

North Yorkshire County Council

Corporate and Partnerships Overview and Scrutiny Committee

Review of cash-based, over the counter banking and Post Office services in rural areas of the county

Background

1. The Corporate & Partnerships Overview & Scrutiny Committee recognised that SMEs are key to the long term sustainability of rural areas, and that the closure of branch banks in rural areas posed a significant risk to their long term future. They also recognised that many older people would be affected by the closures (see paragraph 13).
2. In December 2017 Members agreed to carry out a review of the effect of branch bank closures and the loss of access to face to face banking and ATMs, particularly in rural areas across the county, and to consider the cumulative effect alongside the closure of Post Offices across the county. A list of the available branch banks, ATMs and Post Offices as of December 2017 is shown at Annex A. Since that time there has been a number of further changes and/or closures.

Introduction

3. Access to banking is a basic requirement of any functioning economy. Research¹ into the impact of bank branch closures on local businesses reveals that it often creates additional costs for the wider local economy and for business owners, making it more difficult to manage cash flow and hit productivity.
4. For small rural businesses, many of which are cash-based and operating in largely cash dependent local economies, this typically means being able to easily manage cash flow. To do this, they need access to banking services. Put simply, cash remains the most frequently used payment method in the UK² and those businesses need to deposit their cash safely and securely. It is therefore unsurprising that over three quarters of small businesses continue to use branches for a wide range of services.
5. Rural businesses and cash-dependent businesses are therefore particularly affected by branch closures. The impact on their productivity can be notable e.g. a business owner will have to travel further for the nearest bank branch.
6. In March 2015 the major high street banks, consumer groups and the government signed up to an industry-wide agreement to work with customers and communities to minimise the impact of branch closures and put in place alternative banking services.
7. As a result, the British Bankers Association (BBA) - the trade association for the UK banking sector - agreed a protocol which committed banks to:

¹ Locked Out: The Impact of Bank Branch Closures on Small Businesses", Federation of Small Businesses Scotland, April 2018.

² UK Cash and Cash Machines: 2017 Summary", UK Finance, August 2017.

- Working with local communities to establish the impact of the branch closure, prior to its closure
 - Finding suitable alternative provision to suit individual communities
 - Putting satisfactory alternative banking services in place before a branch is closed. Options for this to include free to use cash machines, the proximity of alternative branches, and Post Office branches and mobile banking arrangements.
8. However, evidence suggests that the replacements put in place following branch closures (mobile banking units and Post Office access) are often inadequate and do not meet the needs of business customers. Added to that, if LINK's plan to reduce the fee paid by card providers to cash machine operators goes ahead³, there is a risk of closure of Free-to-use ATMs, which are an essential part of a thriving local economy.

Initial Information Gathered

9. Closure of Branch Banks

In January 2018, Members met with a Natwest Bank representative responsible for Yorkshire and the Humber, and for managing the engagement process for closure of NatWest branch banks. Whilst not speaking for the industry as a whole, he was able to provide an insight into the processes that are undertaken when a bank is considering closing a branch, and the thresholds applied.

10. As part of his presentation he confirmed:

- There had been a 40% reduction in the number of customers coming in to bank branches over the past 5 years.
- More people were going on-line and using telephony to access banking services and 2017 was the first time that there were more online than branch based transactions.
- 90% of branch bank processes can be undertaken at a Post Office
- Reducing banking hours and changing opening times were considered and trialled.
- Factors that are taken into account include: proximity to other bank branches, ATMs and Post Offices; level of use; and transport links
- The decision to close a branch bank is a commercial one and it has to comply with government guidelines, but there is no industry body or regulator that sets or enforces standards.
- NatWest typically gives 6 months' notice of a closure, compared to the Government Minimum standard of 3 months
- Ahead of a closure NatWest contacts all its frequent customers, often owners of SMEs - NatWest have continued to employ 'SME relationship managers', other banks have not. These provide a direct link with SMEs and usually go to see them at their company site.
- MPs are informed of any closures

³ See: <https://www.link.co.uk/about/news/link-moves-to-secure-future-of-free-atms/>

11. Members also received information from the Rural Services Network (RSN) who confirmed that their next Sounding Board Survey which goes out to all Local Authority Councillors and Parish Councillors will focus on the withdrawal of cash machines and banks from rural areas. The RSN confirmed they plan to use the information they gather from across the country to campaign against further losses/closures.
12. Finally, Members received information provided by Age UK who had previously called for all banks and building societies to work harder to respond to the needs of their older customers. Members noted that while a minority of older people are able to use internet banking, around a quarter (26%) of people aged 65 to 74 and around three-fifths (61%) of people aged 75+ do not regularly use the internet. Many older people also have a strong preference for in-branch banking, with face-to-face services allowing the chance to talk to people – an important component of tackling loneliness, particularly in rural communities. In-branch banking also offers peace of mind and the security of seeing bank transactions take place and receiving a paper record to prove it.
13. Post Office Closures & their link in to Bank Branch Closures
The Post Office has a requirement to provide branches in all parts of the UK in line with national access criteria set by government, and to date the government has protected rural post offices. Research carried out in 2017 confirms the particular importance of post offices to rural consumers and businesses - see Annex B.
14. In April 2018, Members met with the Post Office External Affairs Lead for Scotland and Northern Ireland (previously the External Affairs Manager for the National Post Office Company) who confirmed there were no planned closures of post offices. He also provided an overview of the current situation as follows:
 - There are 11,500 post office branches in the UK - the National Post Office wants to increase this by 2,000
 - Almost 93% of people live within a mile of their local post office, and 99.7% live within three miles.
 - The National Post Office do not run their own post offices other than 200 Crown post offices. All other post offices are commercial ventures run as individual businesses.
 - Closures occur for a number of reasons but they are usually due to contractual issues or commercial issues.
 - An existing agent has to give six months' notice of ending a contract.
 - It is difficult to get someone to take on a post office. The post office field team will try to get a new post office agent up and running as quickly as possible.
 - There are outreach post offices that get additional payments that help in more rural areas.
 - There are also 3,000 community branches that get an additional payment - a community branch is one where there is no shop within half a mile.
 - Community run post offices are an option but they would still need a designated postmaster who would be prepared to be liable for any losses incurred.
 - A 6-year agreement between the Post Office and banks has been in place since 1 January 2017, to provide basic bank branch services particularly over the counter bank transactions for bank customers - both for personal accounts and small business accounts. Banks are obliged to pay for this service and

given the number of previous and upcoming branch closures, it is likely this will be extended.

- There are approximately 2,700 ATMs in the post office network but every post office is in effect an ATM.
 - Standalone post offices were very rarely commercially viable any more. Even a post office with a large catchment area could at best hope to earn income of £14,000 per annum based purely on post office counter services
 - Four years ago the post office network was transformed and modernised and since then efforts had been made to encourage retail.
 - There are over 170 products and services in post offices (postal orders are the only one owned by the post office) - Greater advertising is needed nationally to highlight the services that post offices operate but this is incredibly expensive to do.
 - 2017/18 was the first year that post offices had made money nationally.
15. With respect to changes in the post office network, Members also considered the Post Office's code of practice for public consultation and communication, published in May 2014.
16. Finally, in May 2018 Members received information on an action plan developed by the Finance Industry and the Post Office working with the Treasury and government officials⁴. The aim of the plan is to raise awareness among local communities grappling with bank branch closures, of the day-to-day banking services that bank and building society customers can access at 11,500 Post Office branches across the UK.
17. Members learnt that customers in rural or urban areas with less bank branch coverage are the primary focus of the plan, which seeks to:
- i. Raise awareness of banking services available at the Post Office via regional and targeted localised pilot media campaigns. These will be timed to coincide with Post Office in-branch campaigns across the Post Office network.
 - ii. Support specific communities, including those impacted by bank branch closures, through information leaflets, joint Post Office and bank outreach to communities and improved collaboration between Post Office and banks during any bank branch closures.
 - iii. Promote the Post Office as an integral channel for day-to-day banking, with clear and prominent information for customers in banks' literature, on websites and telephony channels.
 - iv. Provide enhanced support for vulnerable consumers to be developed based on Citizens' Advice best practice guidelines.
 - v. Carry out ongoing monitoring of awareness and confidence in the Post Office counter service.

⁴ <http://www.rsnonline.org.uk/post-office-eases-bank-closure-pain>

Analysis

18. Branch Bank Closures

Members identified a number of concerns, including the lack of any cumulative impact assessment of branch bank closures, and an over reliance on Post Offices to fill the gaps made by those closures.

19. They questioned what type of contracts were in place with Post Offices to ensure the sustainability of banking services once a nearby bank branch had closed, and whether it would be possible to levy greater charges upon the banks for the services provided by post offices, as it may influence their decision making around branch bank closures. They also questioned whether the existing community banker role could be extended to provide accessible banking services from alternative venues e.g. community libraries across North Yorkshire (static and mobile), or whether banks would be able and willing to consider running a joint mobile banking service, perhaps by establishing a multi-bank hub in a building of community use, and what role North Yorkshire County Council's Stronger Communities programme might play.

20. Overall in regard to bank branch closures, Members agreed that:

- Decisions were not taking account of the full impact upon rural communities and the SMEs within those communities, and;
- Assumptions were being made at a local level, about the ability of nearby Post Offices to fill the resulting gap in banking services provision.
- There was little they could do to influence banks from making a unilateral decision to close a branch, made in response to commercial pressures.

21. The Committee were therefore unable to say with confidence that banks were fully considering their 'corporate social responsibility' as part of their decision making around the closure of a branch bank, and highlighted their concern for the number of people that may get left behind without access to banking services, as the move towards a cash-less society and dependence upon on-line technologies continues.

22. Post Office Services

Members recognised that commercial decisions were determining what Post Office services were available. They acknowledged with surprise the low amount of income generated through post office counter services solely, and questioned how best to highlight the services on offer in Post Offices and encourage use of their retail facilities, on the basis that if you don't use it you lose it.

23. They were pleased to note the national action plan developed by the Finance Industry and the Post Office. However, they questioned whether at a local level the true impact of a branch bank closure was being recognised, particularly as in their view; there was a need to balance commercial concerns with community concerns.

24. Finally they questioned what more could be done to enable communities to setup and run their own Community Post Office, and whether Post Offices were adequately funded (and so staffed) to take on the additional work associated with cash transactions when bank branches closed locally.

25. In light of their findings, the Chair wrote to the Secretary of State for Business, Energy and Industrial Strategy, the Secretary of State for Environment, Food and Rural Affairs, and to all North Yorkshire MPs to raise the Committee's concerns about the impact on rural communities and small businesses. The responses received are shown at Annex C.
26. In addition, it was agreed that some additional work was required to conclude the review. Specifically, the Committee agreed to consider:
 - i. Whether Post Offices are adequately funded (and so staffed) to take on the additional work associated with cash transactions when local bank branches close
 - ii. What more could be done to enable communities to set up and run their own 'Community Post Office'
 - iii. Whether libraries (static and mobile) could host banks or banking transactions
 - iv. Whether banks would be able to run a joint mobile banking service
 - v. What role the NYCC's Stronger Communities programme has to play

Additional Information Gathered

27. At a Mid Cycle Briefing held in October 2018, Members received some additional information in response to the further lines of enquiry listed above:
28. i) Are Post Offices adequately funded (and so staffed) to take on the additional work associated with cash transactions when local bank branches close
The response received from the Minister for Small Business, Consumers & Corporate Responsibility (see Annex C) detailed the investment made by the Government since 2010 to modernise and safeguard the Post Office network and the additional funding to be allocated over the next three years to continue that work.
29. The decision regarding staffing lies with the postmaster responsible for individual Post Offices and would be a commercial decision based on activity levels. Furthermore there was no evidence to suggest that the staffing of Post Offices was a problem in rural communities.
30. ii) What more could be done to enable communities to set up and run their own 'Community Post Office'
The post office network is made up of three main post office contract types:
 - Crown post office branches - Those post offices that are managed directly by Post Office Ltd.
 - Agency post office branches: Post offices owned and managed by either an independent postmaster or a larger franchise partner (for example WHSmith or the Co-operative).
 - Outreach services: Typically small part-time branches that may use a village hall or mobile van to provide post office services to communities that might not otherwise receive them.
31. The Post Office is committed to maintaining those branches which predominantly serve smaller, often remote, communities. Although those branches often need extra support to sustain them, they may be the last shop in the village and the

continued funding helps to support and grow them so that they can become hubs of their communities, providing vital retail, banking and Post Office services together.

