



Department for
Business & Trade

The Value of the Post Office Network

Report prepared by London Economics

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Executive summary

This study estimated the value of the post office network to UK households and small and medium-sized enterprises (SMEs). It also estimated the value of the services provided via the network, and of reducing the distance to the nearest branch. Furthermore, it assessed aspects of the social value of the network, such as assisting people with tasks, providing a community hub, and historic and cultural value.

Through surveys of representative samples of households and SMEs, the study found that on average:

- households and SMEs valued the network at £15.19 and £19.03 per month respectively, amounting to £5.2bn and £1.3bn annually
- for households, the value per month of services ranged from £10.08 for parcels to £0.18 for financial services
- for SMEs, the value per month of services ranged from £8.70 for letters to £2.37 for financial services
- the value per mile of reducing the distance to the nearest post office was £0.93 per month for households and £1.18 per month SMEs

Introduction

This study was commissioned by the Department for Business and Trade (DBT) and carried out by London Economics and Ipsos in April to June 2025. The study is about the **value to UK households and small and medium-sized enterprises (SMEs)¹ of the UK-wide network of post office branches**. It is not about the organisation Post Office Limited (POL).²

Brief background on the post office network

POL runs the operation of the network, while individual post offices are mostly run and managed by postmasters as independent businesses. The government requires POL to maintain a network of 11,500 branches and ensure the coverage of the network meets the following 'access criteria':

- 99% of the UK population to be within three miles of their nearest post office
- 90% of the UK population to be within one mile of their nearest post office
- 99% of the total population in deprived urban areas across the UK to be within one mile of their nearest post office
- 95% of the total urban population across the UK to be within one mile of their nearest post office
- 95% of the total rural population across the UK to be within three miles of their nearest post office
- 95% of the population of every postcode district to be within six miles of their nearest post office

The latter postcode criterion applies at a local level to ensure a minimum level of access for customers living in remote rural areas.

To help meet these requirements, the network is partially supported by taxpayer funding via the Network Subsidy Payment, which stood at £50m in financial year 2023-24.³ The rationale for this is that the in-person services provided through the network are essential for many citizens and businesses, including more vulnerable groups. Furthermore, private providers would have no commercial incentive to provide such extensive coverage, in particular in less populated areas.

Services provided via the network include postage for letters and parcels, online shopping returns and collections, cash, banking, bill payments, government services and identity services. Post offices take many forms, such as dedicated branches directly managed by

¹ SMEs are businesses with fewer than 250 employees.

² In this report "post office" means a post office branch. The "post office network", or "the network", refers to the network post offices, and "post office services" refers to the services provided through the network. The report also occasionally refers to "Post Office", meaning POL.

³ See the Post Office annual accounts, available at: <https://corporate.postoffice.co.uk/governance/key-reports-statements/post-office-annual-report-accounts-2023-24/>

POL, independent shops also selling other goods (for example newsagent), or non-permanent locations like a van.⁴

Aims of the study

DBT commissioned this study to inform a government Green Paper on the future of Post Office. The aims of this study were to provide up-to-date estimates of the value to UK households and SMEs of:

- the post office network
- the services provided through the network
- the distance to a household's or SME's nearest post office

In addition, the study also aimed to understand different aspects of the social value of the post office network. For households these included, for example, assisting people with important tasks, providing a hub for the local community, and historic and cultural value. For SMEs these included, for example, supporting the local economy, and helping to provide a level playing field for small and medium-sized businesses.

To meet these aims, the study surveyed representative samples of UK households and SMEs. The surveys included contingent valuation and choice experiment components designed to address the objectives of the study. These are survey methods which elicit the values that respondents place on a good or service. For example, they ask respondents to accept or reject paying a certain amount, or to make choices between options involving paying different amounts. The methodology is described in more detail in the next section.

Outline of the report

The following section explains the methodology used for the study. The third section then presents results on the frequency of use of the network and use of particular services through the network. The fourth section presents estimates of the value of the network as a whole to households and SMEs. The subsequent sections present estimates of the value to households and SMEs of the services provided through the network and the distance to the nearest post office. Finally, the last section presents results relating to social value aspects of the post office network.

⁴ So-called 'outreach' branches.

Methodology

This study used ‘stated preference willingness to pay’ methods, specifically contingent valuation and choice experiments. These methods are typically used when there is no market price for the good or service being valued. They are recommended by the Green Book⁵ and we consider them to be the best methods to value the post office network.

This report is based on surveys of nationally representative samples of the population of UK households and SMEs. The surveys included:

- contingent valuation (CV) questions to assess the value to households and SMEs of the post office network as a whole
- choice experiments to assess the value to households and SMEs of services provided through the network and the distance to their nearest post office

Each valuation component is further described below, and the survey questionnaires can be found in Annex 1. Each valuation component was asked of every respondent.

In addition, the surveys included questions on frequency of use of a post office and which services households and SMEs use and how often. The surveys also included questions on whether alternatives to a post office are available, and possible social value qualities of the network.

The household survey was conducted between the 1st and 7th of May 2025 using Ipsos’ UK Knowledge Panel, a random probability online panel. A total of 3,114 panellists were invited to take part in the survey. This sample comprised of:

- a main sample of 2,396 panellists, stratified by UK nation and education
- an additional ‘boost’ sample of 718 panellists who were “Not that confident” or “Not at all confident” in their ability to use the internet

Of these, 1,743 respondents completed the survey, a response rate of 56%. Within this, 1,335 came from the main sample and 408 from the boost.

Calibration weights were applied using appropriate population statistics relevant to the surveyed population to correct imbalances in the achieved sample. These weights were applied to region and an interlocked gender-by-age variable. Demographic weights were applied to education, ethnicity, Index of Multiple Deprivation (quintiles), number of adults in the household, and internet confidence.

The boost sample of people with low internet confidence was also weighted back in line with the population profile. Official statistics for internet confidence were not available, so to derive a weighting target, the main, nationally representative part of the sample was weighted. The weighted percentages of “Very”, “Fairly”, “Not that or Not at all” confident, and “Don’t know or Prefer not to say” were taken as the weighting target.

⁵ The Green Book is the government’s official guidance on options appraisal and evaluation, issued by HM Treasury (His Majesty’s Treasury).

The SMEs survey was carried out between the 6th and 14th of May 2025 among 1,042 businesses with 0-249 employees. The sample came from a blend of business-to-business (B2B) panels. Quotas were set by number of employees and responses were monitored to ensure a range of regions and sectors were included. Data were weighted by number of employees, region and sector.

Contingent valuation questions on the value of the network

In general, contingent valuation (CV) questions aim to elicit information about how much respondents value a good or service. To understand the value of the network, respondents were initially asked two dichotomous choice (“yes” or “no”) CV questions, followed by a ‘payment card’ type question. A payment card question offers respondents various amounts and asks them to choose the highest amount they would be willing to pay among those presented. The questions were formatted in this way to make it easier for respondents to provide values, compared to asking through open questions. This is a hypothetical exercise using hypothetical amounts of money. It was made clear to survey respondents that this was an exercise to understand the value of the services provided by the post office branches, and their responses giving specific amounts would not affect government policy.

The first of the CV questions was as follows (question 12 in the survey in Annex 1):

“Imagine that to maintain the entire post office branch network, your household would contribute **£8** per month (in total) as part of the tax it pays. If you didn’t contribute this payment, all post office branches would close, but you would not pay tax to support the network. This means your household would pay **£8** more per month in tax under Option 1.”

For this question, Option 1 corresponded to maintaining the post office network and paying the amount shown. Option 2 corresponded to there being no network and not paying tax to support the network. The monetary amount presented was varied at random from a range of values (£2, £8, £16, £26, £38 and £52).

Then, a second question asked whether the respondent would be willing to pay another amount. This amount was either higher or lower than the first amount depending on their reply to the initial question. For example, if they answered that they would be willing to pay £8 per month, they were then asked:

“And would your household be willing to contribute **£16** per month (in total) to maintain the Post Office branch network?”

A third CV question on the value of the network then asked respondents for the **maximum** that their household or business would be willing to pay:

“How much tax would your household be willing to pay per month (in total) to maintain the current Post Office branch network? To the best of your ability, please tell us which of the amounts below would be the maximum that your household would be willing to pay per month, to the nearest £1.”

This final question was presented as a ‘payment card’ type question, with respondents offered a range of values to choose from. The range of values shown to each respondent was tailored based on their answers to the preceding dichotomous choice questions. For

example, if a respondent previously said that they would pay £8 but not £16, they were offered a range of values between those two values.

The average 'willingness to pay' (WTP) of households and SMEs for the network has been calculated from the responses to the payment card question. The household and SME level values have been aggregated using Office for National Statistics (ONS) data.

To make it easier to respond, dichotomous choice and payment card questions were used. Such question formats minimise bias and provide more robust results. The implication of using these types of questions is that we expect to have more reliable estimates of WTP. However, these questions do not allow individuals to state very specific values, such as down to a single penny, even if they are able to do so.

Choice experiment on the value of services provided through branches

In a choice experiment, respondents are asked to make a series of choices between alternative options. The options comprise of different combinations of 'levels' for a set of 'attributes'. The data obtained from the experiment can then be used to estimate the value that respondents place on these attributes and levels.

One choice experiment in this study examined the value of providing certain services via post offices. Seven categories of services were included and under each option presented to respondents each category of services was either provided or not provided through the network. In other words, the **attributes** of the options were the service categories, and the **attribute levels** were "provided" and "not provided".

The service categories were decided together with DBT with input from Post Office. The categories were:

- letters (buying postage and drop-off at post offices)
- parcels, including drop-off and collection
- cash and banking
- bill payments
- financial services
- travel services
- government services and identity services

The box below sets out how the service categories were described to respondents.

Box 1: Service categories as they were described to respondents

Letters (buying postage & drop-off at post offices):

This means selling of postage (stamps and labels) for letters (domestic and international), including signed for and special delivery, and drop-off of letters you are sending at a post office, where you have paid for the postage elsewhere (for example online).

Parcels, including drop-off & collection:

This means selling of postage for parcels, and drop-off and collection for online shopping and pre-paid parcels, including:

- Standard, 'signed for', special delivery, tracked, oversized and high-value parcel services
- Online shopping returns and collections (at a post office branch)
- Drop-off at a post office of parcels you are sending if you have paid for the postage online

Cash & banking:

This means cash and basic banking services for most bank accounts (not just Post Office accounts):

- Free in-branch cash withdrawals and deposits for your bank account
- Cheque depositing services, change giving, and checking balances on current accounts

Bill payments:

This means providing payment facilities for:

- Utilities such as water, gas and electricity bills
- Social housing rent and Local Authority payments (for example for council tax or parking permits)
- Travel tickets (for example for buses and underground trains)
- Sending or paying money to people (Postal orders and Post Office Payout)
- Benefit or pension payments for those without a bank account (Payment Exception Service)

Financial services:

This means provision of Post Office's financial products including (not cash and banking):

- Savings accounts
- Insurance products (for example travel insurance)
- International money transfers

Travel:

This means access to travel money and foreign currency (not travel insurance):

- Purchase of Travel Money Cards (a card you can load up with foreign currency)
- Purchase foreign currency at Bureau de Change
- Collection of foreign currency pre-purchased online ('Click & Collect')
- eSIM cards for international travel (a digital SIM card for your smartphone)

Government services & identity services:

This means access to services on behalf of government and councils and digital and physical identity services, online or in branch, including (among others):

- Supporting passport applications through “Check and Send” services
- Processing applications and payments for driving licence renewal
- GOV.UK Verify services, PASS Card and EasyID (accepted as official proof of ID and age across the UK)
- Document certification and criminal record checks (for yourself)

The choices also included an amount that the respondent's household or business would have to pay in tax to support the network under each option. The amounts of tax were varied across the choices between £0, £2.50, £5, £10, £15, £20 and £25. An example choice card is shown below.

Services provided at Post Office branches:	Option 1	Option 2
Letters (buying postage & drop-off at Post Offices)	✓	✗
Parcels, including drop-off & collection	✓	✗
Cash & banking	✗	✗
Bill payments	✗	✓
Financial services	✗	✓
Travel	✗	✓
Government services & Identity services	✗	✗
Tax paid by your household to support the post office network (in total in this scenario)	£20 per month	£5 per month

○

○

I don't know which option I would choose: ○

As the example above illustrates, a green tick was used to indicate that a service would be provided via the network under a given option. A red cross was used to indicate that the service would not be provided. Respondents were given the descriptions of the services, as per the box above, immediately before the choice experiment. They could also access these descriptions again while making their choices. Each respondent made six choices in total.

