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Lord Young of Norwood Green
House of Lords

19 April 2017

Dear Lord Young

I am writing in response to a point you raised about the Post Office card account (POca) during the recent debate on Local Post Offices.

Since the POca was first introduced the banking landscape has changed significantly and there are now fewer barriers to prevent those on benefits and pension from using bank accounts.

There are now less than 1.8 million users of the POca service, and this number is reducing, as many more people can access and benefit from mainstream accounts.

Most bank accounts can be accessed at the post office which enables benefit and pension payments to be collected this way and importantly sub-postmasters will receive revenue from those transactions while maintaining footfall.

However, whilst the majority of benefit and pension payments are paid into a bank account we do recognise that some customers remain unable to access such services.

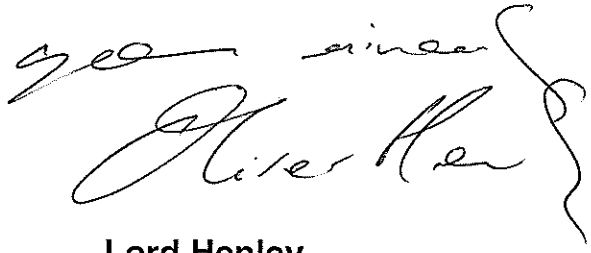
As you are aware Government committed to maintain POca until at least 2021, to ensure that people who cannot use a mainstream account can continue to access their benefits and pensions. Government's existing POca contract with the Post Office, which expires in November 2021, therefore has an option to be extended for up to 3 years to 2024.

A decision on any extension will be taken at the appropriate time, informed by both customers' needs and the need to make sure the taxpayer sees Value for Money.

Government recognises the important role that Post Offices play in communities across the country, and that Post Offices are an important

option for customers to access a wide range of services including bank accounts. Sustainability is the best way to achieve a secure future for the post Office network, and that is why Government has committed significant investment in recent years to support a wide ranging modernisation programme.

I trust this information addresses the point you raised during the debate, and I am placing a copy of this letter in the Library.



Lord Henley
Minister for Work and Pensions (Lords)