

Note



23 February 2010

PAYMENTS COUNCIL RESPONSE TO THE CONSULTATION ON POST OFFICE BANKING

The Payments Council welcomes the opportunity to respond to the consultation on developing the banking and financial services available at the Post Office.

The Payments Council

The Payments Council is the organisation that sets strategy for UK payments. It was established in March 2007 to ensure that UK payment systems and services meet the needs of users, payment service providers and the wider economy.

The Payments Council has three core objectives:

- to lead the future development of co-operative payment services in the UK in order to ensure that the payment system as a whole meets the needs of payment service providers, users and the wider economy,
- to ensure that the payment system is open, accountable and transparent; and
- to ensure the operational efficiency, effectiveness and integrity of payment services in the UK.

The Payments Council has 28 full members, including the Post Office. Its Board has an independent Chairman and four independent directors. Further information on the Payments Council can be found on our website www.paymentscouncil.org.uk.

It is not appropriate for the Payments Council to answer the specific questions asked in the consultation, but we would like to make a few general comments.

Developing the banking and financial services at the Post Office: The Role of Payment Services

The Payments Council asks the Government to recognise the importance of the Post Office network in offering consumers a place where they can transact payments business,



complementary to banks' branch networks. This role may well increase in significance as the possible closure date for the cheque clearing in 2018 draws closer. Post Office counters may well be an attractive and accessible location for consumers who are uncomfortable with remote means of payment, especially those who are unbanked. This network also provides an opportunity for new payment innovations to be developed for those who are most comfortable with face-to-face contact. Knowing that the network has a viable and sustainable future will encourage the Post Office to be seen as a focal point for such developments.

We believe that the Post Office can continue to play an important role in providing access to payment services through its own Post Office Card Account, through bill payment services, by distributing financial products developed by other financial institutions, and by providing access at PO counters to accounts offered by other financial institutions. The Post Office also plays an important role in the distribution of cash within the UK.

The Payments Council therefore agrees that it is important to maintain an accessible and sustainable Post Office network.

-ooOoo-