Choice experiment on the value of the distance to the nearest branch

A second choice experiment examined the value that households and SMEs placed on the distance from their home or premises to their nearest post office. Respondents were given choices involving hypothetical distances from their home or business to their nearest post office. The options comprised of just one attribute, the distance, and the amount the respondent's household or business would pay in tax to support the network. An example choice card is shown below.

Again, each respondent made six choices in total. The distances were varied across the choices between 0.5, 1, 3, 5, 7 and 10 miles. As in the services choice experiment, the amounts of tax were varied between £0, £2.50, £5, £10, £15, £20 and £25.

	Option 1	Option 2
Distance from your home to your nearest Post Office branch	0.5 miles	3 miles
Tax your household would pay to maintain a large Post Office network, with branches close to people's homes (in total in this scenario)	£20 per month	£2.50 per month

☐

☐

I don't know which option I would choose: ☐

The average 'willingness to pay' (WTP) for a 1-mile difference in distance to the nearest post office was derived from the choice experiment data using an econometric model. This model relates whether an option was chosen to the attributes of that option, specifically the tax to be paid and the distance.⁶ The ratio of the model coefficients for tax and distance is the amount of tax that respondents were willing to trade per mile of distance. This ratio thus gives the average valuation.

Questions on possible social value qualities of the network

The surveys included questions to understand the importance to households and SMEs of potential social value qualities of the post office network. Respondents were asked how important certain "possible qualities" of the network were on a scale from 1 (not at all important) to 5 (very important). Table 1 presents the potential qualities of the network, as expressed to respondents. The table also indicates whether each quality was included in the household and SME surveys, as the surveys differed in this respect.

Alternatively, instead of providing a rating respondents could indicate that they do not think that a quality is relevant to the post office network. See question 8 in Annex 1 for the full wording of the question.

⁶ Whether an option was chosen (a binary variable) is 'regressed' on the tax to be paid and the distance to the nearest post office branch (the 'predictors').

Table 1: Potential social value qualities of the post office network

Abbreviation	Quality (as expressed to respondents)	Households	SMEs
Services in one place	It provides a wide range of services in one place	✓	✓
Nearby & convenient	It is nearby and convenient to get to	✓	✓
Availability of services	It provides services which other providers cannot or will not provide	✓	✓
In-person & face-to-face	It provides an in-person, face-to-face service	✓	✓
Assistance with tasks	It assists people with important tasks, such as providing help to understand bills or support with government services	✓	×
Community hub	It is a hub for the local community (i.e. a space where people gather to access services and information, participate in activities, and strengthen social connections in their local area)	✓	×
Institutional value	It is an iconic national institution, integral to UK history and culture	✓	×
Supports local economy	It supports the local economy (for example by attracting customers to the high street)	×	✓
Creates level playing field	It helps provide a level playing field for small and medium sized businesses around the country, by providing equal access to services	×	✓
Available when needed	It is available when you need it, even if you rarely or never use it	✓	✓

Household and SME groups examined in the analysis

Results are provided for a range of different household and SME groups. In particular, results are presented for:

- households as a whole and households
 - who frequently use a post office, and infrequently use a post office
 - in urban areas, and in rural areas
 - who are confident using the internet, and not confident using the internet
 - of different ages
- SMEs as a whole and SMEs
 - who frequently use a post office, and infrequently use a post office

- located less than 1 mile from their nearest post office, and located 1 mile or more from their nearest post office
- in different sectors

Note that for households, confidence using the internet and age relate to the individual answering the survey. Thus, for these subgroups, the individual characteristics of the respondent are used to represent the household.

For SMEs, less than 1 mile and 1 mile or more from the nearest post office are substitutes (or 'proxies') for urban and rural. This is because no urban or rural classification variable is present in the SME data. These are reasonable proxies because the access criteria state that 95% of the total urban population must be within one mile of their nearest post office.

Significance testing

Statistical significance testing of the differences between subgroups was prioritised for the total network valuations due to time and resource limitations. This involved conducting t-tests for differences in mean network valuation between the samples from relevant subgroups (e.g., SMEs operating in different sectors). As the subgroup differences for the values of the services and distance were not tested for statistical significance, apparent differences between the subgroups may not be statistically significant, and so not meaningfully different.

As part of the econometric analysis on the WTP for post office services and distance, the estimates were tested to understand if they were significantly different from zero. The WTP estimate for each service and distance was derived as a ratio of coefficients from a conditional logit regression using data from the choice experiment. The delta method was used to test whether each ratio of coefficients was statistically significantly different to zero. When a result is not statistically significant, this means we cannot be highly confident that the value is, in fact, not zero. For example, if the average WTP for a particular service is not significant, then we cannot say with high confidence that respondents value the service at all.

Methodological choices and potential limitations

Below we set out some methodological choices and potential limitations. These include how the valuation questions and choices were framed, follow-up questions and protest responses, and aggregation of values from different methods.

Framing of the valuation questions and choices

Methodological choices relate to the level at which WTP is assessed (household or individual), asking about the total amount respondents would pay, and the payment vehicle (tax). These are covered here.

Household as opposed to individual WTP:

The contingent valuation (CV) questions and choice experiments examined 'willingness to pay' (WTP) at **household level** rather than individual level. The survey presented amounts that the respondent's **household** would pay and asked about whether their household would be willing to pay those amounts. The reasoning for taking this approach was two-fold:

Firstly, suppose respondents had been asked to indicate whether they **individually** would pay a given amount of tax to support the network. In that case, it may have been unclear whether they should assume that others in their household would also pay that amount. Hence, the implied cost, at the household level, would have been ambiguous.

Secondly, it is likely that in many households one person will use a post office more often than others, potentially on behalf of the household. Hence, if respondents were asked to answer from their individual perspective, the responses may vary significantly depending on which member of the household is answering. By contrast, asking respondents to answer for their household is less ambiguous since respondents must consider the overall benefit of the network to their entire household.⁷

Furthermore, it is consistent with the approach of earlier studies including NERA (2009), London Economics and YouGov (2016), Public First (2020) and London Economics (2023).

However, respondents may find it difficult to include the value to other members of their household in their answers, so may only report the value to themselves. Thus, taking a household level approach is conservative and could to some degree lead to under-estimates of the value of the network.

Asking about the total amount respondents would pay:

The questions asked respondents about the **total amount** they would be willing to pay, **not the additional amount** they would pay above the current amount. Hence, the survey measures the total value of the network and the services it provides including any social value and consumer surplus.

The survey did not present to respondents the amount that they currently pay to support the network for two reasons. Firstly, doing so could bias the results by causing them to anchor on this amount, so-called 'reference point bias'. Secondly, it is unclear what amount should be presented to respondents. This is because it is not clear how the total funding from government should be divided between households, SMEs and other sectors of the economy.

Tax as the payment vehicle:

While alternative payment vehicles were considered, taxation was used because this is one way in which households indeed pay to support the network. Furthermore, tax is universal so does not depend on the respondent's level of use of the post office network. Moreover, using this payment vehicle would avoid possible confusion among those who are aware that taxes are in fact currently used to support the network.⁸ It is also consistent with previous studies.⁹

Follow-up questions and protest responses

⁷ Note this way of thinking would have been reinforced by earlier survey questions, which asked respondents about their household's use of the post office.

⁸ If another payment vehicle were used, this could confuse respondents as to whether it is instead of or in addition to tax that is currently used to support the Post Office.

⁹ Including NERA (2009), London Economics and YouGov (2016), Public First (2020), and London Economics (2023).

After the valuation questions, respondents were asked follow-up questions to understand the reasons for their answers and identify possible ‘protest responses’. A protest response is when a respondent gives an answer **due to the valuation process or an objection to paying for what is being valued**. Such responses are often removed from CV samples since it is assumed that they do not reflect respondents’ true valuations (Jorgensen and others, 1999). We removed protest responses in line with common practice.

The answer options for the follow-up questions included “I should not pay tax to support the post office network”.¹⁰ If someone gave this answer and did not select any other option, we defined their reply to the preceding valuation question as a protest response. We then excluded them from our analysis. Consequently, we excluded around 16% of household replies to the payment card question on the value of the network.¹¹ Of these excluded replies, around four-fifths (79%) were valuations of £0. This is consistent with the approach taken for past valuations of the network, including NERA (2009), London Economics and YouGov (2016), and London Economics (2023).

Annex 2 provides information on the impact of excluding protest responses on the estimated value of the network for households and SMEs. Annex 2 also gives information on the effect of using the mid-points between the values presented at the payment card CV question on the calculation average WTP for the network.

Aggregating values from different methods used in the survey

We do not advise aggregating the values from the different methods used in the survey, as the values cannot be seen as independent. Providing a service through the network, or the distance to the nearest branch, will affect the overall value that respondents place on the network. Hence, there would be a risk of overestimating the value of the network if these were aggregated.

¹⁰ See for example question 18 in Annex 1.

¹¹ Those excluded as protest responses amounted to around 13% of the total sample. Some of the total sample did not provide a reply to the payment card question.

Frequency of use of a post office

Frequency of use of a post office branch by households

Nearly all (97%) households reported having used a post office in the last three years.¹² Among those who have used a post office in the last three years, almost half (46%) reported using one at least once a month. Around 14% reported using a post office at least once a week (see Table 2 below). Seven in 10 (69%) reported using a post office at least every two months, while only around 6% use a branch once per year or less.

The frequency of use of a post office was relatively low among younger age groups compared to older age groups. For example, only 40.7% of those aged 16-34 used a post office once a month or more often, and only 37.0% of those aged 35-44. Frequency of use then increased with age, up to the 55-64 age group. At this age group, the share using a post office at least once per month plateaued, at around 53-54%.

Table 2: Households' frequency of use of a post office, by age

Frequency of use	Age 16-34	Age 35-44	Age 45-54	Age 55-64	Age 65-74	Age 75+	All
At least once a week	11.3%	12.0%	13.7%	17.2%	15.9%	19.2%	14.2%
At least once a month	29.4%	25.0%	32.4%	36.1%	37.9%	34.5%	31.9%
c. 6-11 times per year	22.1%	22.4%	23.5%	18.4%	26.3%	24.2%	22.5%
c. 2-5 times per year	31.2%	32.7%	24.1%	23.2%	16.5%	17.2%	25.5%
About once a year	*	*	*	*	*	*	4.1%
Less than once a year	*	*	*	*	*	*	1.7%

Note: Question: "Approximately how often does your household (i.e. you or another member of your household) use a Post Office branch?". Weighted results. Sample sizes were Age 16-34: 137; Age 35-44: 151; Age 45-54: 244; Age 55-64: 382; Age 65-74: 453; Age 75+: 314; All: 1,681. * Redacted due to base size of less than 10.

Use of a post office was somewhat higher among rural households compared to those in urban areas. For instance, 52.5% of rural households used a post office at least once per month, compared to 44.7% of those in urban areas.

¹² All frequency of use percentages subsequently reported for households in this section take as a base the households who reported having used a post office branch for some reason in the last three years. In other words, they are percentages of households **who have used a post office branch in the last three years**.

Table 3: Households' frequency of use of a post office, by rural or urban

Frequency of use	Urban	Rural	All
At least once a week	13.3%	18.3%	14.2%
At least once a month	31.4%	34.2%	31.9%
c. 6-11 times per year	22.9%	20.9%	22.5%
c. 2-5 times per year	26.3%	22.5%	25.5%
About once a year	4.4%	*	4.1%
Less than once a year	1.8%	*	1.7%

Note: Question: "Approximately how often does your household (i.e. you or another member of your household) use a Post Office branch?". Weighted results. Sample sizes were Urban: 1,301; Rural: 380; All: 1,681. * Redacted due to base size of less than 10.

Use of a post office was higher among households who were not confident using the internet. For example, 54.9% of households who were not confident using the internet reported using a post office at least once per month, compared to 45.4% of those who were confident using the internet.