32. Often a Post Office closure comes as a result of the Postmaster deciding to move on, and no replacement being found. Following a closure, and where there is evidence of need, the Post Office works to identify a solution to restoring post office services to the local communities affected (including banking services). This may be through the provision of an outreach service, but requires a neighboring Postmaster to agree to deliver that service, which is not always possible for a number of reasons.
33. It is important that each affected community works with the Post Office to evidence their need. In line with its Code of Practice, the Post Office carries out a public consultation following the closure of every branch, providing all the necessary information to gather the affected community's views. For example:
 - How suitable a proposed new location is or how suitable the location of the nearest Post Office is, and how easy it is to get there
 - The proposed days and opening hours
 - Whether there are any other local community issues that may be affected by or affect the proposed change
 - Whether there is anything that may make it easier for customers
34. As of July 2018, the Post Office was providing 'outreach' post office services to 1,500 remote rural communities, including those operated out of local buildings, such as village halls or community centres, and a fleet of 59 mobile post office vans serving over 520 communities.
35. There are differing branch models for outreach services -see table below:

Contract Type	Branch Type	Description
Outreach	Hosted	A neighbouring sub-postmaster will visit the village and provide service for a set number of hours a week and will offer the service from a village hall, public house or local shop.
	The Mobile Post Office	Mobile vans visit over 250 villages around the UK at set times and on certain days of the week. These Mobile Post Offices offer almost all of the Post Office services (including banking services).
	Partner Service	The Post Office offers services through a partner – for example a local shop. It means that customers can access over 80% of Post Office services, usually whenever the partner's business is open. This is distinct from the 'Local' models.
	Home Delivery Service	This is a service for very small communities and enables customers to order a reduced range of Post Office products and services over the telephone. The products may either be delivered to a customer's home by the core sub-postmaster or are available for collection by the customer at a local Drop-in Session.

36. Two examples of outreach services across North Yorkshire were identified:

Example 1– Mobile Post Offices & Home Service across Ryedale

In 2008, a number of sub-post offices across Ryedale were closed as part of a national cost-cutting move by the Post Office. They were replaced by outreach vans across Ryedale servicing Foxholes, Huttons Ambo, Allerston, Slingsby & Hovingham, Nunnington, West Heslerton, Hawnby and Terrington – see attached map.

The establishment of a mobile service often presents the best possible solution but requires the identification of a postmaster in the surrounding area who is willing to offer a mobile service in the location. The times at which outreach services are available in a specific village are designed to meet the varying needs of residents, and the times are varied on different days to ensure the service is accessible to as many residents as possible.

Example 2 – Hosted Outreach Service at East Cowton

In April 2018 a new shop opened in East Cowton village – providing a social hub for both the local community and visitors.

With the imminent loss of the village shop and post office, local residents from the village and surrounding area chose to take action. They joined forces to raise funds to save the shop – forming Cowton Community Enterprise Ltd to take it forward. With help of £8,000 from Hambleton District Council's 'Making a Difference Fund' the company bought a portacabin as a temporary home for the new shop - siting it on land shared by the parish council and village hall.

Cash for the Making a Difference fund comes from ongoing cost savings which Hambleton District Councillors can reinvest into their local community. Each scheme must meet one of the council's key priorities – supporting economic growth, improving health and wellbeing, improving access to services and supporting a changing population. Each must also show that there is community involvement and that it represents value for money.

The visiting Post Office is available every Friday afternoon between 1-4pm, offering a wide range of services. The shop is open 7 days a week and there is also a café which originally only opened on Friday afternoons when the pop up Post Office called. However, its opening hours have since increased due to its popularity.

37. iii) Could libraries (static and mobile) host banks or banking transactions

A good example of a library hosting banking services can be found just outside of the county in Yarm. The library, run by Stockton Borough Council, is home to Newcastle Building Society.

38. In 2014, the Council was approached by Newcastle Building Society who were looking for potential co-location sites for small branches in areas not served by a main branch. This fitted well with their strategy of co-locating libraries with other community focused facilities. After careful consideration of a number of library sites, they eventually focused on Yarm as its High Street location meant it was a prime site not only for the library, but also for potential partners. The site had a

small meeting room space that could be re-utilised to accommodate the Building Society. The Building Society team have their own office space and dedicated building society facilities but share the staff facilities with the libraries team.

39. The partnership has brought the advantage of shared marketing, teams working in tandem on events and a really interesting, developing relationship between libraries and the Building Society. Andrew Haigh, Chief Executive of the Building Society was a very strong supporter of the project, recognising it was all about the people and the relationship the Building Society had with the community. He expected the new arrangement would be a win-win for everyone, encouraging more people to visit the library and also enabling the Building Society to better help customers in a friendly environment.
40. Feedback from their customers suggests they have been very appreciative of the new arrangements and both the library and the Building Society have been very impressed with the way the two operations have complemented each other. They imagined that bringing two audiences together would provide new customers for both and certainly, the Building Society in particular has reported many new accounts since the new branch opened in the library. Issues and visits to the library have also risen sharply.
41. This model illustrates the points made in Section 6.2 of Libraries Deliver: Ambition⁵, around planning public library services to meet local needs. It brings in an element of income for libraries and provides a productive relationship, so whilst the co-location of a financial operation such as a building society does provide its challenges, they should not be seen as insurmountable.
42. Here in North Yorkshire, there is nothing to stop a bank or post office co-locating with a library other than logistics and any restrictions placed by the landlord on the use of the building. The Library Service has previously considered it in a few locations but in each case the space and/or security requirements have made it unfeasible to progress, or the rental did not mitigate the impact on the library space.
43. However, there has been some regular 'ad hoc' use by various Credit Unions, and there has been some instances of a community library offering a space i.e. a table in the library, to a bank following a local branch closure. Some were charged for the privilege – in a few cases approaches have been made but negotiations have ended when rents were mentioned. Other Libraries have seen it as a community service so they have allowed free use. In each case it was up to the community management groups to decide on their approach.
44. There are only two in North Yorkshire that have, or will be operational with properly officially occupied space within a library. Both libraries are in larger buildings than most North Yorkshire libraries, so are able to accommodate other services more easily:

⁵ <https://www.gov.uk/government/publications/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021/libraries-deliver-ambition-for-public-libraries-in-england-2016-to-2021#how-well-achieve-this-1>

- Hawes Library has a Post Office in situ as part of the Upper Wensleydale Community Partnership, alongside other services in their building and;
 - Stokesley Library (now known as The Globe) is in discussions with a local building society (as at Yarm).
45. iv) Are banks able to run a joint mobile banking service
No examples or evidence nationally or internationally could be found, of banks engaging in the provision of joint mobile banking services.
46. v) The role of NYCC's Stronger Communities Programme
The Communities Team are able to facilitate and support communities to set up community groups and to run community spaces e.g. libraries, shops, cafes etc. To date this has not included community spaces used in tandem with other services for the delivery of banking services.
47. For the delivery of community led facilities to be successful, there has to be individuals members of the community willing to lead on their delivery. And, there have been a number of success stories across the region. For example, at Hawes where they formed the Upper Dales Community Partnership to run their own post office, police station, library, petrol station and a fleet of community minibuses.

Further Analysis

47. In light of all the additional information provided at paragraphs 28 to 47 above, it was reluctantly accepted that the County Council was not in a position to influence the number of bank branch and Post Office closures across the county.
48. However, noting the importance of ATMs in some of the more rural areas of the county, Member agreed there may be a role for the County Council in sponsoring the introduction of ATMs in areas where there was no longer either a local bank or a Post Office, by locating it in a council owned building.
49. In response, a briefing paper was subsequently provided which gave an overview of the UK's ATM network and deployment, and changes to network coverage across North Yorkshire during 2018 – see Annex D.
50. Members were pleased to note that LINK already provides an online tool for consumer and community groups, local authorities and councils, Members of Parliament and other interested parties to nominate potential ATM sites, and that there was nothing that would preclude a proposed site from being part of a council owned building. Members therefore agreed no further work was required on the review.

Proposed Review Recommendations

28. Having noted the findings from the review, it is suggested that the Committee recommend to the Executive that they:
- a) Endorse the Committee's views in regard to the impact of bank branch closures on local businesses and rural communities.

- b) Highlight the concerns identified by the review to members of the Local Government York & North Yorkshire Partnership Group.
- c) Ask all County Councillors to consider and identify where within their own electoral division an additional ATM might be of benefit to residents, and identify a possible site location (council owned or otherwise) for submission via LINK's online tool.

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Appendices:

Annex A: List of Branch Banks, Post Offices & ATMs across the county as of December 2017

Annex B: Briefing Note on Rural Post Office Use published October 2017

Annex C: Responses to Letters sent to two Secretaries of State & North Yorkshire MPs

Annex D: Overview of LINK Network, Deployment & Coverage across North Yorkshire as of November 2018

**Banks & Building Society Branches, LINK ATMs and Post Offices in North
Yorkshire Market Towns and Large Settlements**

<p>Bedale Barclays (incl. ATM) Skipton Building Society LINK ATMs at Co-op, Tesco and Spar. Free to use. Post office.</p>	<p>Bentham Barclays (incl. ATM) LINK ATM at Spar. Free to use. Post office.</p>
<p>Boroughbridge Barclays (incl. ATM) LINK ATMS at Spar and Morrisons. Free to use. Post office.</p>	<p>Catterick Garrison Lloyds (incl. ATM) Santander LINK ATMs at Poundland, Aldi, Co-op, Tesco and various barracks. Free to use. LINK ATMs at Brewers Fayre, a pizza shop and McDonalds. Charge to use (£1.75 - £1.95) Two post offices.</p>
<p>Easingwold Barclays (incl. ATM) HSBC – closing Nationwide (incl. ATM) Yorkshire Building Society (agency) LINK ATMS at Co-ops and Costcutter. Free to use. Post office.</p>	<p>Filey Barclays (incl. ATM) Yorkshire Bank – closing 3 May 2017. LINK ATMs at Spar, Tesco, Londis, Heron Foods, Millers, and post office. Free to use. LINK ATMs at Brigs Amusements, Holdsworths Amusements and Filey stores. Charge to use (99p - £1.85) Post office.</p>
<p>Glusburn & Cross Hills Barclays (incl. ATM) Skipton Building Society LINK ATMs at Spar, Co-op and Snax 24. Free to use. Post office.</p>	<p>Grassington Barclays (incl. ATM) Skipton Building Society (agency) Post office.</p>
<p>Great Ayton LINK ATM at Co-op. Free to use. Post office.</p>	<p>Hawes Barclays (incl. ATM) Skipton Building Society (agency) Post office in Community Office.</p>
<p>Helmsley Barclays (incl. ATM) Nationwide (incl. ATM) Nat West - ATM only LINK ATM at Costcutter. Free to use. Post office.</p>	<p>Ingleton LINK ATMs in Co-ops and at Marton Arms, Thornton in Lonsdale. Post office in community centre (open Tuesday and Wednesday).</p>

