby, New Post Office Square opened up when the town centre, which had a post office, was rejuvenated. There is now no post office in New Post Office Square, because it was franchised into the back of a shop, and that shop decided not to extend the franchise. We need an assurance from the Post Office that it will not turn around and take the numbers away from us. Does the Minister agree that the Post Office must take into account the Government's priorities for high streets, and ensure that whatever it is planning fits around the Green Paper proposed for next year?

**Gareth Thomas** >

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I hope my hon. Friend will forgive me, but I am not aware of the exact circumstances in his constituency, though I am happy to meet him to talk through them, if he thinks that would be useful. As I hope I have set out, we remain absolutely committed to ensuring that every community has good access to a post office branch and all the services that it provides. That is as true for his constituents as it is for the constituents of Members across the House.

**Helen Margan** >  
(North Shropshire) (LD)

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Oswestry in my constituency is the second largest town in Shropshire and serves a vast rural area stretching into mid-Wales and across north Shropshire. It is digitally excluded because it often does not have adequate mobile signal or broadband services, so the full range of Crown post office services are absolutely essential there. Will the Minister assure me that the full range of Crown post office services will remain in Oswestry, and that the Post Office will take into account the importance of retaining vital services in rural areas, which are being deserted by commercial organisations such as banks?

**Gareth Thomas** >[Share](#)

I am absolutely clear that the Government recognise and accept our continuing responsibility to ensure that post office services are available to every community across the UK, and that there is easy access to a post office branch in rural and urban areas alike; we remain absolutely committed to that. As I said, no decision has been taken to close any individual directly managed branch, but it is right that the Post Office considers all its costs if we are to achieve an increase in sub-postmaster pay. In that regard, and on the hon. Lady's wider point, it is important that the Post Office management consults properly—previous management teams have not always done so—with sub-postmasters, trade unions and other stakeholders.

**Torcuil Crichton** >

(Na h-Eileanan Siar) (Lab)

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I welcome the Minister's comments on the Horizon scandal, which affected sub-postmasters in every constituency, including mine. However, I must express concern about Stornoway post office being on the list of the 115 possible closures. The loss of the main post office would be a dreadful blow for the town, so I urge the Minister and the Post Office to ensure that islanders have full physical access to Crown post office services. All options must be considered—except closure.

**Gareth Thomas** >[Share](#)

As I have said, we are clear about our continuing commitment to ensuring that every community, no matter where in the UK, has access to post office services. That commitment has not changed. Indeed, we want to improve the quality of the offer from the Post Office—hence my comments about banking services. However, if it would be helpful, I would be very happy to meet my hon. Friend to discuss his concerns about his community.

**Jim Shannon** >

(Strangford) (DUP)

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I very much welcome the Minister's commitment to the Post Office compensation—he laid out clearly the way forward, and we were all pleased to hear it. However, I must register my concern that post office branches in Newtownards in my constituency, and in Bangor in the neighbouring constituency of North Down, are poised to close, leaving more than 100,000 people in Northern Ireland with no main post office. That will do nothing but reduce services for the most vulnerable in Northern Ireland and must be strenuously opposed. What steps will be taken between now and the final decision to ensure that the Government do not leave tens of thousands of people without a full service? The Post Office acknowledges the limitations of post office hubs in garages and shops. They cannot cope, so big post offices must remain open.

**Gareth Thomas** >[Share](#)

I welcome the hon. Gentleman's comments, as ever, and I recognise the concerns of his constituents. As I said, we remain absolutely committed to ensuring that every community has good access to post office services going forward, and no decision has been made about directly managed branch closures. If we are to achieve the objective of putting the Post Office on a genuinely sustainable footing and increasing sub-postmaster pay, we must consider all Post Office costs and how we can genuinely deliver, to all communities, a better future for the Post Office. We are doing that, but I am conscious of the strong point that he has made about his constituents.

**Mr Mark Sewards** >

(Leeds South West and Morley) (Lab)

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Residents in Morley are extremely alarmed that Morley post office on Queen Street is one of those that could be closed. Queen Street is the beating heart of Morley, and many people come into the town centre to use the services at the post office before going on to other shops. Bank branches have left our town, too, and on their way out, they pointed at the post office and said, "Don't worry, you've got services there." Well, now we are worried. Will the Minister restate what he has already said several times about no decisions having been made on closures, and will he meet me to talk about what we can do to keep Morley post office functioning?

**Gareth Thomas** >[Share](#)

I will happily meet my hon. Friend. As I have said, no decision to close individual directly managed branches in full has been taken. It is right that the Post Office considers the cost of providing directly managed branches going forward if we are to achieve the objective of putting it on a sustainable footing. However, we are absolutely clear that every community in the UK needs to be able to retain good access to post office services, and we are looking at what else we can do with the Post Office senior management team to improve post office services, not least in banking.

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