Table 4: Households' frequency of use of a post office, by internet confidence

Frequency of use	Confident	Not confident	All
At least once a week	13.8%	21.1%	14.2%
At least once a month	31.6%	33.8%	31.9%
c. 6-11 times per year	22.8%	19.9%	22.5%
c. 2-5 times per year	25.9%	18.4%	25.5%
About once a year	4.2%	*	4.1%
Less than once a year	1.6%	*	1.7%

Note: Question: "Approximately how often does your household (i.e. you or another member of your household) use a Post Office branch?". Weighted results. Sample sizes were Confident: 1,223; Not confident: 445; All: 1,681. * Redacted due to base size of less than 10.

Frequency of use of post office services by households

Letters and parcels, as defined in Box 1 in the previous section, were the post office services that households reported using most regularly. Around half, 49% for letters and 53% for parcels, of households used these services at least every two months. The vast majority, 83% for letters and 92% for parcels, used these services at least once per year. The next most frequently used services were cash and banking, with around 24% of households using these services at least every two months.

A large share of households (32%) used government and identity services infrequently (less than once per year). Thus, more households (56%) used these services **at least at some frequency** than any other services, except for letters and parcels.

Table 5: Households' frequency of use of different services at a post office

Frequency of use	Letters	Parcels	Cash & bank	Bills	Finance	Travel	Gov & identity
At least once a week	7.2%	7.5%	4.2%	1.2%	0.6%	*	*
At least once a month	22.8%	24.1%	12.6%	4.2%	1.8%	*	*
c. 6-11 times per year	19.4%	21.3%	7.2%	3.2%	3.0%	3.5%	3.2%
c. 2-5 times per year	25.7%	30.5%	9.8%	4.6%	3.9%	7.7%	7.1%
About once a year	8.2%	8.3%	6.7%	2.4%	3.2%	11.4%	12.3%
Less than once a year	8.1%	5.2%	9.8%	7.2%	7.0%	16.1%	32.1%
Never	8.8%	3.1%	49.6%	77.1%	80.3%	60.1%	43.9%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. Sample sizes were Letters: 1,675; Parcels: 1,674; Cash & bank: 1,641; Bills: 1,617; Finance: 1,573; Travel: 1,595; HMG & identity: 1,566. * Redacted due to base size of less than 10.

Frequency of use of a post office branch by SMEs

Seven in ten (71%) SMEs reported having used a post office in the last three years.¹³ Among SMEs who had used a post office in the last three years, most (65%) reported using a branch at least once a month. Around 37% reported using a post office at least once a week. Around four in five (78%) used a post office at least every two months, while only around 4% used a branch once per year or less.

The frequency of use was similar between SMEs located less than 1 mile and those located 1 mile or more from their nearest post office.

¹³ All frequency of use percentages subsequently reported for SMEs in this section take as a base the SMEs who reported having used a post office branch for some reason in the last three years. In other words, they are percentages of SMEs **who have used a post office branch in the last three years**.

Table 6: SMEs' frequency of use of a post office, by distance to branch

Frequency of use	<1 mile from nearest PO	≥1 mile from nearest PO	All
At least once a week	37.1%	34.0%	36.2%
At least once a month	28.4%	28.2%	28.5%
c. 6-11 times per year	12.6%	15.2%	13.2%
c. 2-5 times per year	18.2%	17.2%	18.0%
About once a year	*	*	*
Less than once a year	*	*	*

Note: Question: "Approximately how often does your business use a Post Office branch?". Weighted results. Sample sizes were <1 mile from nearest PO: 560; ≥1 mile from nearest PO: 234; All: 797. * Redacted due to base size of less than 10.

The frequency of use of a post office was relatively high among SMEs in the Production and Distribution sectors. Conversely, it was relatively low in the Business Services and Other Services sectors. For instance, 51% and 56% of SMEs in the Production and Distribution sectors reported using a post office at least once a week. In comparison, 29% and 27% of those in the Business Services and Other Services sectors reported using a post office that frequently.

Table 7 SMEs' frequency of use of a post office, by sector

Frequency of use	Prod-uction	Constr-uction	Distrib-ution	Business Services	Other Services	All
At least once a week	51.4%	31.8%	56.2%	28.7%	26.6%	36.2%
At least once a month	18.9%	28.2%	26.5%	29.4%	32.2%	28.5%
c. 6-11 times per year	13.0%	*	8.0%	18.2%	15.4%	13.2%
c. 2-5 times per year	*	29.1%	6.1%	20.7%	19.8%	18.0%
About once a year	*	*	*	*	*	*
Less than once a year	*	*	*	*	*	*

Note: Question: "Approximately how often does your business use a Post Office branch?". Weighted results. Sectors: Production, SIC codes ABCDE; Construction, SIC codes F; Distribution, SIC codes GHI; Business services, SIC codes JKLMN; Other services, SIC codes PQRS. Sample sizes were Production: 57; Construction: 66; Distribution: 223; Business Services: 246; Other Services: 205; All: 797. * Redacted due to base size of less than 10.

Frequency of use of post office services by SMEs

Letters and parcels, as defined in Box 1 in the methodology section, were the post office services that SMEs used most regularly. Around half, 57% and 52% respectively, of SMEs used these services at least once a month. The vast majority, 90% and 88% respectively,

used these services at least once per year. The next most frequently used services were cash and banking, with around 37% of SMEs using these services at least once a month.

A relatively large share of SMEs (27%) used government and identity services infrequently (less than once per year) compared to the other services. The share of SMEs using these services **at least at some frequency** (66%) was lower than for letters and parcels but similar to cash and banking.

Table 8: SMEs' frequency of use of different services at a post office

Frequency of use	Letters	Parcels	Cash & bank	Bills	Finance	Travel	Gov & identity
At least once a week	32.2%	27.7%	18.6%	7.9%	7.9%	2.0%	3.4%
At least once a month	24.9%	24.0%	18.1%	11.5%	7.0%	6.2%	5.2%
c. 6-11 times per year	11.6%	10.3%	8.3%	5.2%	3.7%	3.3%	3.8%
c. 2-5 times per year	16.5%	18.6%	8.5%	4.7%	6.3%	7.7%	7.4%
About once a year	4.9%	7.2%	5.8%	4.7%	5.8%	15.4%	19.0%
Less than once a year	5.3%	4.2%	8.1%	10.2%	13.0%	13.4%	26.9%
Never	4.6%	8.0%	32.6%	55.9%	56.4%	52.0%	34.4%

Note: Question "How often, if at all, does your business use each of the following services at a Post Office branch?". Weighted results. Sample sizes were Letters: 796; Parcels: 797; Cash & bank: 788; Bills: 786; Finance: 767; Travel: 787; HMG & identity: 782.

Overall value of the network

This section provides estimates of households' and SMEs' WTP to maintain the post office network, based on the responses to the CV questions. These estimates are provided for households and SMEs as a whole and for subgroups as outlined in the methodology.

Households' valuation of the network

The average estimated WTP of UK households to maintain the post office network at the time of the research was £15.19 per household per month. In total for the 28.4 million UK households¹⁴ this amounts to £5.2 billion annually.

Although the average valuations differ across subgroups, Table 10 below shows that most differences are not statistically significant.

Those who used a post office infrequently, 2-5 times per year or less, gave a lower average valuation of the network. These households valued the network at £12.50 per month, compared to £16.41 for those who use a post office more frequently. This difference was statistically significant at the 5% level (with a p-value of 0.01).

Those in urban and rural areas gave very similar average valuations, £15.05 and £15.76 respectively.

Those who were confident using the internet gave a slightly higher average valuation (£15.32) compared to those who are not confident using the internet (£13.55). This may be linked with younger people giving a higher valuation.

Younger respondents (aged 16-34) reported a higher average valuation (£17.59) for their household than those aged 35-64 (£13.41). Similarly, those aged 65+ also reported a higher valuation (£15.84), on average. Table 10 shows that these differences are statistically significant.

¹⁴ ONS, 'Families and households in the UK: 2023', available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2023>

Table 9: Valuations of the post office network by subgroup – Households

Household type	Average valuation	Confidence interval (95%)
Frequent post office users	£16.41	(£14.85, £17.98)
Infrequent post office users	£12.50	(£9.84, £15.16)
Urban	£15.05	(£13.52, £16.59)
Rural	£15.76	(£13.28, £18.24)
Confident using the internet	£15.32	(£13.92, £16.72)
Not confident using the internet	£13.55	(£11.09, £16.01)
Ages 16-34	£17.59	(£14.13, £21.04)
Ages 35-64	£13.41	(£11.82, £14.99)
Ages 65+	£15.84	(£14.11, £17.58)
All households	£15.19	(£13.86, £16.52)

Note: Values are per household per month. Question: “How much tax would your household be willing to pay per month (in total) to maintain the current Post Office branch network? To the best of your ability, please tell us which of the amounts below would be the maximum that your household would be willing to pay per month, to the nearest £1”. Weighted results. ‘Frequent post office users’ are those who use a post office 6-11 times per year or more. ‘Infrequent post office users’ are those who use a post office 2-5 times per year or less. ‘Not confident using internet’ group includes those who are “not that confident” or “not at all confident” in their ability to use the internet. Sample sizes were Frequent post office users: 841; Infrequent post office users: 321; Urban: 938; Rural: 266; Confident using the internet: 894; Not confident using the internet: 300; Ages 16-34: 114; Ages 35-64: 552; Ages 65+: 538; All households: 1,204.

Table 10: Subgroup differences in average network valuation – Households

Subgroup 1 (higher valuation)	Subgroup 2 (lower valuation)	Difference in average valuations	p-value of difference
Frequent post office users	Infrequent post office users	£3.91*	0.01
Rural	Urban	£0.71	0.63
Confident using the internet	Not confident using the internet	£1.77	0.22
Ages 16-34	Ages 35-64	£4.18*	0.03
Ages 16-34	Ages 65+	£1.75	0.37
Ages 65+	Ages 35-64	£2.44*	0.04

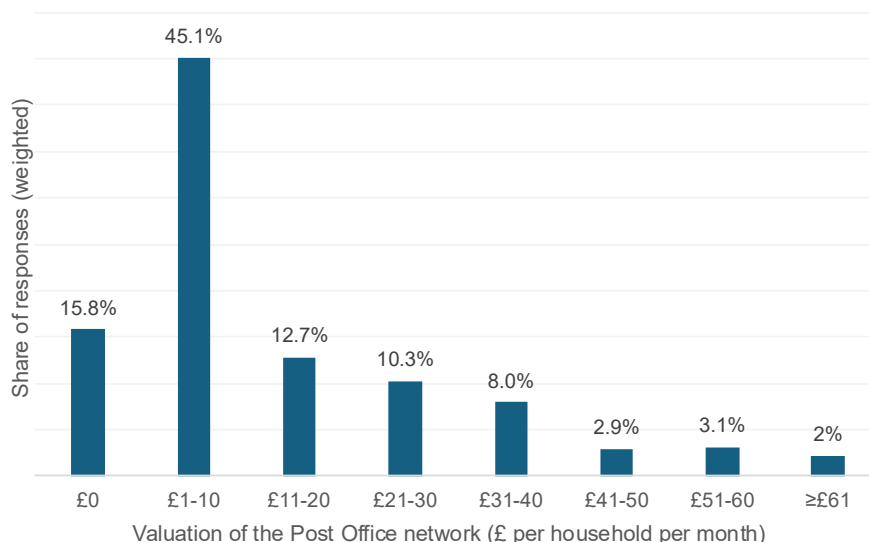
Note: Difference in average valuations is equal to average valuation of Subgroup 1 minus average valuation of Subgroup 2. P-values are based on t-tests for differences in subgroup means. Subgroup sample sizes are as per previous table. * indicates that the difference in average valuations is significant at the two-tailed 5% significance level.

While the average valuation was £15.19, across the sample as a whole, the distribution of values was skewed towards the lower end, as Figure 1 shows.¹⁵ Close to half (45%) of households gave a valuation in the £1-£10 range, while 16% indicated a valuation of £0.

¹⁵ That is to say, the values were clustered towards the lower end of the overall range of values chosen.

Just under one quarter (23%) gave a valuation in the range £10-£20 or £20-£30, while the remaining 16% gave a valuation of more than £30.

Figure 1: Distribution of valuations of the post office network – Households



Note: N=1,204

SMEs' valuation of the network

On average, the estimated WTP of UK SMEs to maintain the post office network at the time of the research was £19.03 per SME per month. In total for the 5.5 million UK SMEs¹⁶ this amounts to around £1.3 billion annually.