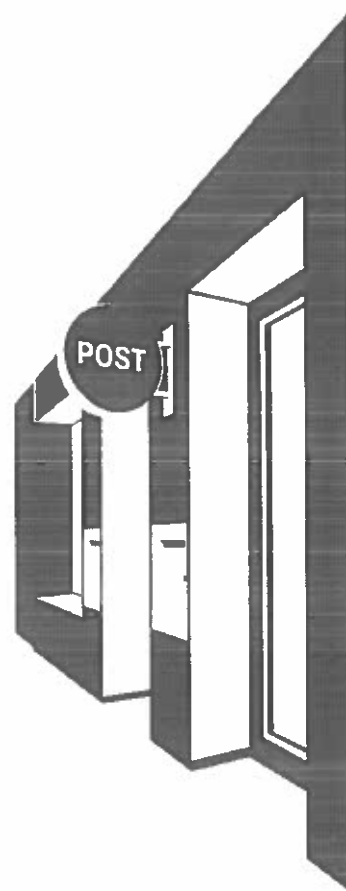
<p>Kirkbymoorside HSBC – closing LINK ATM at Co-op. Free to use. Post office.</p>	<p>Knaresborough Barclays (incl. ATM) Halifax (incl. ATM) Nat West – closing Santander (incl. ATM) Yorkshire Building Society LINK ATMs at Co-op and Sainsburys. Free to use. LINK ATMs at Premiere and Chain Lane stores. Charge to use (£1.50 - £1.65)</p>
<p>Leyburn Barclays (incl. ATM) HSBC – closing Skipton Building Society (agency) Yorkshire Building Society (agency) LINK ATMs at Co-op and One Stop. Free to use. Post office.</p>	<p>Malton Barclays (incl. ATM) Halifax (incl. ATM) HSBC (incl. ATM) Nat West (incl. ATM) Skipton Building Society TSB (incl. ATM) Yorkshire Bank (incl. ATM) Yorkshire Building Society LINK ATMs at Asda, Morrisons, Heron Foods, and One Stop. Free to use. LINK ATM at McColls. Charge to use (£1.99) Post office.</p>
<p>Masham Barclays (incl. ATM) Yorkshire Bank LINK ATM at Co-op. Free to use. Post office in Masham News.</p>	<p>Middleham LINK ATM at Central Stores. Free to use. Mobile post office at Key Centre (not open all week)</p>
<p>Northallerton Barclays (incl. ATM) Darlington Building Society Halifax (incl. ATM) HSBC (incl. ATM) Nat West (incl. ATM) Santander (incl. ATM) Skipton Building Society TSB (incl. ATM) Yorkshire Bank (incl. ATM) Yorkshire Building Society LINK ATM in a number of Co-ops and at Sainsburys. Free to use. Post office.</p>	<p>Pateley Bridge Barclays (no ATM) LINK ATMs at Spar, Costcutter and the Oldest Sweet Shop. Free to use. Post office.</p>
<p>Pickering Barclays (incl. ATM)</p>	<p>Richmond Barclays (incl. ATM)</p>

<p>Nat West (incl. ATM) Yorkshire Bank – closing 4 May 2017. Yorkshire Building Society LINK ATMs at Co-op, Costcutter and Malton Road garage. Free to use. Post office in Morlands newsagents.</p>	<p>HSBC (incl. ATM) Nat West (incl. ATM) TSB (incl. ATM) Yorkshire Bank – closing 20 April 2017 Yorkshire Building Society LINK ATMs at Nisa, post office, N Shaw Ltd, Heron Foods and The Station. Free to use. LINK ATM at McColls. Charge to use (£1.65) Two post offices.</p>
<p>Ripon Barclays (incl. ATM) Halifax (incl. ATM) HSBC (incl. ATM) Leeds Building Society Lloyds Nat West (incl. ATM) Santander (incl. ATM) Skipton Building Society Yorkshire Bank – closing 6 June 2017. Yorkshire Building Society LINK ATMs at McColls, Sainsburys, Nisa, Booths, Morrisons and Co-ops. Free to use. Three post offices.</p>	<p>Selby Barclays (incl. ATM) Halifax (incl. ATM) HSBC (incl. ATM) Lloyds (incl. ATM) Nat West – closing Santander (incl. ATM) Skipton Building Society Yorkshire Bank (incl. ATM) Yorkshire Building Society LINK ATMs at Griffin Hotel, post office, Wilkinsons, Sainsburys, Morrisons, Tesco, Flaxley Road newsagents, Selby college, Co-op and McColls. Free to use. LINK ATMs at Millgate service station, Two Stop Shop, Wishing Well, Three Lakes Retail Park, and Abbeyside filling station. Charge to use. (£1.85 - £1.99) Two post offices.</p>
<p>Settle Barclays (incl. ATM) HSBC (incl. ATM) Lloyds Nat West – closing Skipton Building Society LINK ATMs at Co-op and Booths, Free to use. Post office.</p>	<p>Sherburn in Elmet Nat West – ATM only. LINK ATMs at Spar, Tesco and Co-op. Free to use. Post office.</p>
<p>Skipton Barclays (incl. ATM) Halifax (incl. ATM) HSBC (incl. ATM) Nat West (incl. ATM) Santander (incl. ATM) Skipton Building Society (incl. ATM) TSB (incl. ATM) Yorkshire Bank (incl. ATM)</p>	<p>Stokesley Barclays (incl. ATM) HSBC – closing Nat West (incl. ATM) Newcastle Building Society Santander (incl. ATM) Yorkshire Building Society (agency) LINK ATM in Co-op. Free to use. Post office in Quality Fare.</p>

<p>Yorkshire Building Society LINK ATMs at Tesco, Morrisons, Spar and Rendezvous Hotel. Free to use. LINK ATMs at Rowland Street Stores and Londis. Charge to use. (£1.25 - £1.99) Two post offices.</p>	
<p>Tadcaster Barclays (incl. ATM) Halifax (incl. ATM) Nat West – closing LINK ATMs at Sainsburys and Esso garage. Free to use. Two post offices.</p>	<p>Thirsk Barclays (incl. ATM) HSBC (incl. ATM) Lloyds (incl. ATM) Nationwide Nat West – closing Santander – closing 15 June 2017 LINK ATMs at Heron Foods, Co-op, Tesco, Thirsk Garden Centre. Free to use. LINK ATMs at Bytheway Stores, Thirsk Service Station and Thirsk Racecourse. Charge to use. (£1.65 - £1.99) Post office in Co-op.</p>
<p>Whitby Barclays (incl. ATM) Halifax (incl. ATM) HSBC Nat West (incl. ATM) TSB (incl. ATM) Yorkshire Bank (incl. ATM) Yorkshire Building Society LINK ATMs at Pleasureland Amusements, Millers Amusements, Poundland, Heron Foods, Co-op, Spar, Sainsburys, Eves & Co. Free to use. LINK ATMs at the Board Inn, George Hotel and Heldradale Stores. Charge to use (£1 - £1.85) Three post offices (One in Co-op).</p>	

Rural Post Office Use

How rural
consumers and
small businesses
use post offices



**citizens
advice**

Annabel Barnett

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Summary

Post offices have always been particularly important for rural communities. But in the context of declining mail use and dramatic growth in digital communications, what role do they play today? And do people in rural areas use post offices differently to people based in urban areas?

This briefing note draws on a survey of over 800 rural residents and over 250 small businesses. Although almost all rural residents and businesses use post offices, people in rural areas are visiting post offices less frequently than they did a decade ago (31% visit at least once a week, compared to 56% in 2005). Our research shows:

- **Rural consumers still use post offices significantly more often than urban consumers and they are more likely to use many of the services offered.** Rural residents make greater use of mail services including buying stamps and sending parcels, for example. Post offices in rural areas are also used much more for cash withdrawals (24% of rural consumers, 19% in urban areas).
- **Post offices remain embedded in rural life, providing a range of community and retail services.** These include offering local information, informal support and a place for meeting fellow residents. 7 in 10 rural consumers buy essential items like groceries and food at post offices.
- **Rural small businesses rely on post offices more than their urban counterparts.** Rural businesses make more use of postal and banking services in particular. And the current breadth of the post office network helps their bottom line: 71% of rural small businesses say that without their local post office, their costs for accessing services would rise.
- **The more rural a community, the more important its post office.** 6 in 10 remote rural residents describe the Post Office as 'very' or 'extremely' important to them. They withdraw cash most frequently, are more likely to buy retail goods and make most use of community services.

The Post Office has a requirement to provide branches in all parts of the UK in line with national access criteria set by government, and to date the government has protected rural post offices. Our research confirms the particular importance of post offices to rural consumers and businesses. It is vital that the government and Post Office Ltd continue to maintain the number of rural post offices and ensure they retain their wide range of services.

Introduction

The post office network is a crucial access point to the public postal service.¹ Post offices also deliver other essential services to citizens, including banking services, access to benefits, bill payment and a range of central and local government services. Post offices have long played particularly critical roles in rural areas, frequently described as 'lifeline' and 'essential to the vitality of the local community'.²

But post offices - and the ways in which individuals and small businesses use them - have undergone very considerable change in recent years. These changes reflect the enormous social, economic and technological developments within wider society. A range of factors including the increasing digitisation of communications and transactions, pressure on local retail and ongoing bank branch closures are likely to continue to have a significant impact on service provision.

With an older population and often less choice in service providers, rural residents and businesses may be disproportionately affected by these changes. The post office network with its extensive geographic coverage, is key in providing services in rural and remote areas.

However, the network has been loss-making since 2000, and in order to maintain its size and financial viability, the Post Office is undergoing a major transformation programme, which involves converting traditional branches into new operating models. Many smaller post offices are being integrated into retail premises where they operate for longer opening hours but with a slightly reduced range of services. In addition, the government has committed to 'safeguard the post office network, to protect existing rural services'³ and provides a Community Branch Fund to strengthen branches that may be the last shop in the village serving small, often remote, communities⁴.

As the statutory watchdog for postal consumers, it is our role to monitor matters relating to post office numbers and location. We have particular responsibilities regarding the interests of more vulnerable consumers, including those in rural areas. With the post office transformation programme approaching its conclusion, in this briefing note we look at how consumers and small businesses in rural areas are currently using post offices, and the value they place on them.⁵

¹ Royal Mail, Universal Service Obligation

² Business and Enterprise Committee, Post Offices - securing their future, 2009

³<https://s3.eu-west-2.amazonaws.com/manifesto2017/Manifesto2017.pdf>

⁴ <https://hansard.parliament.uk/commons/2013-11-27/debates/13112751000003/PostOffice>

⁵ Unless otherwise referenced, the figures quoted in this report are from Accent/Citizens Advice, Use of Essential Services Traditionally Provided at Post Offices, June 2017. See Appendix.

In the report, we use the term 'consumer' to refer to citizens (not businesses).

1. Post offices have a unique reach in rural areas

There are significant differences in the ways rural and urban post offices are used.⁶ This is partly for geographical reasons - rural areas are more sparsely populated and less well provided with services than urban areas. But it is also because rural and urban demographics are distinct.

Rural post offices have unparalleled coverage

There are around 11,600 post offices in the UK, with a unique reach across all parts of the country. Rural areas are particularly well-served by post offices, and over half (55%) of the UK's branches are rural.⁷

98.7% of the rural population is within 3 miles of a post office. This exceeds government access criteria that require Post Office Ltd (POL) to ensure 95% of the rural population is within 3 miles of a post office. There is a further requirement that 95% of the population of every postcode district is within 6 miles of their nearest post office, to ensure a minimum level of access for those based in remote rural areas.⁸

The Post Office also has to report on accessibility for particular groups of consumers, including small businesses, lower income consumers, older people and those with disabilities. In 2016, well over 99% of all of these groups were within 3 miles of a Post Office branch. However, ease of use of a post office in practice, particularly in remote areas, often depends on access to transport as well as direct distance.⁹

There are fewer alternative services in rural areas

In many rural and remote areas, post offices are especially important because of the decline in availability of local alternatives providing these services. The number of bank branches has fallen sharply¹⁰, and some have particular concerns about the impact on small businesses in rural areas¹¹. More widely, closures of other services such as pubs¹² and shops¹³ have also affected rural

⁶ Throughout this report we use the Office for National Statistics (ONS) definitions for urban, rural and remote rural areas. See Citizens Advice, [Use of Essential Services Traditionally Provided at Post Offices](#), 2017 (Appendix A).

