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Andy Reed MP

**28 NOV 2006**



Thank you for your letter of 15 November on behalf of a number of your constituents regarding the Post Office card account contract.

The full range of accounts which will be available beyond 2010 is not yet settled. However, discussions between the Government and Post Office Ltd are continuing.

Currently, around 25 different bank accounts can be accessed at post office branches. In addition, Post Office Ltd has already introduced one new savings account. It is also developing other savings and banking products which will be more suitable for many of its customers than the Post Office card account and which will offer more features. These are expected to be introduced in the near future.

The things that people like about the Post Office card account also apply to basic bank accounts. There is no real difference in accessing money at the post office via a bank account compared to a Post Office card account. Customers can collect the same money on the same day at the post office as they have been with the Post Office card account.

I can assure your constituents that we are committed to a national network of post offices which will allow customers to collect their benefit or pension there if they wish. If Post Office card account customers use a bank account or a new Post Office product at the post office, Post Office Ltd also receives a payment for providing this service.

There are around 20 million people who could access their bank account at a post office, but only around 2 million per week actually do so. This is an untapped market which could bring vital new income into post office branches. This Department is working with Post Office Ltd to support it in its efforts to increase this market.

The Government fully appreciates the concerns being raised over the future of the post office network. We know that post offices are an important part of British life, particularly in rural and deprived urban areas. This is why we have invested more than £2 billion since 1999, and why we will continue to support the national network.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James', with a large, sweeping initial 'J'.

**JAMES PLASKITT MP**  
**PARLIAMENTARY UNDER SECRETARY OF STATE**