As for households, the average valuations differ across subgroups of SMEs. However, most differences were not statistically significant as Table 12 below shows.

Those who used a post office infrequently, around 2-5 times per year or less, gave a lower average valuation of the network. These SMEs valued the network at £16.05 per month, compared to £21.42 for those who used a post office more frequently. While this difference was substantial, it was not statistically significant at the 5% level.¹⁷ A likely explanation for this is that the sample of infrequent users is especially small (88). This leads to a high standard error (£2.86), explaining why the difference compared to frequent users is not significant.

SMEs located less than 1 mile from their nearest post office gave a higher average valuation of the network. These SMEs valued the network at £19.57, versus £16.98 for those located 1 mile or further from their nearest post office. However, this difference was not statistically significant.

SMEs in the Production and Distribution sectors gave relatively high average valuations of the network, £27.25 and £20.77 respectively. SMEs in the Other Services sector gave a relatively low average valuation (£14.64). The difference between the Production sector

¹⁶ ONS, 'Business population estimates 2022', available at: <https://www.gov.uk/government/statistics/business-population-estimates-2022>

¹⁷ Although it is statistically significant at the 10% level.

and Other Services sector was statistically significant, as was the difference between the Distribution sector and Other Services sector.

Table 11: Valuations of the post office network by subgroup – SMEs

SME type	Average valuation	Confidence interval (95%)
Frequent post office users	£21.42	(£18.66, £24.18)
Infrequent post office users	£16.05	(£10.36, £21.73)
<1 mile from nearest PO	£19.57	(£16.92, £22.22)
≥1 mile from nearest PO	£16.98	(£13.25, £20.70)
Production	£27.25	(£14.14, £40.35)
Construction	£18.30	(£12.09, £24.50)
Distribution	£20.77	(£16.44, £25.10)
Business services	£19.78	(£15.87, £23.69)
Other services	£14.64	(£11.84, £17.45)
All SMEs	£19.03	(£16.84, £21.23)

Note: Values are per household per month. Question: "How much tax would your business be willing to pay per month (in total) to maintain the current Post Office branch network? To the best of your ability, please tell us which of the amounts below would be the maximum that your business would be willing to pay per month, to the nearest £1". Based on question 17 of the SME survey in Annex 1. Weighted results. 'Frequent post office users' are those who report using a post office 6 to 11 times per year or more. 'Infrequent post office users' are those who report using a post office 2-5 times per year or less. Sectors: Production, SIC codes ABCDE; Construction, SIC codes F; Distribution, SIC codes GHI; Business services, SIC codes JKLMN; Other services, SIC codes PQRS. Sample sizes were Frequent post office users: 587; Infrequent post office users: 88; <1 mile from nearest PO: 597; ≥1 mile from nearest PO: 254; Production: 64; Construction: 72; Distribution: 231; Business services: 270; Other services: 230; All SMEs: 867.

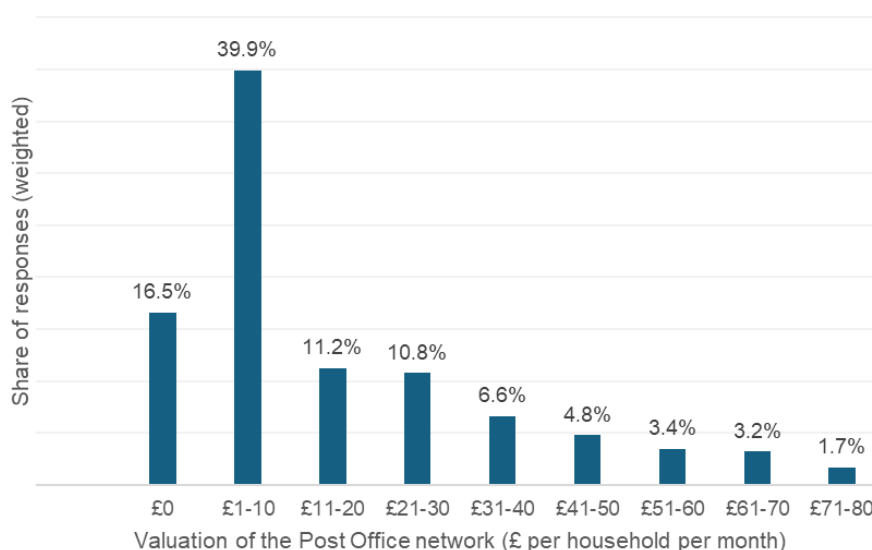
Table 12: Subgroup differences in average network valuation – SMEs

Subgroup 1 (higher valuation)	Subgroup 2 (lower valuation)	Difference in average valuations	p-value of difference
Frequent post office users	Infrequent post office users	£5.38	0.09
<1 mile from nearest PO	≥1 mile from nearest PO	£2.59	0.27
Production	Construction	£8.95	0.22
Production	Distribution	£6.48	0.35
Production	Business services	£7.47	0.27
Production	Other services	£12.60	0.06
Distribution	Construction	£2.47	0.52
Distribution	Business services	£0.99	0.74
Distribution	Other services	£6.13*	0.02
Business services	Construction	£1.48	0.69
Business services	Other services	£5.13*	0.04
Construction	Other services	£3.65	0.29

Note: Difference in average valuations is equal to average valuation of Subgroup 1 minus average valuation of Subgroup 2. P-values are based on t-tests for differences in subgroup means. Subgroup sample sizes are as per previous table. “*” indicates that the difference in average valuations is significant at the two-tailed 5% significance level.

Similar to households, SMEs’ valuations of the network were skewed towards the lower end of the valuations given by respondents. Four in ten gave a valuation in the £1-£10 range, while 17% gave a valuation of £0. Just under one quarter (22%) gave a valuation in the range £10-£20 or £20-£30, while the remaining 22% gave a valuation of more than £30.

Figure 2: Distribution of valuations of the post office network – SMEs



Note: N=867

Value of post office services

This section provides estimates of households' and SMEs' valuations of different post office services, as defined in the methodology section. Note that in this section, when it is said that a service was valued at a certain amount, this refers to the value of **the provision of that service through the post office network**.

Households' valuation of post office services

Table 13 presents households' average valuations of different post office services overall and by subgroup. Note that although some of these valuations were negative, none of the negative values were statistically significant. Hence, it is **not** true to say that some groups had a negative WTP for some services. Rather, we cannot say, from this data, that these groups valued these services at more than £0.

WTP estimates from choice experiments can be negative if the econometric analysis finds that the attribute in question has a negative effect on respondents' likelihood to choose an option. However, if these 'regression coefficients' are not statistically significant, then there is essentially no evidence that the attribute had any effect, either positive or negative. This is the case for all negative valuation estimates from this study, so these estimates should be considered as being no different from £0.

Letters and parcels (the most frequently used services) were by far the most highly valued, at £10.04 and £10.08 respectively.¹⁸ On average for all households, these services were valued at more than double any other service. These services were also generally valued higher than all other services, usually by a multiple of at least 1.5, for all household types. One exception to this was parcels for those who are not confident using the internet (£7.99).

The next most highly valued services were government and identity services (£4.49 on average) and cash and banking (£3.80). This too was quite consistent across types of households. Households placed lower values on bill payments (£1.68), travel services (£1.83) and financial services (£0.18).

The differences between subgroups have not been tested for statistical significance. Thus, apparent differences between subgroups in Table 13 may not be statistically significant.

Frequent post office users gave a higher value for every service than infrequent users.

Rural households gave higher values for letters (£13.51) and cash and banking (£7.20), whereas urban households gave a higher value for government and identity services (£4.90).

Those who were confident using the internet gave a higher value for parcels (£10.25). In contrast, those who were not confident using the internet gave higher values for letters (£10.63), cash and banking (£7.85), bills payment (£3.24) and financial services (£4.71).

¹⁸ Note this consistent with the results of previous studies, such as London Economics (2016) and London Economics & YouGov (2022).

Younger respondents (aged 16-34) gave a higher value for parcels (£11.63) compared to older respondents. Conversely, older respondents (aged 65+) gave higher values for letters (£13.03), cash and banking (£7.94) and bill payments (£2.28) than younger respondents.

Table 13: Valuations of post office services – Households

Household type	Letters	Parcels	Cash & bank	Bills	Financial	Travel	Gov & identity
Frequent post office users	£11.43	£11.26	£5.30	£2.36	(£0.09)	£1.82	£4.69
Infrequent post office users	£7.44	£8.33	(£0.64)	(£0.39)	(-£0.01)	(£1.02)	£4.10
Urban	£9.29	£10.17	£3.07	£1.54	(£0.02)	£1.60	£4.90
Rural	£13.51	£9.80	£7.20	£2.43	(£1.22)	£2.52	£2.53
Confident using the internet	£9.84	£10.25	£3.65	£1.44	(-£0.10)	£1.69	£4.68
Not confident using the internet	£10.63	£7.99	£7.85	£3.24	£4.71	£3.76	(£0.82)
Ages 16-34	£8.91	£11.63	(£1.67)	(£0.04)	(-£0.78)	£3.36	£3.26
Ages 35-64	£9.68	£9.29	£3.30	£2.32	(£0.97)	£1.34	£5.48
Ages 65+	£13.03	£9.66	£7.94	£2.28	(-£0.69)	(£0.94)	£3.76
All households	£10.04	£10.08	£3.80	£1.68	(£0.18)	£1.83	£4.49

Note: Brackets signify that the result is not statistically significantly different from zero. Values are per household per month. Based on the services choice experiment. Weighted results. The 'Not confident using internet' group includes those who are "not that confident" or "not at all confident" in their ability to use the internet. 'Frequent post office users' are those who use a post office 6-11 times per year or more. 'Infrequent post office users' are those who use a post office 2-5 times per year or less. Sample sizes were Frequent post office users: 1,137 respondents; Infrequent post office users: 428 respondents; Urban: 1,264 respondents; Rural: 353 respondents. Confident using the internet: 1,181 respondents; Not confident using the internet: 422 respondents; Ages 16-34: 134 respondents; Ages 35-64: 747 respondents; Ages 65+: 736 respondents; All households: 1,617 respondents.

SMEs' valuation of post office services

Table 14 presents the average valuations of SMEs for different post office services. As for households, letters and parcels were by far the most highly valued, at £8.70 and £7.17 on average for all SMEs. The next most valued service was cash and banking, at £5.39.

In general, SMEs' valuations of the services were comparable to those of households. All valuations for SMEs were in the range of £2 to £9, compared to £1 to £11 for households.

A difference was that SMEs' valuation of cash and banking (£5.39) was higher and much closer to the second most valued service, letters. This suggests that cash and banking accounts for a larger share of the overall value that SMEs derive from post office services, compared to households.

Bill payments were the fourth most highly valued service for SMEs (£3.73). SMEs had relatively lower valuations for government and identity services (£2.89), travel services (£2.45) and finance (£2.37).

As for households, the differences between subgroups have not been tested for statistical significance. Therefore, apparent differences between subgroups in Table 14 may not be statistically significant.

Frequent SME users gave a higher value for letters (£11.24), parcels (£9.60), and cash and banking (£7.22) than infrequent users. The valuations of infrequent SME users for bill payments (£1.10), financial services (-£0.61), travel (£0.43) and government and identity services (£2.02) were not statistically significant. This means infrequent users cannot be said to value these services above £0.

SMEs within 1 mile of their nearest branch gave higher values for letters (£8.94), parcels (£7.59), cash and banking (£5.49) and government and identity services (£3.22). Those who are further away from their nearest branch gave higher values for bill payments (£4.44), financial services (£3.35) and travel (£3.40).

SMEs in the Production sector gave the highest valuations for letters and parcels (£15.55 and £20.68 respectively) of any sector. Their valuations for the other five services ranged from -£1.87 (for financial services) to £8.68 (for cash and banking), but none of these were statistically significant. This essentially means we cannot be highly confident that these values are, in fact, not £0. In other words, we cannot say with high confidence that these subgroups value these services at all.

Excluding any non-significant values, the Distribution sector gave the highest values for cash and banking (£9.45) and government and identity services (£3.53). The Other Services sector gave the highest values for bill payments (£4.73) and financial services (£2.84), excluding non-significant values. The construction sector gave the highest value for travel services (£4.37).