⁷ Post Office Ltd, [Network Report 2016](#)

⁸ BIS, [Securing the Post Office Network in the Digital Age](#), 2010. Our independent analysis confirms the access criteria were being met in 2017, [Citizens Advice, Access All Areas?](#), 2017.

⁹ This issue is explored further Citizens Advice, [Access All Areas?](#), 2017

¹⁰ From 20,583 in 1998 to 8,837 in 2012, with a further 1,000 branches closing 2012-2016. (House of Commons Library, [Bank Branch Closures](#), 2016)

¹¹ Federation of Small Businesses, [Locked Out](#), 2016

¹² The Campaign for Real Ale [reports](#) 21 pub closures a week in 2016, of which just under half were in rural areas.

areas, especially where alternatives are distant.

Bank and other service closures are driven partly by the changing use of technology. While many consumers in rural areas do use the internet to access services, there are also both physical and behavioural barriers to replacing face to face counter services completely:

- Broadband speeds are generally inferior in rural areas¹⁴
- Older people are less like to use the internet: 78% of those aged 65-74 are online, but only 41% of over 75s.¹⁵

Rural population is different to urban population

Whilst 17% of the UK's population live in rural areas,¹⁶ the rural population is not evenly distributed throughout the country. For example, only 1% of the population of England live in remote rural areas compared to 6% in Scotland.¹⁷

The population of rural areas is significantly older than that in urban areas. For instance in rural areas in England, 24% of the population is aged 65 or over, but in urban areas only 16% are aged 65 or over.¹⁸ This rises to 28% in remote areas of England. However, in the majority of cases where there is a difference in the way post offices are used in rural and urban areas, this is due to rurality rather than age.

¹³ The Rural Shops Alliance [estimates 2,500 village shop closures in the decade to 2014](#).

¹⁴ House of Commons Library, [Superfast Broadband Coverage in the UK](#), 2017

¹⁵ 99% of adults under the age of 34 use the internet.

www.ons.gov.uk/businessindustryandtrade/itandinternetindustry/bulletins/internetusers/2017

¹⁶ data.worldbank.org/indicator/SP.RUR.TOTL.ZS

¹⁷ www.gov.uk/government/publications/rural-population-and-migration/rural-population-201415

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www.gov.scot/Publications/2011/09/29133747/2

¹⁸

www.gov.uk/government/publications/rural-population-and-migration/rural-population-201415

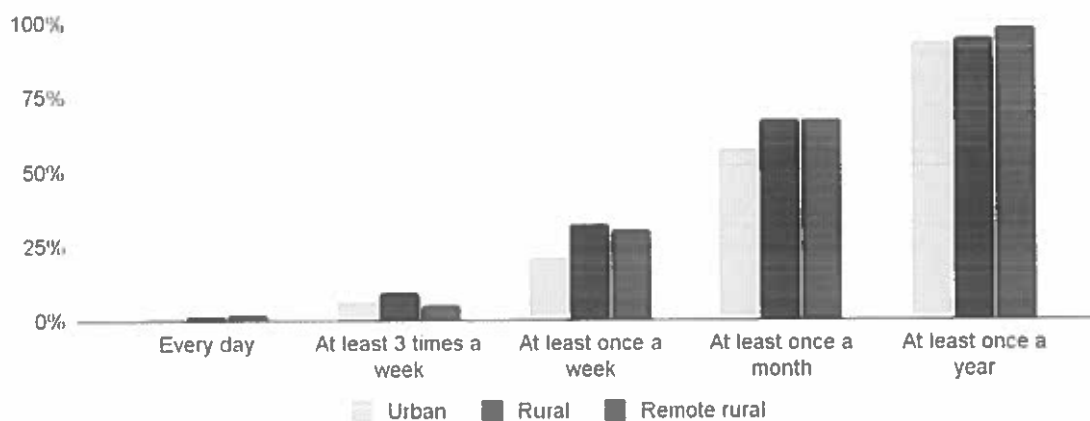
2. Rural consumers visit post offices more frequently

Almost everybody uses a post office at some time, but rural consumers are slightly more likely to use post offices than urban residents. 98% of rural consumers ever use post offices (compared with 97% of urban consumers). People based in rural areas also use post offices more frequently. In both rural and urban areas consumers say that localness or proximity is the most important reason why they choose to use key services at post offices.¹⁹

Rural residents use post offices more often

Rural residents use post offices more often than those in urban areas. Whilst nearly 1 in 3 (31%) rural residents uses a post office at least weekly, in urban areas only 1 in 5 (21%) uses a post office at least weekly. 2 in 3 (67%) consumers in rural areas use a post office once a month or more (compared to 57% in urban areas). Consumers living in non-remote rural areas use post offices slightly more frequently than remote rural residents.

Figure 1. Rural consumers use post offices more frequently



Rural consumers visit most during core hours

Despite a considerable increase in the hours many post offices are open, people overwhelmingly use post offices during traditional opening hours, both in terms of day (Monday to Saturday) and time (9am-5.30pm). As in urban areas, the vast majority of rural (89%) and remote rural (93%) consumers who use post offices visit during traditional opening times. Most people who visit outside traditional hours, visit just outside these times.²⁰

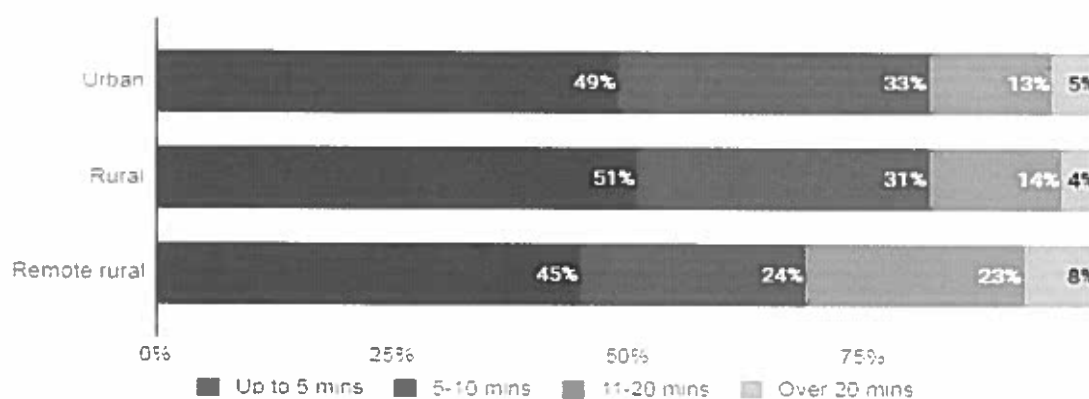
¹⁹ Citizens Advice, *Consumer Use of Post Offices*, 2017

²⁰ 8am-9am or 5.30pm-7pm.

Remote residents have longest journey times

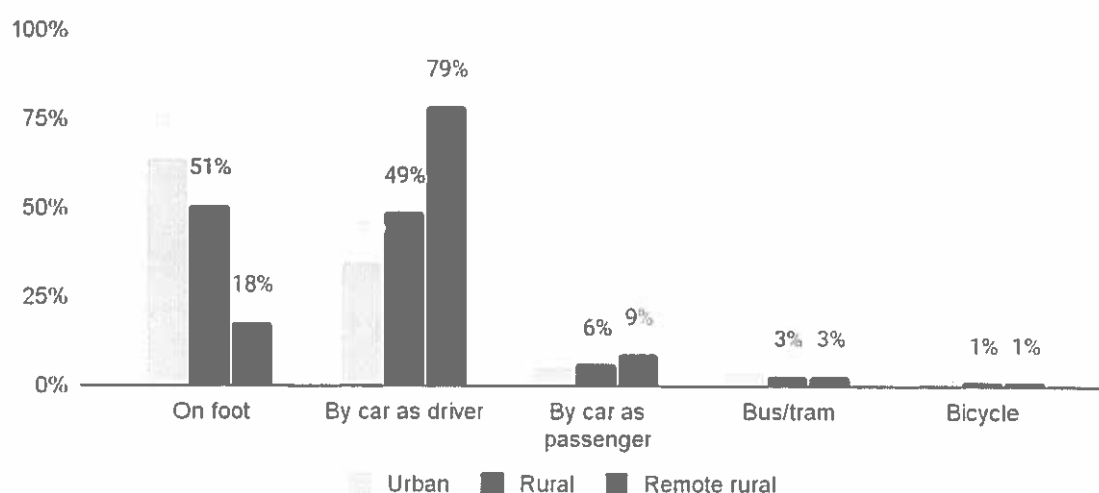
Consumers in non-remote rural areas have very similar journey times to consumers in urban areas. But those in remote areas have longer journey times. Just over half (51%) of customers in rural areas and 45% of those in remote areas are within 5 minutes journey time of the post office they use most. Those in remote rural areas are significantly more likely (31%) to have a journey time of over 10 minutes (18% in rural or urban areas).

Figure 2. Remote consumers have longest journey times



Non-remote and urban consumer journey times are similar despite the greater distance travelled in rural areas, because consumers use different methods of transport. Driving is more than twice as common in remote (79%) compared with urban (35%) areas. Walking decreases with rurality - 64% of urban, 51% of rural and 18% of remote rural post office users travel to the post office on foot.

Figure 3. Remote and rural consumers are more likely to drive



3. Rural consumers use key services more

Post offices provide consumers with a wide range of services including mail, banking and cash services, access to central government and council services and bill payments. Many of these services are available through a range of other channels as well as post offices.

Postal services are used most

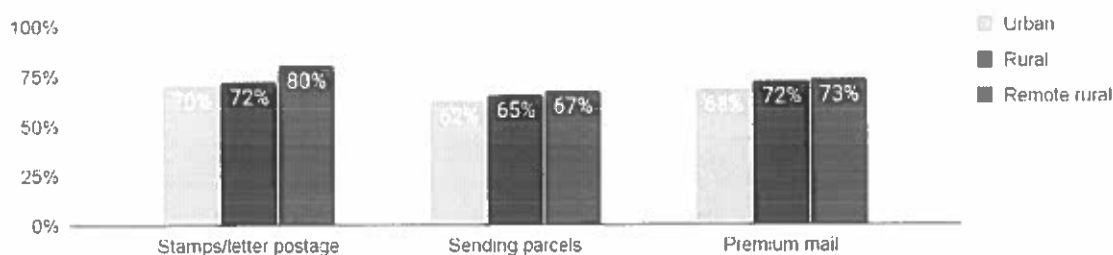
Postal services are the most commonly used Post Office service in rural areas, as in urban areas. Almost all (99%) rural residents who visit post offices use them to access at least one postal service.²¹

However, for key postal services a slightly higher proportion of rural consumers than urban consumers are using post offices. Urban residents are more likely to use non-post office outlets for mail services. Alternative outlets, such as supermarkets selling stamps and parcelshops like CollectPlus, tend to be more accessible in urban areas.

80% of all remote rural consumers, 72% of rural consumers and 70% of urban consumers buy stamps or pay for letter postage at a post office. This difference is partly because the rural population is older, and older people send more letter post than younger people, regardless of where they live.

Rural residents are also more likely than urban residents to send parcels and use premium mail services (Signed For and Special Delivery) at post offices.

Figure 4. Remote and rural consumers use key mail services most



Similar proportions of rural (40%), remote rural (38%) and urban (38%) consumers use post offices to return mail order or internet shopping items. But fewer rural residents than urban residents need to collect mail orders that have not been delivered to them at home/work in general. And a correspondingly

²¹ Postal services: sending 1st or 2nd class letters, stamps, Special Delivery, Signed For, international letters, parcels, mail order returns and collections.

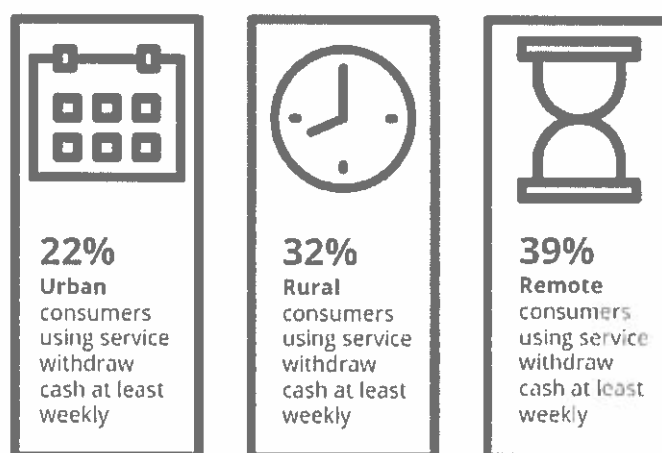
lower proportion of all rural (19%) and remote residents (15%) collect mail order items at post offices.²²

Banking services are used more in rural areas

Post offices are used significantly more for cash and banking in rural areas, than in urban areas. In rural areas nearly 1 in 4 (24%) consumers withdraw cash from their bank account at a post office. In urban areas 1 in 5 (19%) do so. The more remote consumers are, the more likely they are to withdraw cash from post offices weekly, as shown in figure 5 below.

An increasing number of high street banks now offer a broader range of banking services through post offices, and this provision is likely to become more important as rural bank branches continue to close.

Figure 5. Frequency of cash withdrawals increases with rurality



Other banking services at post offices are also used more by rural than by urban residents. 6% of all rural and remote rural residents deposit cheques at post offices (compared with 2% of urban residents). 4% of rural residents and 5% of those in remote areas use a post office to deposit cash (3% in urban areas).

Figure 6. Rural consumers make more use of banking services

Post Office service	Urban	Rural*
Cash withdrawal from bank acct	19%	24%
Cheque deposit	2%	6%
Cash deposit	3%	5%

* Rural = rural and remote rural

²² 21% of urban residents collect undelivered mail order items at post offices.

A considerable proportion of consumers who say they collect their state benefits and pension payments in cash, use a post office.²³ This Post Office service is used far more extensively by rural residents than urban residents. Over 1 in 3 people (36%) in rural areas who collect their payments in cash use a post office counter, but in urban areas only 1 in 5 (21%) do so.

Foreign currency exchange services at post offices are used by nearly 1 in 4 (24%) rural consumers, slightly more than the 22% in urban areas.

Rural and urban consumers use application and payment services in similar ways

Post offices offer access to a range of application services, including government forms, applications for passports and licences and identity checking services. Consumers can also pay utility bills and access some local council services, mainly payment services, at post offices. For the majority of application and payment services, rural residents use post offices in similar ways to urban residents.

Around half of all consumers make use of the Post Office's passport application form checking service, Passport Check and Send - 46% in rural areas and 42% in remote areas. In urban areas slightly more consumers (49%) use Passport Check and Send. The service is only available in larger post offices, which tend to be based in urban areas.

Only 6% of rural residents use a post office for identity checking services, for example when applying for a mortgage, new job or Home Office Biometric Residence permit. In urban areas this rises to 9%, which may reflect the higher usage of these services among under 45s and Black, Asian and minority ethnic consumers who are more likely to be urban residents.

More rural residents than urban residents pay their vehicle tax at a post office. Almost 1 in 4 rural (23%) and remote rural residents (24%) who pay vehicle tax, pay at a post office.²⁴ In contrast only 1 in 5 (19%) urban residents do so. There is little or no difference in the proportions of rural and urban consumers using post offices to pick up government forms²⁵ (48% of rural consumers), access council services²⁶ (5% rural) or pay utility bills (3% rural consumers).

²³ Only 4% of rural consumers say they withdraw their state benefits or pensions in cash at a post office counter. The majority of people who report withdrawing benefits or state pensions in cash use a bank account or bank ATM. The low figure may also be due to people viewing these payments as general money in a bank account, rather than specifically as a pension or benefit payment.

²⁴ 17% of all rural consumers pay for vehicle tax at a post office.

²⁵ For example, application forms for passports, driving licences or fishing rod licences.

²⁶ For example, paying for rent, council tax or parking fines; payments to consumers; obtaining transport passes.

4. Rural consumers use retail and community services

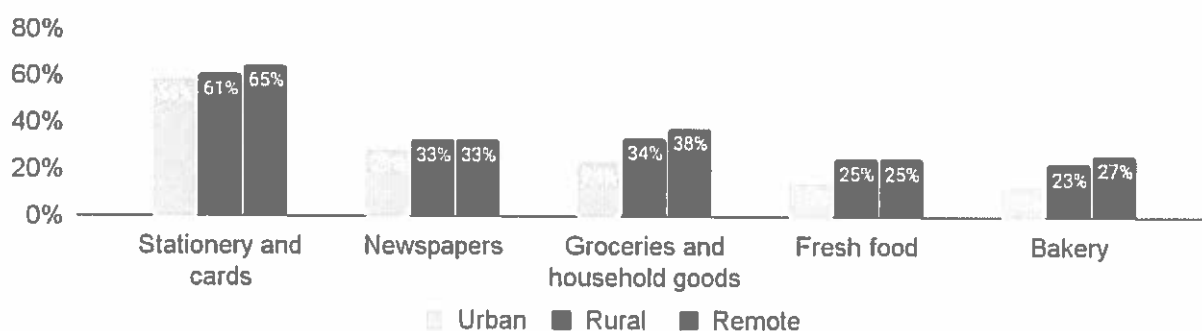
Consumers say they find it useful to be able to access postal and other Post Office services in the same place. People living in rural or remote rural areas are significantly more likely to say that this is very useful - 59% in remote rural and 55% in rural areas, compared with 46% in urban areas.

Rural consumers buy retail goods at post offices

The majority of rural consumers use a post office located within other premises. 6 in 10 rural (64%) and remote rural (60%) residents use post offices co-located or based in the premises of another retailer or enterprise, most commonly a convenience store.²⁷ 54% of urban residents say they use a co-located post office.

The co-location of post offices within retail outlets enables many consumers to buy retail goods in the same premises. This service is particularly well-used in rural areas, reflecting both the greater number of rural post offices based in retail outlets and the lower provision of alternative retailers. Almost 7 in 10 rural consumers purchase non-Post Office retail goods at post offices such as stationery and cards, groceries, household goods, newspapers and fresh food.

Figure 7. Retail goods purchasing increases with rurality



Many rural residents use the community services

As well as offering Post Office and retail services, post offices often play a role in providing more informal and social services ('community services'). These services are more heavily used in rural areas, and most of all in remote communities.

²⁷ Consumers also use post offices based in supermarkets. And less commonly in community centres, chemists, petrol stations, private houses and stationery/book shops.

Overall, 44% of rural post office customers use a post office for at least 1 community service, compared with 33% of urban customers. Post office community services include community information; help and advice; and the provision of a focal point for meeting other local residents.

Community services used by post office customers:

- Information about events and local services: 30% remote, 27% rural, 17% urban
- Place to meet friends and local residents: 31% remote, 26% rural, 16% urban
- Help and advice, such as informal assistance with services, help with state benefits, reading official letters, form filling: 15% remote, 19% rural, 18% urban

1 in 5 post office customers in rural (21%) and remote (22%) areas say they would lose contact with neighbours or friends without their post office.

Figure 8. Rural customers make significant use of community services²⁸



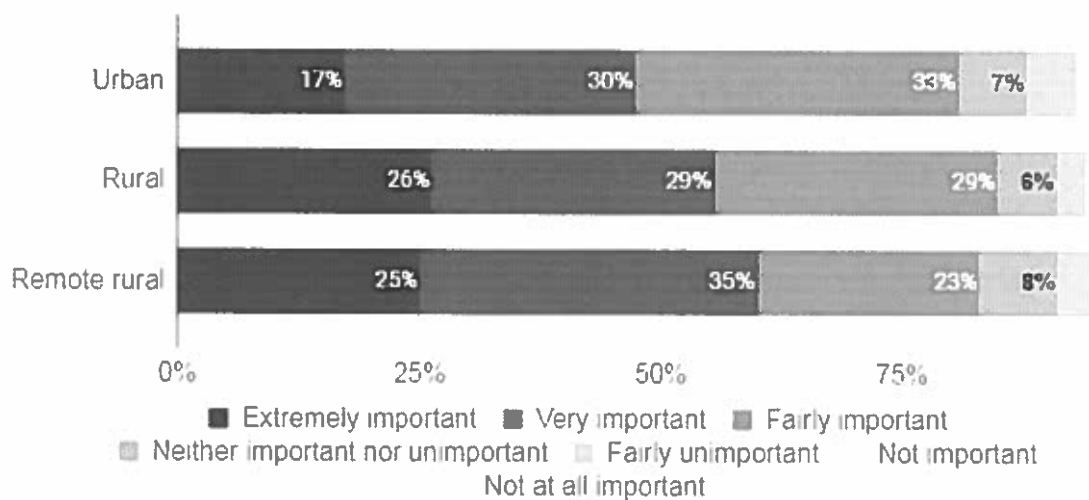
Rural residents are more likely to rate the Post Office as very important

Consumer views of the Post Office are overwhelmingly positive in both urban and rural areas. Almost all (97%) rural and urban of consumers in rural areas say the Post Office is 'trustworthy'. Over 9 in 10 see the Post Office as an 'official service in the community' (93% in rural and 94% in remote areas).

People in rural and remote areas are also much more likely than those in urban areas to describe the Post Office as 'very' or 'extremely important' to them. 60% of remote rural residents, 55% of rural residents and 47% of urban residents say this.

²⁸ Aggregate figures for rural and remote rural customers

Figure 9. Post offices are more important to rural and remote consumers



Perceived importance also increases with age, amongst those whose mobility is limited and amongst people who are digitally excluded.

5. Rural small businesses use post offices more

Rural small businesses are an important part of the UK's economy. For example, in England there are 2.4 million small businesses in rural areas, and 20% of all enterprises with fewer than 50 employees are rural.²⁹

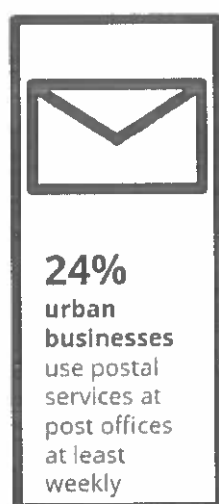
The profile of rural small businesses is very different to those based in urban areas. On average, businesses in rural areas are smaller. There are also more small businesses per head of population in rural areas. In this report small businesses include businesses with up to 50 employees.

Rural businesses use post offices more than urban businesses

Rural small businesses are slightly more likely to use post offices than urban businesses, and they use them more frequently. 95% of rural small businesses ever use post offices, compared with 93% of those based in urban areas.

39% of all rural small businesses use a post office at least weekly (compared with 33% in urban areas). 74% of rural small businesses use a post office at least monthly (65% in urban areas).

Rural businesses use mail and cash services most



Rural small businesses make more use of the key Post Office services. Over 1 in 3 (36%) rural businesses use postal services at post offices at least weekly, compared with 1 in 4 (24%) urban businesses.

Rural small businesses are more likely than urban businesses to use a post office to pay for stamps or letter post.³⁰ They are also more likely to post letters/documents and parcels at a post office, and to use mail order return services.³¹

²⁹

www.gov.uk/government/uploads/system/uploads/attachment_data/file/641459/Businesses_August_2017_Digest.pdf

³⁰ Pay for letter post: 76% remote small businesses, 73% rural, 71% urban.

³¹ Post letters and documents: 32% remote, 35% rural, 22% urban. Post parcels: 49% remote, 46% rural, 42% urban. Mail order returns: 22% all rural, 16% urban.

Small businesses in rural areas are almost twice as likely those in urban areas to use day-to-day banking services at post offices. 11% of rural businesses withdraw cash for their business from a post office, compared with 6% of urban businesses.