Table 14: Valuations of post office services – SMEs

SME type	Letters	Parcels	Cash & bank	Bills	Finance	Travel	Gov & identity
Frequent post office users	£11.24	£9.60	£7.22	£4.25	(£1.68)	£3.94	£3.10
Infrequent post office users	£5.40	£4.37	£4.77	(£1.10)	(-£0.61)	(£0.43)	(£2.02)
<1 mile from nearest PO	£8.94	£7.59	£5.49	£3.58	£1.92	£1.94	£3.22
≥1 mile from nearest PO	£7.88	£5.87	£4.87	£4.44	£3.35	£3.40	(£2.09)
Production	£15.55	£20.68	(£8.68)	(£6.28)	(-£1.34)	(£1.87)	(£7.41)
Construction	£6.30	(£1.76)	(£1.18)	£3.97	(£3.27)	£4.37	(£3.92)
Distribution	£10.33	£11.13	£9.45	£4.01	(£1.88)	(£2.10)	£3.53
Business services	£7.60	£5.31	£4.64	(£2.15)	£2.41	£2.35	£2.69
Other services	£9.64	£7.71	£6.54	£4.73	£2.84	£2.09	(£1.51)
All SMEs	£8.70	£7.17	£5.39	£3.73	£2.37	£2.45	£2.89

Note: Brackets signify that the result is not statistically significantly different from zero. Values are per SME per month. Based on the services choice experiment. Weighted results. 'Frequent post office users' are those who report using a post office 6 to 11 times per year or more. 'Infrequent post office users' are those who report using a post office 2-5 times per year or less. Sectors: Production, SIC codes ABCDE; Construction, SIC codes F; Distribution, SIC codes GHI; Business services, SIC codes JKLMN; Other services, SIC codes PQRS. Sample sizes were Frequent post office users: 674 respondents; Infrequent post office users: 98 respondents; <1 mile from nearest PO: 692 respondents; ≥1 mile from nearest PO: 289 respondents; Production: 76 respondents; Construction: 78 respondents; Distribution: 270 respondents; Business services: 307 respondents; Other services: respondents; All SMEs: 999 respondents.

Value of distance to the nearest post office branch

Households' valuation of distance to the nearest post office branch

The survey examined respondents' willingness to pay for preventing the nearest post office from moving a given distance further away. The results show that, for households, the average valuation of a 1-mile difference in distance to their nearest post office was £0.93 per month (see Table 15). We found that households' preferences in the choice experiment were more sensitive to the amount they would pay, rather than distance. Consequently, the result was less than £1.¹⁹

While £0.93 per month was the average value per mile, the results indicated that quite sizable shares would pay larger sums for their nearest branch to be closer. For example, when offered choices involving paying £20 per month for a 4-mile difference in distance, 38% said they would pay that amount. Almost one-in-five (19%) indicated they would pay £20 per month for a 2-mile difference in distance.

The average valuation of a 1-mile difference in distance varied by type of household. It was higher among those who were not confident using the internet (£1.49) and those aged 65+ (£1.49). An explanation for this could be that these groups are more limited in their mobility and therefore value proximity. It was also higher among frequent post office users (£1.17).

As the differences between subgroups have not been tested for statistical significance, apparent differences between subgroups in Table 15 may not be statistically significant.

¹⁹ Specifically, when a conditional logit regression was estimated with whether an option was chosen as the dependent variable, the coefficients for tax and distance were -0.110 and -0.102, respectively (both with p-values of less than 0.001).

Table 15: Valuations of distance to the nearest post office branch – Households

Household type	Average valuation per mile
Frequent post office users	£1.17
Infrequent post office users	£0.48
Urban	£0.96
Rural	£0.80
Confident using the internet	£0.87
Not confident using the internet	£1.49
Ages 16-34	£0.84
Ages 35-64	£0.83
Ages 65+	£1.31
All households	£0.93

Note: Brackets signify that the result is not statistically significantly different from zero. Values are per mile per household per month. Based on the distances choice experiment. Weighted results. The 'Not confident using internet' group includes those who are "not that confident" or "not at all confident" in their ability to use the internet. 'Frequent post office users' are those who use a post office 6-11 times per year or more. 'Infrequent post office users' are those who use a post office 2-5 times per year or less. Sample sizes were Frequent post office users: 1,058 respondents; Infrequent post office users: 404 respondents; Urban: 1,173 respondents; Rural: 334 respondents; Confident using the internet: 1,099 respondents; Not confident using the internet: 397 respondents; Ages 16-34: respondents; Ages 35-64: 691 respondents; Ages 65+: 685 respondents; All households: 1,507 respondents.

SMEs' valuation of distance to the nearest post office branch

For SMEs the average valuation of a 1-mile difference in distance was £1.18 per month (see Table 16). This result reflects the fact that, according to the data, each mile of distance to their nearest branch has more influence on SMEs' preferences than each £1 they would pay.²⁰

While £1.18 was the average value per mile, as for households fairly large shares of SMEs would pay larger sums for their nearest branch to be closer. For instance, around three in ten (29%) would pay an extra £20 per month for a 4-mile difference in distance. Almost one in five (17%) would pay £25 per month for a 2-mile difference in distance.

The average valuation of a 1-mile difference in distance varied by type of SME. It was highest for the Production sector (£1.85), consistent with the result that SMEs in this sector had a high overall valuation of the network. The average valuation of a 1-mile difference in distance is low for SMEs located 1 mile or more from their nearest post office (£0.83) and those in the Construction sector (£0.50).

The differences between subgroups have not been tested for statistical significance, so apparent differences between subgroups in Table 16 may not be statistically significant.

²⁰ Specifically, when a conditional logit regression was estimated with whether an option was chosen as the dependent variable, the coefficients for tax and distance were -0.102 and -0.121, respectively (both with p-values of less than 0.001).

Table 16: Valuations of distance to the nearest post office branch – SMEs

SME type	Average valuation
Frequent post office users	£1.16
Infrequent post office users	£1.08
<1 mile from nearest PO	£1.31
≥1 mile from nearest PO	£0.83
Production	£1.85
Construction	(£0.50)
Distribution	£1.08
Business services	£1.25
Other services	£1.26
All SMEs	£1.18

Note: Brackets signify that the result is not statistically significantly different from zero. Values are per mile per SME per month. Based on the distances choice experiment. Weighted results. 'Frequent post office users' are those who report using a post office 6 to 11 times per year or more. 'Infrequent post office users' are those who report using a post office 2-5 times per year or less. Sectors: Production, SIC codes ABCDE; Construction, SIC codes F; Distribution, SIC codes GHI; Business services, SIC codes JKLMN; Other services, SIC codes PQRS. Sample sizes were Frequent post office users: 668 respondents; Infrequent post office users: 97 respondents; <1 mile from nearest PO: 684 respondents; ≥1 mile from nearest PO: 287 respondents; Production: 74 respondents; Construction: 77 respondents; Distribution: 267 respondents; Business services: 301 respondents; Other services: 264 respondents; All SMEs: 983 respondents

Social value of the network

This section presents the results of the survey questions on the importance to households and SMEs of potential social value qualities of the post office network.

Households' ratings of social value qualities of the post office network

Table 17 shows the shares of households who gave each importance rating for each possible quality of the network. It also shows the shares who indicated that they do not consider these to be qualities of the network.

For every quality presented, only a minority said that they did **not** think it was a quality of the network. This proportion was highest with respect to being a community hub (14%), whereas for all other qualities it was 5% or less.

The highest rated qualities were that the post office is nearby and convenient to get to and available when you need it. These were rated as important (a rating of 4 or 5) by 84% and 77% of respondents, respectively. Providing an in-person and face-to-face service and providing services which other providers cannot or will not provide were the next highest rated qualities. These were rated as important by 67% and 66% of respondents. Providing a wide range of services in one place (64%), assistance with tasks (61%), and institutional value (56%) were also rated as important by most people. The lowest rated quality was that the post office is a hub for the local community. Only 38% of respondents rated this as important.

Table 17: Households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	3%	13%	19%	64%
Nearby & convenient	1%	6%	9%	84%
Availability of services	5%	11%	18%	66%
In-person & face-to-face	1%	15%	16%	67%
Assistance with tasks	4%	18%	16%	61%
Community hub	14%	28%	20%	38%
Institutional value	3%	23%	17%	56%
Available when needed	2%	8%	13%	77%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Sample sizes were Services in one place: 1,717; Nearby & convenient: 1,724; Availability of services: 1,672; In-person & face-to-face: 1,723; Assistance with tasks: 1,629; Community hub: 1,657; Institutional value: 1,696; Available when needed: 1,717.

SMEs' ratings of social value qualities of the post office network

Table 18 shows the shares of SMEs who gave each importance rating for each possible quality of the post office network. It also presents the shares who indicated that they do not consider these to be qualities of the network.

For every quality presented, no more than 4% of respondents said that they do **not** think it is a quality of the post office network. For every quality, at least 68% of respondents gave a rating of 4 or 5, indicating they see it as important. If a quality was presented to both households and SMEs, SMEs were at least as likely as households, usually more likely, to rate it as important.

Like for households, the highest rated qualities among SMEs were that the post office is nearby and convenient to get to and available when you need it. These were rated as important (a rating of 4 or 5) by 84% and 79% of SMEs, respectively. Every other quality except providing a wide range of services in one place was rated as important by at least 73% of SMEs. The share who rated providing a wide range of services in one place as important was 68%.

Table 18: SMEs' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	1%	16%	16%	68%
Nearby & convenient	1%	8%	7%	84%
Availability of services	4%	9%	15%	73%
In-person & face-to-face	1%	10%	14%	74%
Supports local economy	2%	10%	16%	73%
Creates level playing field	2%	9%	16%	73%
Available when needed	2%	6%	13%	79%

Note: Question: "How important to your business are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Sample sizes were Services in one place: 1,025; Nearby & convenient: 1,028; Availability of services: 1,016; In-person & face-to-face: 1,030; Supports local economy: 1,016; Creates level playing field: 1,015; Available when needed: 1,030.

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Annex 1: Survey questionnaires

Below is a reproduction of the surveys asked to households and SMEs. The questions, information and instructions presented to respondents are in black text. Survey scripting instructions are in red text. The household survey is presented first. The SME survey is presented second.

Household survey

Welcome to this survey. This survey aims to understand the **value to society of the UK's network of Post Office branches and the services they provide**. First, we would like to give you some background information – please read this carefully:

The Post Office and Royal Mail are different businesses. Royal Mail has been privatised, while the Post Office is owned by the government. Royal Mail runs a **mail delivery service**, collecting, sorting and delivering mail. The Post Office operates a **network of over 11,500 in-person branches** across the UK. Although the Post Office sells many products on behalf of Royal Mail, such as stamps and parcel postage, it is a **different business**.

This survey is about the nationwide network of Post Office branches, which we refer to as the '**Post Office network**'. The survey is not about Royal Mail.

The Post Office branch network is partially subsidised by taxpayer money as private providers have no commercial incentive to provide such extensive coverage. The **taxpayer subsidy is provided to ensure nationwide, in-person access to services**, so that at least 99% of the population are within three miles of a Post Office branch, including 95% of those in rural areas, and 90% are within one mile.

Services provided by the Post Office network include postage for letters and parcels, drop and collect for online shopping and prepaid post, cash, banking, bill payments, financial services, travel money, foreign currency, government services and identity services. These will be further explained later in this survey.

Some private providers also offer similar services of their own. For example, Collect+, Evri, UPS, DHL and DPD offer postal services, banks and ATMs provide cash and banking, and PayPoint outlets offer bill payments. However, unlike the Post Office network, these providers are not required by government to provide extensive coverage in both urban and rural areas.

Post Offices can be dedicated branches, located inside another store like a newsagent, located in a 'pop-up' location like a pub, or operate from a van. Some are 'drop and collect' branches focussing on pre-paid parcels and bill payments

Ask all:

1. Have you or another member of your household used a Post Office branch for any reason in the last three years? (single choice, fixed order)
 - a. Yes
 - b. No
 - c. Not sure

Ask if answered a ("Yes") to question 1:

2. Approximately how often does your household (i.e. you or another member of your household) use a Post Office branch? (single choice, fixed order)
- At least once a week
 - At least once a month
 - Around 6 to 11 times per year
 - Around 2-5 times per year
 - About once a year
 - Less than once a year
 - Not sure

Ask if answered a ("Yes") to question 1:

3. In your household, is it mainly yourself or another person who uses the Post Office? Please select the answer the best applies. (single choice, fixed order)
- Mainly myself
 - Mainly another person in my household
 - Myself and another person in my household roughly equally
 - Not sure

Services provided at Post Offices

The Post Office branch network provides a range of products and services. Please take a moment to look at the seven types of products and services listed below. All of these are provided in at least some branches, and most branches will provide most of the services.