A small proportion of small businesses use post offices for less formal services. Again, this is more common in rural and remote areas, where 6% of rural and 10% of remote rural small businesses use a post office for advertising their business or services (3% in urban areas). Similarly, 4% of rural and 6% of remote businesses use the post office for informal networking.

3 in 4 (75%) of all small businesses find it useful to be able to access mail and other Post Office services in the same place. Businesses in rural areas are most likely to say this is very useful - 54% in rural areas and 48% in remote areas.

Businesses with shorter travel times use post offices more frequently

Small businesses are less likely than consumers to visit outside the 9am-5.30pm core opening times. However, 15% of small businesses in remote areas say that they use a post office between 5.30pm-7pm, a much higher proportion than the 5% that do this in urban and rural areas.

As for consumers, there is a sharp contrast in post office travel times for those in remote areas compared with those in urban or non-remote rural locations. 32% of small businesses in remote areas have a travel time greater than 10 minutes (13% in rural and urban areas). Small businesses with shorter travel times use post offices more frequently than those with longer travel times.

Business costs would rise without local post offices

If their local post office was not available, most small businesses say they would use another post office rather than another outlet or methods to access similar services. 71% of rural and 82% of remote small businesses would use another post office (65% in urban areas).

The negative impacts predicted by small businesses if their post office was not available, increases with rurality. This is particularly striking for costs. 76% of rural and 80% of remote rural small businesses anticipate higher costs to access services, compared with 55% of small businesses in urban areas. Over 8 in 10 rural small businesses (85% rural, 86% remote) say it would take them more time to access services, compared with 77% in urban areas.

87% of all rural small businesses expect they will be using use post offices as much as they do now, or more often, in 2 years' time.

6. People visit less now and use services differently

There have been significant changes to how post offices are used. We have compared results from our 2017 survey with equivalent results from a 2005 survey to show changes over time, both for frequency of visits and the range of services consumers use.

People use post offices less than a decade ago

Previous research indicates that a decade ago, people used rural post offices far more often than they do now.³² We found that in 2017, 31% of rural consumers used a post office at least weekly and this compares with 56% in 2005.

However, asking people about use now compared with 2 years ago suggests that use of post offices is rising among consumers, especially in rural and remote areas. A clear majority of consumers in rural (68%) and remote (69%) areas report using post offices about the same amount as 2 years ago. But there is a stronger net increase in the number of consumers using post offices more often in rural and remote areas than in urban areas. A greater number of rural consumers say they are using post offices more frequently than say they are using them less.

Most rural (68%) and remote (81%) small businesses say they are using post offices about the same amount as they did 2 years ago. Although there is a net increase in the number of rural small businesses using post offices more often and no change in remote areas.

Figure 10. Mixed net change in frequency of post office use compared with 2 years ago

	Urban	Rural	Remote rural
Consumers	+3%	+6%	+6%
Small businesses	-5%	+6%	0%

The types of services people use have changed

Over the last decade there have been considerable changes in the ways rural consumers use Post Office services. They use some more, such as sending parcels, cash withdrawals from bank accounts, currency exchange and passport application and checking. But others are used less, such as letter post, pension

³² ERM/MORI, The Future of the UK's Rural and Deprived Urban Post Office Network, 2006

and benefit withdrawal and paying for vehicle tax.

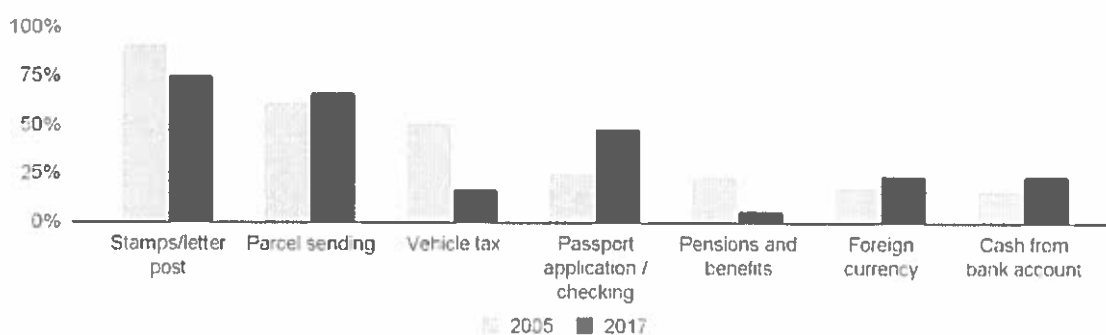
In 2005, 91% of rural consumers bought stamps or paid for letter post (letters, cards, documents etc) at a post office. But in 2017 this had fallen to 75% of rural consumers. Parcel sending by rural consumers has increased from 61% to 66% over the same period.

The number of rural residents paying for vehicle tax at post offices has fallen dramatically from half (51%) to fewer than 2 in 10 (17%) over the same period. The majority now pay online as they find it quicker and more convenient.

The proportion of rural residents who say they withdraw their state pensions and benefits in cash at a post office has also decreased significantly. In 2005 almost a quarter (23%) of the rural population used a post office to withdraw pensions and benefits, but by 2017 this has dropped to 6%. The majority of people who withdraw their state pensions and benefits in cash now use a bank counter or bank ATM.

However, the proportion of rural residents using post offices for other banking transactions has increased. Foreign currency transactions were used by 18% of rural consumers in 2005 to 24% in 2017. Withdrawing cash from a bank account has risen from 16% to 24%.

Figure 11. Services used by rural consumers changed between 2005-2017³³



Travel times have not changed

Over the last decade, travel times to post offices have hardly changed for rural consumers. In 2017, post offices were within a 5 minute journey for 47% of rural and remote residents (49% in 2005). However, there has been a slight fall in the proportions of rural residents getting to their post office on foot (40% of all rural post office users in 2017, 44% in 2005). There has been an increase in the proportions of rural residents driving (57% in 2017, 48% in 2005).³⁴

³³ ERM/MORI, The Future of the UK's Rural and Deprived Urban Post Office Network, 2006

³⁴ ERM/MORI, The Future of the UK's Rural and Deprived Urban Post Office Network, 2006

People expect frequency of use to stay the same

Most rural consumers and small businesses believe there will be little change to how often they use post offices in the near future.

4 in 5 consumers in rural (80%) and remote rural (81%) believe in 2 years' time they will use post offices the same amount as they do now. There is a mixed picture about future predicted use among the remaining 1 in 5 consumers, with some saying they will use post offices more and some less. Overall, 9 in 10 (89%) rural consumers anticipate they will be visiting post offices as much or more frequently in 2 years' time.

Consumers say costs, travel time and dependency would rise without local post office

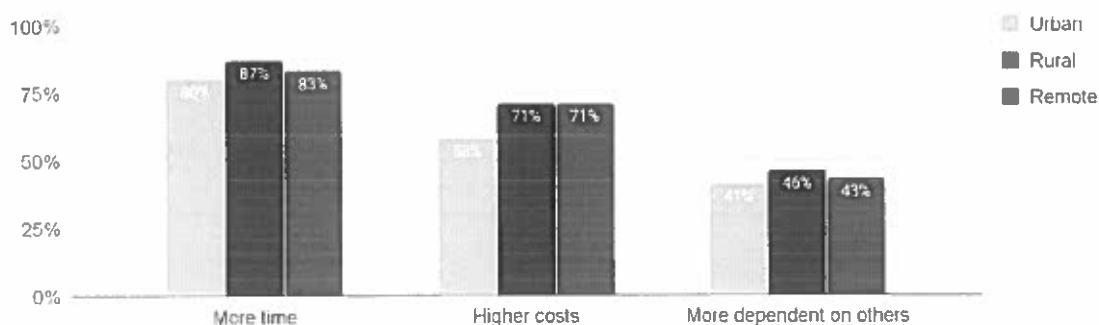
If their local post office was not available, a majority of consumers say that they would use an alternative branch for the services they currently use at their local post office. People living in rural (64%) and remote (58%) areas are more likely to say they would do this than those living in urban (54%) areas.

Around 1 in 5 rural consumers (21% in rural and 19% in remote areas) say they would use an online alternative (compared with 24% of urban consumers). A smaller proportion of rural consumers say they would use another local retailer (15% in rural and 19% in remote areas).

Rural residents are more likely to anticipate a negative impact than urban residents. The difference is particularly striking for the 7 in 10 (71%) of those in rural or remote areas who say it would cost them more to access services, compared with 6 in 10 (58%) in urban areas.

Over 8 in 10 consumers say it would take more time for them to access services (87% in rural and 83% in remote areas). In addition, more than 4 in 10 rural consumers (46% rural and 43% remote residents) say if their local post office was not available, they would be more dependent on others to access services.

Figure 12. Rural and remote consumers expect most negative impact if their post office were unavailable



Conclusion

Almost all rural consumers and small businesses use post offices, and they visit them more than people in urban areas. Rural residents particularly value the wide range of services provided under one roof.

Some of the differences in use between rural and urban areas may be because there are fewer alternative providers in the countryside, and a few differences are because the rural population is older.

Many Post Office services are used significantly more by the rural population. Mail remains the most accessed service. Its use increases with rurality and remote residents are using mail services most of all. Post Office banking services are also accessed more by rural consumers and small businesses than by those in urban areas.

Rural residents make a proportionately greater use of other key Post Office services including pension or benefit withdrawals, vehicle tax payments and the more informal community services. In addition, rural residents tend to buy more retail goods, such as groceries, at post offices.

Compared with 10 years ago, fewer rural residents now pay for letter post, withdraw benefits in cash or buy vehicle tax at a post office. But more use post offices to send parcels, withdraw cash from bank accounts and get passport applications checked.

The vast majority of rural consumers and businesses say they expect to be using a post office just as much or more in 2 years' time. If their local post office was not available, rural residents and businesses anticipate a more negative impact than those in urban areas. Most say they would visit another branch, which would cost them more in time and money. A considerable minority say they would become more dependent on others or lose contact with neighbours and friends.

This research highlights the importance of rural post offices to both consumers and small businesses, and the wide range of locally based services the network provides. It is vital that the government and Post Office Ltd continue to maintain the number of rural post offices and ensure its broad offer is retained.

Appendix - research method

Unless otherwise referenced, the figures quoted in this report are from a research study undertaken by Accent for Citizens Advice, Use of Essential Services Traditionally Provided at Post Offices (June 2017).

A total of 2,000 telephone interviews were undertaken with a representative sample of consumers and 1,000 interviews with small businesses (fewer than 50 employees). Over 800 consumers and 250 businesses were based in rural areas.

The sample was representative of the consumer population, including in terms of rural versus urban dwelling. Remote rural areas were oversampled to provide a more robust sample size of people in those areas. Data was weighted to correct for any imbalances in the sample and to ensure the final total was representative.

Consumers and small businesses were based in Great Britain and interviews took place between 14 January and 12 March 2017. The original findings and a summary report are available on our website.³⁵

The original research was undertaken by Accent in accordance with the market, opinion and social research international quality standard ISO 20252:2012. Additional analysis was conducted by Citizens Advice.

³⁵ <https://www.citizensadvice.org.uk/about-us/policy/post-policy-research/>

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Published October 2017

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& Industrial Strategy

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Our ref: MCB2018/20377/V/M

Melanie Carr
Principal Democratic Services and Scrutiny Officer
North Yorkshire County Council
Room 11, Brierley Block
County Hall
Northallerton
DL7 8AD

25 September 2018

Dear Melanie

I would like to thank Councillor Derek Bastiman for his letter dated 12 September 2018, to the Rt Hon Greg Clark MP, about the availability of over the counter banking and Post Office services. I am replying to you as this matter falls within my Ministerial portfolio.

All banking service providers need to balance customer interests, market competition, and other commercial factors when considering their strategy. Although I can understand your concerns, decisions on opening and closing branches and agencies are taken by the management team of each bank on a commercial basis. I hope you can appreciate that it is inappropriate for the Government to intervene in these commercial decisions.

However, the Government does believe that banks should act in the best interests of their customers and is committed to increasing competition to deliver better financial products and services for all bank customers. The Government continues to engage actively with the banking industry and consumer groups on these issues on an ongoing basis.

In May 2017, the major high street banks signed up to the Access to Banking Standard, committing to work with customers and communities to minimise the impact of branch closures and put in place alternative banking services. The Standard commits banks to ensuring customers are well informed about branch closures, the bank's reasons for closure and options for continued access to banking services. These options should include specialist assistance for customers who need more help. The operation of the Standard is monitored and enforced by the independent Lending Standards Board, ensuring that banks are held accountable for the way they treat their customers when a branch closes.

The Government also welcomes and supports the banking framework agreement between the Post Office and high street banks. The Banking Framework is an industry-wide agreement between the Post Office and 28 UK high street banks to create a standardised framework for access to third party banking services, offering customers simplified access to their bank accounts at post office counters across the UK.

The Banking Framework now enables 99% of personal banking customers and 95% of business banking customers to access essential over-the-counter banking services at any post office branch across the UK, including those in isolated rural areas.

This marked the biggest expansion in face-to-face banking access in a generation. Under this agreement, customers may withdraw cash, deposit cheques and cash, and make balance enquiries. In addition, business customers benefit from a cash counting service. The Post Office recently launched a public awareness raising campaign with UK Finance to ensure that as many customers as possible can benefit from these services.

The services provided through the Post Office's extensive network of over 11,500 branches ensures that essential banking facilities remain available in as many communities as possible. When a particular bank branch closes, we cannot of course guarantee that the nearest post office branch will be as conveniently located for all customers as the bank branch was, but, as the last report on the Post Office network showed, 98.7% of the rural population already live within three miles of their nearest branch where they can access the essential banking services that the Post Office provides. Although the Post Office cannot fully replicate all the services available at a bank branch, the Post Office offers unrivalled access to day-to-day banking through its 11,500 plus branches offering longer business hours than traditional banks and Sunday openings. The Post Office is well-equipped to provide these services due to a long history of providing financial services and handling large quantities of cash. Postmasters are fully trained to provide these services and have detailed procedures to follow.

This extensive and highly accessible Post Office network is a direct result of the Government having invested almost £2bn in the Post Office since 2010 to modernise and safeguard the network, with an additional £370m in funding allocated over the next three years to continue this work, including subsidising the non-commercial elements of the network (in rural and urban deprived areas). In addition, the Government has tasked the Post Office with maintaining the national network at over 11,500 branches and adhering to access criteria, including the requirement for 99% of the national population and 95% of the rural population to be within three miles of their nearest post office. As a result of all this, the Post Office network is at its most stable and most accessible in decades, enabling customers to benefit fully from the essential banking services now offered at post office counters throughout the UK.

While the Government sets the strategic direction for the Post Office, including on network size and accessibility criteria, it allows the company the commercial freedom to deliver this strategy as an independent business. As such, the Government does not play a role in the day-to-day operational responsibilities of the company, including decisions on how banking and other services are delivered. Therefore, if you or local residents of North Yorkshire have any further concerns about their local Post Office services, they should raise these direct with the Post Office's customer services team. They should write to them at Freepost, Post Office, Customer Care, or contact them via the 'Contact Us' section on the Post Office website.

Yours sincerely

KELLY TOLHURST MP
Minister for Small Business, Consumers & Corporate Responsibility



Department
for Environment
Food & Rural Affairs

Seacole Building
2 Marsham Street
London
SW1P 4DF

T 03459 335577
defra.helpline@defra.gsi.gov.uk
www.gov.uk/defra

Derek Bastiman
North Yorkshire County Council
c/o Room 11 Brierley Block
County Hall
Northallerton
North Yorkshire
DL7 8AD

Our ref: TO2018/20026/RB

27 September 2018

Dear Mr Bastiman,

Thank you for your letter of 12 September to the Secretary of State, about banking and post office services in Rural areas of North Yorkshire. I have been asked to reply.

Unfortunately Defra cannot comment on this as it is a matter for the Department for Business, Energy & Industrial Strategy (BEIS).

They can be contacted at the address below:

Department for Business, Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

They can also be contacted using this email address:

enquiries@beis.gov.uk

You may also find the following link useful

<https://www.gov.uk/guidance/oil-and-gas-decommissioning-of-offshore-installations-and-pipelines>

Yours sincerely,

 Rukba Begum
Ministerial Contact Unit

RT. HON. ROBERT GOODWILL M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA



Ref: RG/SFB

2 October 2018

County Councillor D Bastiman
Chair of the Corporate & Partnerships Overview & Scrutiny Committee
North Yorkshire County Council,
c/o Room 11, Brierley Block
County Hall,
Northallerton.
DL7 8AD

Dear Derek,

Thank you very much indeed for your e-mail of 12th September regarding the report into cash based and over the counter banking services across North Yorkshire.

I have received some representations from constituents who are concerned about this area. Most notably I have been in correspondence with Scalby Parish Council who collect cash for the allotments they rent out and explained to me that they are no longer able to bank that cash in Scalby itself and would have to travel to Scarborough town centre to visit a bank branch. I did suggest that for Local Government to be unable to take other types of payment may be something that would not be sustainable in the long term, but so far they seem fairly intransigent and keen to maintain cash transactions for these allotments.

I have also received correspondence from constituents living in the Castleton and Danby area who are concerned about the reliability of the post van and also the Castleton Post Office where, if a member of staff is not available for work, then they can waste a journey to collect pensions or make other transactions.

The other point I would make is with regards to banks themselves. Unfortunately there is often a rush amongst the banks in a particular small town or suburb to endeavour not to be the last bank in town and therefore to be faced with campaigns and pressure not to close. Sadly this can sometimes speed up the process of bank closures as they try to ensure that they do not become the 'last bank standing'.

Cont ...

Member of Parliament for Scarborough and Whitby

Please reply to the address indicated beneath.

- Westminster Office: House of Commons, London SW1A 0AA Tel: 020 7219 8268
 Constituency Office: 6 Albemarle Crescent, Scarborough, North Yorkshire YO11 1XS Tel: 01723 365656
Email: robert.goodwill.mp@parliament.uk

I was pleased to visit the Halifax Bank in Whitby recently who told me that they had picked up additional account holders because of closures of other banks in Whitby itself. Therefore it may be that actually being the last bank can have some positive benefits in terms of business.

Finally thank you for the work you are doing in this area, which I know is very important to many constituents.

Yours sincerely

Rt Hon Robert Goodwill MP
Scarborough and Whitby

RT HON JULIAN SMITH MP

Skipton & Ripon

Annex C



RECEIVED 24 SEP 2018

HOUSE OF COMMONS

LONDON SW1A 0AA

Cllr Derek Bastiman
Chair of the Corporate and Partnerships
Overview and Scrutiny Committee
North Yorkshire County Council
c/o Room 11, Brierley Block
County Hall
Northallerton
North Yorkshire

DL7 8AD

14 September 2018

Dear Cllr Bastiman

Thank you for your email regarding your review into the reduction of cash-based over the counter banking services in North Yorkshire. I note the points you raise.

I have now written to both of the Chief Executive of the banks that have been closed in my constituency and the Chief Executive of the Post Office on your behalf.

Yours sincerely

Rt Hon Julian Smith MP

JULIAN SMITH MP

Skipton & Ripon

Annex C



HOUSE OF COMMONS

LONDON SW1A 0AA

14
October 2018

Dear Cllr Bastiman

I have now received a reply from Sean Eames, the Corporate Affairs Manager for Yorkshire Bank, in response to queries I made on your behalf about Banking service.

A copy of the reply is enclosed, setting out the Yorkshire Bank's position with regard to the matters raised. I hope you find the explanation informative and helpful.

Best wishes.

Yours sincerely?

The Rt Hon Julian Smith MP

Cllr Derek Bastiman
Chair, Corporate and Partnerships Overview and Scrutiny Committee
North Yorkshire County Council
c/o Room 11, Brierley Block
County Hall
Northallerton DL7 8AD

**Rt Hon Julian Smith MP
House of Commons
London
SW1A 0AA**

**Sean Eames
Corporate Affairs Manager
Yorkshire Bank
94-96 Briggate
Leeds
LS1 6NP**

18th October 2018

Dear Mr Smith,

Yorkshire Bank branches

Thank you for your letter of 17th September on behalf of Councillor Bastiman. I apologise for the delay in getting back to you.

We fully appreciate that there are concerns regarding the changing nature of banking with the growth of FinTech coupled with the advent of Open Banking set to transform the industry.

The most visible manifestation of this is the way in which most customers are changing the way they carry out everyday banking transactions – rapidly adopting digital banking, whether it is through the internet and or mobile banking apps.

However, we recognise that branches remain a vital part of serving customers. That is why although having reduced the size of our branch network to reflect the fall in usage, we have also continued to invest in this network, recognising that a physical presence on the high street is still a vital part of delivering an omni-channel service.

As a Bank we are working hard to ensure customers have as many options open to them as possible – branch, telephone, internet mobile, Post Office, ATM. When closing a branch, we work with the local Post Office to make sure that customers understand the services available and help them access these services. The services available at the Post Office include:

- Cash withdrawal using a debit card
- Cash deposit – up to £20,000
- Cash or cheque deposit
- Balance enquiry using a debit card
- Certain bill payments are also available by cash or cheque
- For our business customers, a note exchange for coins is offered

If customers are unsure about how to access the services of the Post Office, our branch colleagues are of course more than happy to discuss this with them.

We also engage with local organisations who are also branch users to understand their needs and the options available to them, including the Post Office. In the event of any future closures we will consider what more we can do to specifically engage with these organisations to ensure that they understand the options available to them at the Post Office.

Although the use of cash is declining (figures from the British Retail Consortium show that card payments now account for over 75% of all retail sales), we appreciate that many businesses, particularly in rural areas, remain reliant on cash.

As with retail customers, business customers can use the Post Office for their day to day banking needs, such as the provision of change, but also in allowing them to deposit cash within the community they operate in.

Cash in Transit services, such as those offered by G4S, are increasingly an option for smaller businesses. While there is a charge associated with these services, it has become an economically viable option for a greater number of businesses. These services also have the benefit of allowing business owners to have cash uplifted securely from their premises and deposited directly to their bank.

In addition, advances in technology mean that 'smart safes' are now being offered by Cash in Transit (CIT) providers as a possible option. While the technology continues to evolve, this allows businesses to deposit cash directly into a secure box in their businesses premise, which is the responsibility of the CIT provider and is covered by them in case of theft. We are tracking developments in this area and considering how we might make these services available to our customers.

I hope this response helps answer the points raised by Cllr Bastiman, but please do not hesitate to contact me with any further questions.

Yours sincerely,

Sean Eames

From: Rishi Sunak [mailto:rishi.sunak.mp@parliament.uk]

Sent: 19 October 2018 10:53

To: Melanie Carr1 <Melanie.Carr1@northyorks.gov.uk>

Subject: Re: Impact on Rural Communities & SMEs across North Yorkshire as a result of the loss of cash-based, over the counter banking and Post Office services (Case Ref: ZA21421)

Dear Melanie,

Thank you for sending this report over to us, which Rishi read with interest. In light of the report Rishi has written to UK Finance to ask them to urge their members to work more closely with Post Offices in order to make sure the services branches were providing can be effectively taken up by Local Post Offices. And has asked them to urge their members to focus and enhance their training for customers on online banking.

Thank you again for sending this over to us.

Kind regards,

George Livesey
Office of Rishi Sunak MP

Review of cash-based, over the counter banking and Post Office services in rural areas of the county

Introduction to Automated Transaction Machines (ATMs)

LINK is the UK's largest cash machine network. Effectively every cash machine in the UK is connected to LINK and LINK is the only way banks and building societies can offer their customers access to cash across the whole of the UK. All the UK's main debit and ATM card issuers are LINK members.