Letters (buying postage & drop-off at Post Offices):

This means selling of **postage** (stamps and labels) for **letters** (domestic and international), including signed for and special delivery, and **drop-off of letters** you are sending at a Post Office, where you have paid for the postage elsewhere (e.g. online).

Parcels, including drop-off & collection:

This means selling of **postage** for **parcels**, and **drop-off and collection** for online shopping and pre-paid parcels, including:

- Standard, 'signed for', special delivery, tracked, oversized and high-value parcel services
- Online shopping returns and collections (at a Post Office branch)
- Drop-off at a Post Office of parcels you are sending if you have paid for the postage online

Cash & banking:

This means **cash and basic banking services** for most bank accounts (not just Post Office accounts):

- Free in-branch cash withdrawals and deposits for your bank account
- Cheque depositing services, change giving, and checking balances on current accounts

Bill payments:

This means providing **payment facilities** for:

- Utilities such as water, gas and electricity bills

- Social housing rent and Local Authority payments (e.g. for council tax or parking permits)
- Travel tickets (e.g. for buses and underground trains)
- Sending/paying money to people (Postal orders and Post Office Payout)
- Benefit or pension payments for those without a bank account (Payment Exception Service)

Financial services:

This means provision of **Post Office's financial products** including (not cash and banking):

- Savings accounts
- Insurance products (e.g. travel insurance)
- International money transfers

Travel:

This means access to **travel money** and **foreign currency** (not travel insurance):

- Purchase of Travel Money Cards (a card you can load up with foreign currency)
- Purchase foreign currency at Bureau de Change
- Collection of foreign currency pre-purchased online ('Click & Collect')
- eSIM cards for international travel (a digital SIM card for your smartphone)

Government services & Identity services:

This means access to **services on behalf of government and councils** and **digital and physical identity services**, online or in branch, including (among others):

- Supporting passport applications through "Check and Send" services
- Processing applications and payments for driving licence renewal
- GOV.UK Verify services, PASS Card and EasyID (accepted as official proof of ID and age across the UK)
- Document certification and criminal record checks (for yourself)

Ask if answered a ("Yes") to question 1:

4. How often, if at all, does your household use each of the following services **at a Post Office branch**? You can hover your cursor over each service to see a description.

Services (fixed order):

1. Letters (buying postage & drop-off at Post Offices)
2. Parcels, including drop-off & collection
3. Cash & banking
4. Bill payments
5. Financial services
6. Travel
7. Government services & Identity services

Answer options (single choice, fixed order):

- a. At least once a week
- b. At least once a month
- c. Around 6 to 11 times per year
- d. Around 2-5 times per year
- e. About once a year
- f. Less than once a year
- g. Never
- h. Not sure

Ask all:

5. Please rate the importance to your household of each of the following services **at Post Office branches**. You can hover your cursor over each service to see a description. Please answer on a scale from 1 (not at all important) to 5 (very important).

Show only the services for which the respondent answered a, b, c, d, e, or f at question 4.

Grid down (fixed order):

1. Letters (buying postage & drop-off at Post Offices)
2. Parcels, including drop-off & collection
3. Cash & banking
4. Bill payments
5. Financial services
6. Travel
7. Government services & Identity services

Grid across (single choice, fixed order):

- a. 1 – Not at all important
- b. 2
- c. 3
- d. 4
- e. 5 – Very important
- f. Don't know/prefer not to say

Ask all:

6. To what extent is an **alternative** to using a Post Office branch available to your household for each of the following services? Please think about both physical and online options where applicable. You can hover your cursor over each service to see a description.

Services (fixed order):

1. Letters (buying postage & drop-off at Post Offices)
2. Parcels, including drop-off & collection
3. Cash & banking
4. Bill payments
5. Financial services
6. Travel
7. Government services & Identity services

Answer options (single choice, fixed order):

- a. There are convenient alternatives for me
- b. There are alternatives, but they are inconvenient for me
- c. There are alternatives, but they are costly for me
- d. There are no alternatives
- e. Not applicable to me
- f. Not sure

Ask only for services for which the respondent answered a. "There are convenient alternatives for me" at question 6:

7. You said there are convenient alternatives to using a Post Office branch available to your household for the following services. Please select the **main** alternative that is available

to your household, from the list below. You can hover your cursor over each service to see a description.

Show only the services for which the respondent answered a. "There are convenient alternatives for me" at question 6.

Services (fixed order):

1. Letters (buying postage & drop-off at Post Offices)
2. Parcels, including drop-off & collection
3. Cash & banking
4. Bill payments
5. Financial services
6. Travel
7. Government services & Identity services

Answer options (single choice, fixed order):

- a. Bank or building society branch
- b. High street shop or convenience store
- c. Other (non-Post Office) drop-off/collection points for letters or parcels
- d. Royal Mail's home collection service
- e. Travel agent
- f. Government office or agency, e.g. JobCentre Plus
- g. Online
- h. Other
- i. Don't know

Ask all:

8. How **important** to your household are the following **possible qualities** of the **Post Office branch network**? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important).

Grid down (fixed order):

1. It provides a wide range of services in one place
2. It is nearby and convenient to get to
3. It provides services which other providers cannot/will not provide
4. It provides an in-person, face-to-face service
5. It assists people with important tasks, such as providing help to understand bills or support with government services
6. It is a hub for the local community (i.e. a space where people gather to access services and information, participate in activities, and strengthen social connections in their local area)
7. It is an iconic national institution, integral to UK history and culture
8. It is available when you need it, even if you rarely or never use it

Grid across (single choice, fixed order):

- a. 1 – Not at all important
- b. 2
- c. 3
- d. 4
- e. 5 – Very important
- f. I don't think this is a quality of the Post Office network
- g. Don't know/prefer not to say

(Next screen)

The next part of the survey aims to understand the **value of the network of Post Office branches, run mainly by postmasters, and the services they provide**. As explained earlier, taxpayer money helps to fund the network so it can provide services to communities where it would otherwise be commercially unviable.

The next few questions ask you to choose between **two options** in which the **services offered by the Post Office branch network** and the **amount of tax your household pays to support it** are varied.

These choices are hypothetical, you won't be required to actually pay any money as part of this survey, and it will not affect government policy. The purpose is to help to understand the value of the services provided by Post Office branches as a public service, to your household and others in society.

The amounts of tax mentioned in the questions refer to the **total your household would pay**. For example, if the amount of tax your household would pay to support the Post Office network is £10 under Option 1 and £5 under Option 2, this means your household would pay £5 more in tax in total under Option 1.

Although these choices are **imaginary**, please **choose the option you prefer as if scenarios were real** while bearing in mind the cost of each option. When answering these questions, please consider your household budget carefully, and all the things you need to, or would like to, spend your money on.

Your answers are key to our research so please answer carefully.

(Next screen)

In each of the following choices you will have two options ('Option 1' and 'Option 2'). A **tick (✓)** means that a category of services **would be available through the Post Office network**, while a **cross (×)** means that the category of services **would not be available via the network**. You can hover your cursor over each service to see a description.

These options **only** relate to the provision of these services **at Post Offices**, not whether or not they would be provided online or through other channels.

If a service was no longer available through Post Office branches, it would still be available from other providers. For example:

- Parcel pick-up and drop-off services are offered by companies such as DPD, Evri, Collect+, UPS, DHL or FedEx, which have pick-up and drop off points in supermarkets and newsagents.
- Access to cash and banking services would still be provided by bank branches and ATMs. Banks are required (by their regulator) to review access to cash in a community if a change occurs (e.g. if a branch closes) or when local residents or businesses make a request, and take action if there is lack of provision that would have 'significant impact' on the community.
- Access to payment services would continue to be available through the company PayPoint.
- All existing online services would still be available (e.g. online purchase of postage, online banking, online payments etc.).

However, unlike the Post Office network, commercial providers are not required by government to provide access nationwide or to specific communities (including rural and urban), and Post Office branches are the only locations where these services are offered in one place.

The monthly tax that your household would pay to support the Post Office branch network will be shown below each option. This refers to the total your household would pay to support the network. For example, if it is £10 under Option 1 or £5 under Option 2, this means your household would pay £5 more in tax overall under Option 1.

When you think you understand, please click “Next” to see your first choice.

(Next screen)

Ask all:

9. Here is your **first** choice...

In the table below, the left-hand column lists seven service categories which are currently provided at Post Office branches. For each option, the monthly tax that your household would contribute to support the Post Office network is indicated in the bottom row. A tick means that the services would still be available at Post Office branches, a cross means that the services would no longer be available at Post Office branches.

You can hover your cursor over each service to see a full description.

Please choose Option 1 or Option 2... (single choice, fixed order)

Repeat question 9 six times using the choices according to the respondent's allocation. Between each choice change “Here is your first choice [...] Please make your first choice...” to “Here is your second choice [...] Please make your second choice...”, etc.

Ask all:

10. Did you feel that you were able to make the choices in this exercise in a realistic way? Please select the answer that best applies. (single choice)

- a. I felt able to make the choices in a realistic way
- b. I felt able to make the choices in a somewhat realistic way
- c. I did not feel able to make the choices in a realistic way
- d. Don't know (exclusive answer option)

Ask is answered c (“I did NOT feel able to make the choices in a realistic way”) at question 10:

11. Why was it that you felt unable to make the choices in a realistic way? Please select all that apply. (multiple choice, except the exclusive answer option)

- a. I could not imagine having to make these choices
- b. I did not understand the questions
- c. I do not pay taxes so the tax would not affect me
- d. It just made no sense to me
- e. Don't know (exclusive answer option)

Now please imagine a situation where there are no Post Office branches. This exercise is separate to the previous one, so please think about this scenario in its own right (not what has gone before).

This scenario would mean that no one can use the various services provided by the Post Office network at a Post Office branch. It is purely imaginary and not something being considered by the government.

As explained earlier, some private providers offer similar services of their own, such as Collect+, Evri, UPS etc. for postal services, banks and ATMs for cash and banking, and PayPoint for payment services, and existing online services would still be available (e.g. online purchase of postage, online banking, online payments etc.).

However, other providers are not required by government to provide extensive coverage in both urban and rural areas. In contrast, the network of 11,500 Post Office branches ensures that, currently, at least 99% of the population are within three miles of a Post Office branch and 90% are within one mile.

The next questions are intended to help us understand **the value of the Post Office branch network as a whole, to your household and others in society**. When answering the following questions, please carefully consider everything you and others value about the Post Office network, and how it would affect you and others if there were no Post Office branches.

(Next screen)

Allocated respondents at random to a group between 1 and 6:

Group	First amount	Higher amount	Lower amount
1	£2	£8	£1
2	£8	£16	£2
3	£16	£26	£8
4	£26	£38	£16
5	£38	£52	£26
6	£52	£66	£38

Ask all:

12. Imagine that to maintain the entire Post Office branch network, your household would contribute **<First amount>** per month (in total) as part of the tax it pays. If you didn't contribute this payment, all Post Office branches would close, but you would not pay tax to support the network. This means your household would pay **<First amount>** more per month in tax under Option 1.

Please select which option you would prefer:

- Option 1: Contribute **<First amount>** per month to maintain the Post Office branch network
- Option 2: All Post Office branches close and pay no tax to support the network
- Don't know

Ask if answered "Option 1" to question 0:

13. And would your household be willing to contribute **<Higher amount>** per month (in total) to maintain the Post Office branch network? (single choice, fixed order)
- Option 1: Contribute **<Higher amount>** per month to maintain the Post Office branch network
 - Option 2: All Post Office branches close and pay no tax to support the network
 - Don't know

Ask if answered "Option 2" to question 0:

14. And would your household be willing to contribute **<Lower amount>** per month (in total) to maintain the Post Office branch network? (single choice, fixed order)
- Option 1: Contribute **<Lower amount>** per month to maintain the Post Office branch network
 - Option 2: All Post Office branches close and pay no tax to support the network
 - Don't know

Ask if answered "Option 1" to question 0, question 0 OR question 14:

15. You said you would be willing to contribute a tax to maintain the Post Office branch network. Why would you be willing to pay this tax? Please tick any that apply. (multiple choice except exclusive answer option, randomise order)
- The tax matches the value that my household gets from the Post Office network
 - The tax matches the value that society gets from the Post Office network
 - I can afford the tax
 - I support using taxes to fund the Post Office network
 - I believe everyone benefits from the Post Office network, so it's fair to contribute
 - I feel obliged to support essential services, even if I don't use them/use them often
 - I do not believe I would really have to pay
 - I could not decide/did not understand the question
 - Other (fix order position)
 - Don't know/Prefer not to say (exclusive answer option, fix order position)

Ask if answered "Option 2" to question 0 AND "Option 2" to question 14:

16. You said you would not contribute either amount of tax mentioned in the two previous questions in order to maintain the Post Office branch network. Why is this? Please tick any that apply. (multiple choice except exclusive answer option, randomise order)
- The tax was too high
 - The Post Office network is not valuable to me personally
 - The Post Office network is not valuable to society as a whole
 - Due to my household's finances
 - I should not pay tax to support the Post Office network
 - Taxes are too high/People pay too much in tax in general
 - The government does not need to support the Post Office network
 - I could not decide/did not understand the question
 - Other (fix order position)
 - Don't know/Prefer not to say (exclusive answer option, fix order position)

Ask all:

17. How much tax would your household be willing to pay per month (in total) to maintain the current Post Office branch network? To the best of your ability, please tell us which of the amounts below would be the maximum that your household would be willing to pay per month, to the nearest £1.

- a. Ranges to be inserted based on payment care ranges spreadsheet
- b. Not sure

Ask UNLESS answered 'Not sure' to question 17:

18. How did you decide the amount that you gave as the maximum tax your household would be willing to contribute to maintain the Post Office branch network? Please tick any answers that apply. (multiple choice, randomise order)
- a. I considered the value of the Post Office network to me
 - b. I considered the value of the Post Office network to society
 - c. I considered what my household could afford
 - d. I should not pay tax to support the Post Office network
 - e. I do not pay taxes, so the tax would not affect me
 - f. I could not decide/did not understand the questions
 - g. Other (fix order position)
 - h. Don't know/Prefer not to say (exclusive answer option, fix order position)

Ask if answered a. ("Yes") to question 1:

19. When you visit a Post Office, where do you usually set off from? (single choice, fixed order)
- a. My home
 - b. Someone else's house (e.g. a friend or relative)
 - c. My place of work
 - d. Another location
 - e. Not sure

Ask all:

20. Approximately how far from your **home** is your **nearest Post Office**? Please give your best estimate. For your information, it typically takes an average person 15-20 minutes to walk 1 mile. (single choice, fixed order)
- a. Less than half a mile
 - b. More than (or exactly) half a mile, but less than 1 mile
 - c. More than (or exactly) 1 mile, but less than 2 miles
 - d. More than (or exactly) 2 miles, but less than 3 miles
 - e. More than (or exactly) 3 miles, but less than 5 miles
 - f. 5 miles or more
 - g. Don't know

Ask all

21. And [if question 19 = "My home" "when you", otherwise "if you were to"] travel from your **home** to your **nearest Post Office**, how long [if question 19 = "My home" "does it usually", otherwise "would it"] take you? Again, please give your best estimate. (single choice, fixed order)
- a. Less than 5 minutes
 - b. 5 to 10 minutes
 - c. 11 to 15 minutes
 - d. 16 to 20 minutes
 - e. 21 to 30 minutes
 - f. 31 minutes to one hour
 - g. Over an hour
 - h. Don't know

Ask all

22. And [if question 19 = "My home" "when you", otherwise "if you were to"] travel from your **home** to your **nearest Post Office**, how [if question 19 = "My home" "do you usually", otherwise "would you"] travel there (by what means of transport)? (single choice, fixed order)

- a. By car, van or motorcycle
- b. By foot
- c. By bicycle
- d. By public transport (bus, train, tram etc.)
- e. Other
- f. Don't know

Now we are going to ask you to make some choices regarding the **distance to your nearest Post Office branch**. Please think about these choices in their own right, not what has gone before.

Below is an example choice. In this choice two things vary between Option 1 and Option 2:

- The distance from your home to your nearest Post Office branch, and
- The total amount of tax your household would pay to maintain a large Post Office network, with branches close to people's homes

You will see six choices like this and just need to tell us which option you would prefer while bearing in mind the cost (in terms of tax) of each option considering your household budget.

	Option 1	Option 2
Distance from your home to your nearest Post Office branch	1 mile	3 miles
Tax your household would pay to maintain a large Post Office network, with branches close to people's homes (in total in this scenario)	£10 per month	£5 per month

When making your choices, think about what you use the Post Office for and how you would travel to the Post Office if it were the distances shown in the choices. For your information, it typically takes an average person 15-20 minutes to walk 1 mile.

When you think you understand this example, please click 'Next' to see your first choice.

(Next screen)

Each respondent sees six choices in total.

Ask all:

23. Please make your **first** choice.... (single choice, fixed order)

Insert first choice, according to the respondent's allocation, in the table format below.

	Option 1	Option 2
--	----------	----------

Distance from your home to your nearest Post Office branch	[distance] miles [or "mile" if distance=1]	[distance] miles [or "mile" if distance=1]
Tax your household would pay to maintain a large Post Office network, with branches close to people's homes (in total in this scenario)	£[price] per month	£[price] per month

○

○

I don't know which option I would choose: ○

Repeat question 23 six times using the choices according to the respondent's allocation. Between each choice change "Please make your first choice..." to "Please make your second choice...", etc., finishing with "Please make your final choice..."

Ask all:

- 24.** In the last choice exercise, why did you make the choices you did? Please select all that apply. (multiple choice except exclusive answer option, randomise order)
- I chose options based on the value to my household of having the local Post Office close by or further away
 - I could afford the amount of tax shown
 - The amount of tax shown was too high
 - I think it is good that taxes are used to maintain a large Post Office network
 - I shouldn't pay tax to support the Post Office
 - The Government does not need to support the Post Office
 - I do not pay taxes, so the tax would not affect me
 - I felt like I had no choice
 - I could not decide/did not understand the question
 - Don't know prefer not to say (exclusive answer option, fix order position)

Ask all:

Finally, we would like to ask you some questions about your ability to use the internet, and whether you rely on cash as a payment method.

- 25.** How confident do you (or would you) feel in your ability to use the internet for the following activities?

Grid down (fixed order):

- Banking activities (e.g. checking your balance, transferring money)
- Buying postage for letters or parcels you want to send
- Paying bills (e.g. utility bills, council tax, rent)
- Buying travel money and foreign currency
- Buying financial products (e.g. insurance)
- Using government services (e.g. making passport applications, driving licence renewals/applications)

Grid across (single choice, fixed order):

- Very confident
- Fairly confident
- Not that confident
- Not at all confident
- Don't know
- Prefer not to say

Ask all:

26. To what extent would you say you **rely on cash** (rather than other payment methods) in your day-to-day life?
- a. A very great extent: I pay for everything, including bills, in cash
 - b. A great extent: I pay for most things in cash, including larger purchases and bills
 - c. A moderate extent: I use cash and other payment methods equally
 - d. A small extent: I occasionally use cash
 - e. A very small extent: I almost always use other payment methods, even for everyday purchases

SME survey

Welcome to this survey **which we would like you to answer from the perspective of your business (which you own or work for).**

This survey aims to understand the **value to society, including small and medium size businesses, of the UK's network of Post Office branches and the services they provide.** First, we would like to give you some background information – please read this carefully:

The Post Office and Royal Mail are different businesses. Royal Mail has been privatised, while the Post Office is owned by the government. Royal Mail runs a **mail delivery service**, collecting, sorting and delivering mail. The Post Office operates a **network of over 11,500 in-person branches** across the UK. Although the Post Office sells many products on behalf of Royal Mail, such as stamps and parcel postage, it is a **different business**.

This survey is about the nationwide network of Post Office branches, which we refer to as the '**Post Office network**'. The survey is not about Royal Mail.

The Post Office branch network is partially subsidised by taxpayer money as private providers have no commercial incentive to provide such extensive coverage. The **taxpayer subsidy is provided to ensure nationwide, in-person access to services**, so that at least 99% of the population are within three miles of a Post Office branch, including 95% of those in rural areas, and 90% are within one mile.

Services provided by the Post Office network, to consumers and small businesses, include postage for letters and parcels, drop and collect for online shopping and prepaid post, cash, banking, bill payments, financial services, travel money, foreign currency, government services and identity services. These will be further explained later in this survey.

Some private providers also offer similar services of their own. For example, Collect+, Evri, UPS, DHL and DPD offer postal services, banks and ATMs provide cash and banking, and PayPoint outlets offer bill payments. However, unlike the Post Office network, these providers are not required by government to provide extensive coverage in both urban and rural areas.

Post Offices can be dedicated branches, located inside another store like a newsagent, located in a 'pop-up' location like a pub, or operate from a van. Some are 'drop and collect' branches focussing on pre-paid parcels and bill payments

Ask all:

1. Has your business used a Post Office branch for any reason in the last three years? (single choice, fixed order)
 - a. Yes
 - b. No
 - c. Not sure

Ask if answered a ("Yes") to question 1:

2. Approximately how often does your business use a Post Office branch? (single choice, fixed order)
 - a. At least once a week
 - b. At least once a month
 - c. Around 6 to 11 times per year
 - d. Around 2-5 times per year
 - e. About once a year
 - f. Less than once a year
 - g. Not sure

Ask if answered a ("Yes") to question 1:

3. In your business, is it mainly yourself or another person who uses the Post Office? Please select the answer that best applies. (single choice, fixed order)
 - a. Mainly myself
 - b. Mainly another person in my business
 - c. Myself and another person in my business roughly equally
 - d. Not sure

Services provided at Post Offices

The Post Office branch network provides a range of products and services. Please take a moment to look at the seven types of products and services listed below. All of these are provided in at least some branches, and most branches will provide most of the services.

Letters (buying postage & drop-off at Post Offices):

This means selling of **postage** (stamps and labels) for **letters** (domestic and international), including signed for and special delivery, and **drop-off of letters** your business is sending at a Post Office, where postage has been paid for elsewhere (e.g. online).

Parcels, including drop-off & collection:

This means selling of **postage** for **parcels**, and **drop-off and collection** for online shopping and pre-paid parcels, including:

- Standard, 'signed for', special delivery, tracked, oversized and high-value parcel services
- Online shopping returns and collections (at a Post Office branch)
- Drop-off at a Post Office of parcels your business is sending if postage has been paid for online

Cash & banking:

This means **cash and basic banking services** for most bank accounts (not just Post Office accounts):

- Free in-branch cash withdrawals and deposits
- Cheque depositing services, change giving, and checking balances on current accounts

Bill payments:

This means providing **payment facilities** for:

- Utilities such as water, gas and electricity bills
- Social housing rent and Local Authority payments (e.g. for council tax or parking permits)
- Travel tickets (e.g. for buses and underground trains)
- Sending/paying money to people (Postal orders and Post Office Payout)
- Benefit or pension payments for those without a bank account (Payment Exception Service)

Financial services:

This means provision of **Post Office's financial products** including (not cash and banking):

- Savings accounts
- Insurance products (e.g. travel insurance)
- International money transfers

Travel:

This means access to **travel money** and **foreign currency** (not travel insurance):

- Purchase of Travel Money Cards (a card that can be loaded up with foreign currency)
- Purchase foreign currency at Bureau de Change
- Collection of foreign currency pre-purchased online ('Click & Collect')
- eSIM cards for international travel (a digital SIM card for a smartphone)

Government services & Identity services:

This means access to **services on behalf of government and councils** and **digital and physical identity services**, online or in branch, including (among others):

- Supporting passport applications through "Check and Send" services
- Processing applications and payments for driving licence renewal
- GOV.UK Verify services, PASS Card and EasyID (accepted as official proof of ID and age across the UK)
- Document certification and criminal record checks

Ask if answered a ("Yes") to question 1:

4. How often, if at all, does your business use each of the following services **at a Post Office branch**? You can hover your cursor over each service to see a description.

Allow respondents to see (again) the definition of each service category, as per 'Services provided at Post Offices' above, by hovering their cursor over that service category.