LINK's network is a fundamental part of the UK's payments infrastructure and cash machines are by far the most popular channel for cash withdrawal in the UK. The number of cash machines in the UK has grown from 36K in 2001 to just under 70K today. The number of free-to-use ATMs is at an all-time high of over 54K, and over 98% of all ATM cash withdrawals by UK cardholders in the UK are made free of charge. Withdrawals made by a card holder at their own bank or building society, now account for around only 25% of total consumer cash withdrawals, and this percentage is falling as card issuers reduce their own ATM networks and independent ATM deployers (IADs) increase theirs. For further statistics and trends go to: <https://www.link.co.uk/about/statistics-and-trends/>

LINK has committed to maintaining the broad geographical coverage of the ATM network in the UK and to publish data on progress against this.

Deployment of ATMs

LINK does not own or operate ATMs and therefore their management and deployment is a matter that goes beyond LINK's control. ATM operators choose to deploy where it makes sense for them to do so commercially and they compete vigorously to identify and secure new ATM locations. There is no central organisation or plan for ATM locations, rather competition to meet consumer demand, which has proved very effective.

The benefits for hosting an ATM may include:

- Higher footfall as customers choose the location to get cash
- Higher turnover as ATM users spend the cash they have withdrawn
- Competitive advantage over nearby locations which are not offering an ATM facility
- Increased customer satisfaction by offering an added value service
- The potential for rental income

LINK launched an ATM Locator App in 2017, a comprehensive online tool for finding ATMs in the UK. Connected to LINK's ATM database it shows the location of all 70k LINK ATMs – effectively every cash machine in the UK. It can be used to map ATM provision and coverage alongside areas of deprivation, see: <https://www.link.co.uk/initiatives/financial-inclusion-tool/>

How it Works & the Costs Involved

ATM operators cover the cost of free-to-use ATMs through a per-transaction ATM Interchange fee paid to them by the card issuing banks and building societies. On 31st January 2018 LINK announced a phased four year 20% reduction in interchange beginning with a 5% reduction from 1st July 2018 (25p to 24p). This is to be reviewed annually to assess the impact on consumers. Operators expressed concern that it would

have an immediate effect on their ability to maintain widespread free access. However, LINK have confirmed that over the last 10 years cash payments had fallen by 33%, and during the same period free ATM numbers had grown by 18k (50%). In their view, this disconnect is not sustainable and needed addressing to protect future access to cash for consumers.

Added to this, the continuing adoption of new payment methods is reducing the demand for cash and therefore ATM withdrawals, and in response the ATM deployment market is further reducing the number of free ATMs. This is independent of the reduction due to the change in interchange rate.

Financial Inclusion Programme

Since 2006, LINK has been running a Financial Inclusion Programme to protect access to cash in the most deprived communities in the UK, by subsidising the lowest income areas of the country to ensure that all have at least one free ATM. The subsidy is paid via a 10p interchange premium available to any low-income area that does not have a free ATM within a kilometre distance. This has proven very successful in incentivising operators to provide free ATMs across the country.

In 2006, 1,694 deprived areas were identified with no free access to cash where the subsidy could apply. In 2015, 957 further sites were brought into the Programme following some independent research, making a total of 2,651 designated areas of deprivation without a free-to-use ATM. Of those, 1,843 now have a free ATM and 808 remain without.

Following the phased reduction of interchange announced in January 2018, LINK increased the maximum amount of subsidy to 30p and expanded the scope to the whole of the country, in order to ensure customers maintained access to the current footprint of free ATMs for many years to come, despite declining usage of cash. This means the changes to interchange or customer cash usage will not give operators a reason to withdraw an ATM or change to a fee charging ATM.

Protecting Network Coverage

From the beginning of February 2018 to the start of August 2018, the number of free-to-use ATMs across the UK reduced from 54,500 to 53,100, which represents a 2.6% reduction in the size of the network (1,400 ATMs). This reduction is consistent with LINK's impact assessment published at the start of the year, which suggested there would be an 11% reduction in the size of the network over a four-year period, as a result of their reduction in Interchange Rate.

The Board of LINK has stated its commitment to ensuring that coverage of the network is not reduced as a result of both their changes made to interchange and the decline in consumer demand. For example, by either protecting the level of interchange or in some cases increasing the interchange payable on machines in more remote and rural locations, to ensure that those ATMs do not close.

As part of that commitment, LINK has put in place specific arrangements to protect free-to-use ATMs more than 1 kilometre away from their next nearest free-to-use ATM. LINK is targeting all 2,365 of those free machines in more remote and rural areas to remain open to preserve coverage, unless there is either another free source of cash available e.g. a Post Office or no consumer impact from closure. These ATMs are known as Protected ATMs.

In February 2018, the Board of LINK decided to publish the total number of Protected ATMs and the number where free access had been removed through closure or by being turned into charging ATMs. Those ATM Footprint Reports are published on a regular basis.

At the beginning of August 2018 the process for how Protected ATMs are assessed changed. Where an ATM is no longer transacting, LINK now checks with operators to understand the specific circumstances of the site before assessing what further action is required, hence subsequent Footprint Reports have shown a larger number of machines categorised as "Investigations with Operator Underway". As the specific circumstances of each Protected ATMs become known, machines are re-categorised with their latest position under the Current Position column.

The latest ATM Footprint Report published on 10 October 2018, showed 24 locations (not in North Yorkshire) where a Protected ATM permanently closed or switched to pay-to-use. Of those, 9 had alternative free access to cash from a Post Office or were already inaccessible to the general public e.g. within a closed company site. The remaining 15 were designated as 'ATM Targeted for Replacement'.

For locations designated as 'ATMs Targeted for Replacement' LINK offers premiums to operators to support the deployment of a free-to-use ATM. Where an operator commits to an installation, it can take a number of months for the ATM to be replaced. This period can vary depending on a number of factors e.g. the time it may take to find a suitable and willing retailer, negotiating commercial contracts, buildings works or potentially planning consents. Note that where the loss of an ATM is due to a security reason such as a raid, and there are no willing site owners, LINK will not plan a replacement until the security situation is judged safe again by local site retailers and ATM operators.

Change in Coverage across North Yorkshire

In addition to their footprint reports, LINK also publishes on its website the number of free and charging ATMs by parliamentary constituency which includes both 'Protected ATMs and all other ATMs. Baseline figures for North Yorkshire as of 1 February 2018 are shown below alongside data for March to September 2018, for comparison purposes:

Free-to-use ATMs	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Total Change
Harrogate and Knaresborough	95	95	93	93	93	92	93	92	-3
Richmond (Yorks)	80	76	79	78	78	71	67	68	-12
Scarborough and Whitby	114	114	114	115	115	114	114	112	-2
Selby and Ainsty	44	44	43	43	43	43	43	41	-3
Skipton and Ripon	66	65	64	64	64	63	61	60	-6
Thirsk and Malton	60	59	61	60	59	59	58	59	-1
Total	459	453	454	453	452	442	436	432	-27

Pay-to-use ATMs	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Total Change
Harrogate and Knaresborough	8	7	7	5	5	5	4	4	-4
Richmond (Yorks)	13	13	13	13	13	13	12	12	-1
Scarborough and Whitby	21	18	18	18	19	18	17	17	-4
Selby and Ainsty	22	22	21	21	21	20	19	18	-4
Skipton and Ripon	3	3	3	3	3	4	3	3	0
Thirsk and Malton	13	13	10	10	10	11	11	11	-2
Total	80	76	72	70	71	71	66	65	-15

All ATMs	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Total Change
Harrogate and Knaresborough	103	102	100	98	98	97	97	96	-7
Richmond (Yorks)	93	89	92	91	91	84	79	80	-13
Scarborough and Whitby	135	132	132	133	134	132	131	129	-6
Selby and Ainsty	66	66	64	64	64	63	62	59	-7
Skipton and Ripon	69	68	67	67	67	67	64	63	-6
Thirsk and Malton	73	72	71	70	69	70	69	70	-3
Total	539	529	526	523	523	513	502	497	-42

The numbers above are the net figures for the different constituencies across the region. For example, looking at the figures in the third table for 'All ATMs', the difference between the July and August figures show an overall reduction in ATMs of 11 (made up of 6 free-to-use ATMs and 5 charging ATMs). During that period however, there were actually 19 ATMs added and removed (9 free-to-use ATM removals and 3 additions; 6 charging ATM removals and 1 addition), see a list of all those locations below:

Locations where an ATM has been removed		
ATM TYPE	ADDRESS	PARLIAMENTARY CONSTITUENCY
Free	Westborough, Scarborough, YO11 1UH	Scarborough and Whitby
Free	Lund House Green, Harrogate, HG3 1QE	Skipton and Ripon
Free	Claro Barracks, Ripon, HG4 2RD	Skipton and Ripon
Free	Dishforth Airfield, Thirsk, YO7 3EZ	Skipton and Ripon
Free	Market Place, Pickering, YO18 7AD	Thirsk and Malton
Free	Market Place, Bedale, DL8 1ED	Richmond (Yorks)
Free	Richmond Road, Catterick Garrison, DL9 3JA	Richmond (Yorks)
Free	High Street, Middlesborough, TS9 5DQ	Richmond (Yorks)
Free	Red House Court, Bridge Road, Middlesborough, TS9 5AA	Richmond (Yorks)
Pay-to-use	Main Road, Selby, YO8 9JH	Selby and Ainsty
Pay-to-use	Otley Road, Harrogate, HG3 2AP	Harrogate and Knaresborough

Pay-to-use	Church Row, Harrogate, HG3 1QW	Skipton and Ripon
Pay-to-use	Richmond Road, Catterick Garrison, DL9 3BA	Richmond (Yorks)
Pay-to-use	Station Road, Scarborough, YO12 4LT	Scarborough and Whitby
Pay-to-use	Hut Green, Goole, DN14 0LX	Selby and Ainsty
Locations where an ATM has been added		
ATM TYPE	ADDRESS	PARLIAMENTARY CONSTITUENCY
Free	Pier Road, Whitby, YO21 3PU	Scarborough and Whitby
Free	Uniacke Barracks, Harrogate, HG3 2SE	Harrogate and Knaresborough
Free	Knaresborough Road, Harrogate, HG2 7LU	Harrogate and Knaresborough
Pay-to-use	Bawtry Road, Selby, YO8 8NB	Selby and Ainsty

None of the closures shown in the first table above were 'Protected ATMs' i.e. located more than 1km from the next nearest free-to-use ATM, and therefore have not been designated as 'ATM Targeted for Replacement'. In light of this non-designation, LINK would not offer any premiums to support the deployment of a free-to-use ATM in those locations, which means it is highly unlikely that any ATM operators would be willing to deploy an ATM at one of those locations, bearing in mind:

- i. The reduction in both the interchange rate and the public's demand for cash;
- ii. The competitive market, and;
- iii. A commercial decision has recently been taken to remove an ATM from those locations;

Furthermore, there is already a mechanism for consumer and community groups, local authorities and councils, Members of Parliament and other interested parties to play a key role in identifying suitable sites in their area that might benefit from an ATM machine. This can be done online at: <https://www.link.co.uk/consumers/suggest/suggest-new-atm-location/>

Once a potential site has been nominated the location is evaluated by a LINK member. As part of their assessment they contact the site to discuss the possibility of installing an ATM – there is nothing that would prevent the proposed site being a council owned building. A site is risk assessed, which includes some generic security considerations relating to the ATM itself, the host premises and the general movement of cash within or around the premises.

As the County Council has only a limited number of council owned properties across the region, the opportunities for the introduction of an ATM in a council-owned building may be limited. The potential use of 106 monies for financing the work associated with the installation of an ATM in a council owned building could be explored further as and when a potential council owned site is identified. There is also likely to be additional costs associated with attaining planning consent (if required), site preparation and ongoing security.

Even when all of these issues have been addressed, there will still be the ongoing interchange fees for the operator to cover (if a free-to-use ATM is to be installed), which is something they will take account of when considering a proposed location. Whether they choose to proceed with the location is likely to rely on whether it can be evidenced that it would be a commercially viable option.