Services (fixed order):

1. Letters (buying postage & drop-off at Post Offices)
2. Parcels, including drop-off & collection
3. Cash & banking
4. Bill payments
5. Financial services
6. Travel
7. Government services & Identity services

Answer options (single choice, fixed order):

- a. At least once a week
- b. At least once a month
- c. Around 6 to 11 times per year
- d. Around 2-5 times per year
- e. About once a year
- f. Less than once a year
- g. Never
- h. Not sure

Ask all:

5. Please rate the importance to your business of each of the following services **at Post Office branches**. You can hover your cursor over each service to see a description. Please answer on a scale from 1 (not at all important) to 5 (very important).

Allow respondents to see (again) the definition of each service category, as per 'Services provided at Post Offices' above, by hovering their cursor over that service category. Show only the services for which the respondent answered a, b, c, d, e, or f at question 4.

Grid down (fixed order):

- 1. Letters (buying postage & drop-off at Post Offices)
- 2. Parcels, including drop-off & collection
- 3. Cash & banking
- 4. Bill payments
- 5. Financial services
- 6. Travel
- 7. Government services & Identity services

Grid across (single choice, fixed order):

- a. 1 – Not at all important
- b. 2
- c. 3
- d. 4
- e. 5 – Very important
- f. Don't know/prefer not to say

Ask all:

6. To what extent is an **alternative** to using a Post Office branch available to your business for each of the following services? Please think about both physical and online options where applicable. You can hover your cursor over each service to see a description.

Allow respondents to see (again) the definition of each service category, as per 'Services provided at Post Offices' above, by hovering their cursor over that service category.

Services (fixed order):

- 1. Letters (buying postage & drop-off at Post Offices)
- 2. Parcels, including drop-off & collection
- 3. Cash & banking
- 4. Bill payments
- 5. Financial services
- 6. Travel
- 7. Government services & Identity services

Answer options (single choice, fixed order):

- a. There are convenient alternatives

- b. There are alternatives, but they are inconvenient
- c. There are alternatives, but they are costly
- d. There are no alternatives
- e. Not applicable to my business
- f. Not sure

Ask only for services for which the respondent answered a. “There are convenient alternatives for my business” at question 6:

7. You said there are convenient alternatives to using a Post Office branch available to your business for the following services. Please select the **main** alternative that is available to your business, from the list below. You can hover your cursor over each service to see a description.

Allow respondents to see (again) the definition of each service category, as per ‘Services provided at Post Offices’ above, by hovering their cursor over that service category. Show only the services for which the respondent answered a. “There are convenient alternatives for my business” at question 6.

Services (fixed order):

- 1. Letters (buying postage & drop-off at Post Offices)
- 2. Parcels, including drop-off & collection
- 3. Cash & banking
- 4. Bill payments
- 5. Financial services
- 6. Travel
- 7. Government services & Identity services

Answer options (single choice, fixed order):

- a. Bank or building society branch
- b. High street shop or convenience store
- c. Other (non-Post Office) drop-off/collection points for letters or parcels
- d. Royal Mail’s home collection service
- e. Travel agent
- f. Government office or agency, e.g. JobCentre Plus
- g. Online
- h. Other
- i. Don’t know

Ask all:

8. How **important** to your business are the following **possible qualities** of the **Post Office branch network**? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important).

Grid down (fixed order):

- 1. It provides a wide range of services in one place
- 2. It is nearby and convenient to get to
- 3. It provides services which other providers cannot/will not provide
- 4. It provides an in-person, face-to-face service
- 5. It assists people with important tasks, such as providing help to understand bills or support with government services (do not include in SME survey)
- 6. It supports the local economy (e.g. by attracting customers to the high street)
- 7. It helps provide a level playing field for small and medium sized businesses around the country, by providing equal access to services

8. It is available when your business needs it, even if your business rarely or never uses it

Grid across (single choice, fixed order):

- a. 1 – Not at all important
- b. 2
- c. 3
- d. 4
- e. 5 – Very important
- f. I don't think this is a quality of the Post Office network
- g. Don't know/prefer not to say

(Next screen)

The next part of the survey aims to understand the **value of the network of Post Office branches, run mainly by postmasters, and the services they provide**. As explained earlier, taxpayer money helps to fund the network so it can provide services to communities where it would otherwise be commercially unviable.

The next few questions ask you to choose between **two options** in which the **services offered by the Post Office branch network** and the **amount of tax your business pays to support it** are varied.

These choices are hypothetical, you won't be required to actually pay any money as part of this survey, and it will not affect government policy. The purpose is to help to understand the value of the services provided by Post Office branches as a public service, to your business and others in society.

The amounts of tax mentioned in the questions refer to the **total your business would pay**. For example, if the amount of tax your business would pay to support the Post Office network is £10 under Option 1 and £5 under Option 2, this means your business would pay £5 more in tax in total under Option 1.

Although these choices are **imaginary**, please **choose the option you prefer (for your business) as if scenarios were real** while bearing in mind the cost of each option. When answering these questions, please consider your business's finances carefully, and all the things your business needs to spend your money on.

Your answers are key to our research so please answer carefully.

(Next screen)

In each of the following choices you will have two options ('Option 1' and 'Option 2'). A **tick (✓)** means that a category of services **would be available through the Post Office network**, while a **cross (×)** means that the category of services **would not be available via the network**. You can hover your cursor over each service to see a description.

These options **only** relate to the provision of these services **at Post Offices**, not whether or not they would be provided online or through other channels.

If a service was no longer available through Post Office branches, it would still be available from other providers. For example:

- Parcel pick-up and drop-off services are offered by companies such as DPD, Evri, Collect+, UPS, DHL or FedEx, which have pick-up and drop off points in supermarkets and newsagents.
- Access to cash and banking services would still be provided by bank branches and ATMs. Banks are required (by their regulator) to review access to cash in a community if a change occurs (e.g. if a branch closes) or when local residents or businesses make a request, and take action if there is lack of provision that would have 'significant impact' on the community.
- Access to payment services would continue to be available through the company PayPoint.
- All existing online services would still be available (e.g. online purchase of postage, online banking, online payments etc.).

However, unlike the Post Office network, commercial providers are not required by government to provide access nationwide or to specific communities (including rural and urban), and Post Office branches are the only locations where these services are offered in one place.

The monthly tax that your business would pay to support the Post Office branch network will be shown below each option. This refers to the total your business would pay to support the network. For example, if it is £10 under Option 1 or £5 under Option 2, this means your business would pay £5 more in tax overall under Option 1.

When you think you understand, please click "Next" to see your first choice.

(Next screen)

Ask all:

9. Here is your **first** choice...

In the table below, the left-hand column lists seven service categories which are currently provided at Post Office branches. For each option, the monthly tax that your business would contribute to support the Post Office network is indicated in the bottom row. A tick means that the services would still be available at Post Office branches, a cross means that the services would no longer be available at Post Office branches. You can hover your cursor over each service to see a full description.

Please choose Option 1 or Option 2... (single choice, fixed order)

Repeat question 9 six times using the choices according to the respondent's allocation. Between each choice change "Here is your first choice [...] Please make your first choice..." to "Here is your second choice [...] Please make your second choice...", etc.

Ask all:

10. Did you feel that you were able to make the choices in this exercise in a realistic way? Please select the answer that best applies. (single choice)
- a. I felt able to make the choices in a realistic way
 - b. I felt able to make the choices in a somewhat realistic way

- c. I did not feel able to make the choices in a realistic way
- d. Don't know (exclusive answer option)

Ask is answered c ("I did NOT feel able to make the choices in a realistic way") at question 10:

11. Why was it that you felt unable to make the choices in a realistic way? Please select all that apply. (multiple choice, except the exclusive answer option)
- a. I could not imagine having to make these choices
 - b. I did not understand the questions
 - c. My business does not pay taxes so the tax would not affect it
 - d. It just made no sense to me
 - e. Don't know (exclusive answer option)

(Next screen)

Now please imagine a situation where there are no Post Office branches. This exercise is separate to the previous one, so please think about this scenario in its own right (not what has gone before).

This scenario would mean that no one can use the various services provided by the Post Office network at a Post Office branch. It is purely imaginary and not something being considered by the government.

As explained earlier, some private providers offer similar services of their own, such as Collect+, Evri, UPS etc. for postal services, banks and ATMs for cash and banking, and PayPoint for payment services, and existing online services would still be available (e.g. online purchase of postage, online banking, online payments etc.).

However, other providers are not required by government to provide extensive coverage in both urban and rural areas. In contrast, the network of 11,500 Post Office branches ensures that, currently, at least 99% of the population are within three miles of a Post Office branch and 90% are within one mile.

The next questions are intended to help us understand **the value of the Post Office branch network as a whole, to your business and others in society**. When answering the following questions, please carefully consider everything your business and others value about the Post Office network, and how it would affect your business and others if there were no Post Office branches.

(Next screen)

Allocated respondents at random to a group between 1 and 6:

Group	First amount	Higher amount	Lower amount
1	£2	£8	£1
2	£8	£16	£2
3	£16	£26	£8
4	£26	£38	£16
5	£38	£52	£26
6	£52	£66	£38

Ask all:

12. Imagine that to maintain the entire Post Office branch network, your business would contribute **<First amount>** per month (in total) as part of the tax it pays. If your business didn't contribute this payment, all Post Office branches would close, but your business would not pay tax to support the network. This means your business would pay **<First amount>** more per month in tax under Option 1.
Which option would you select on behalf of your business:
- Option 1: Contribute **<First amount>** per month to maintain the Post Office branch network
 - Option 2: All Post Office branches close and pay no tax to support the network
 - Don't know

Ask if answered "Option 1" to question 0:

13. And would your business be willing to contribute **<Higher amount>** per month (in total) to maintain the Post Office branch network? (single choice, fixed order)
- Option 1: Contribute **<Higher amount>** per month to maintain the Post Office branch network
 - Option 2: All Post Office branches close and pay no tax to support the network
 - Don't know

Ask if answered "Option 2" to question 0:

14. And would your business be willing to contribute **<Lower amount>** per month (in total) to maintain the Post Office branch network? (single choice, fixed order)
- Option 1: Contribute **<Lower amount>** per month to maintain the Post Office branch network
 - Option 2: All Post Office branches close and pay no tax to support the network
 - Don't know

Ask if answered "Option 1" to question 0, question 0 OR question 14:

15. You said your business would be willing to contribute a tax to maintain the Post Office branch network. Why would your business be willing to pay this tax? Please tick any that apply. (multiple choice except exclusive answer option, randomise order)
- The tax matches the value that my business gets from the Post Office network
 - The tax matches the value that society gets from the Post Office network
 - My business can afford the tax
 - I support using taxes to fund the Post Office network (do not ask in SME survey)
 - I believe everyone benefits from the Post Office network, so it's fair to contribute (do not ask in SME survey)
 - I feel obliged to support essential services, even if I don't use them/use them often (do not ask in SME survey)
 - I do not believe my business would really have to pay
 - I could not decide/did not understand the question
 - Other (fix order position)
 - Don't know/Prefer not to say (exclusive answer option, fix order position)

Ask if answered "Option 2" to question 0 AND "Option 2" to question 14:

16. You said your business would not contribute either amount of tax mentioned in the two previous questions in order to maintain the Post Office branch network. Why is this? Please tick any that apply. (multiple choice except exclusive answer option, randomise order)

- a. The tax was too high
- b. The Post Office network is not valuable to my business
- c. The Post Office network is not valuable to society as a whole
- d. Due to my business's finances
- e. My business should not pay tax to support the Post Office network
- f. Taxes are too high/businesses pay too much in tax in general
- g. The government does not need to support the Post Office network
- h. I could not decide/did not understand the question
- i. Other (fix order position)
- j. Don't know/Prefer not to say (exclusive answer option, fix order position)

Ask all:

17. How much tax would your business be willing to pay per month (in total) to maintain the current Post Office branch network? To the best of your ability, please tell us which of the amounts below would be the maximum that your business would be willing to pay per month, to the nearest £1.

- a. Ranges to be inserted based on payment care ranges spreadsheet
- b. Not sure

Ask UNLESS answered 'Not sure' to question 17:

18. How did you decide the amount that you gave as the maximum tax your business would be willing to contribute to maintain the Post Office branch network? Please tick any answers that apply. (multiple choice, randomise order)

- a. I considered the value of the Post Office network to my business
- b. I considered the value of the Post Office network to society
- c. I considered what my business could afford
- d. My business should not pay tax to support the Post Office network
- e. My business does not pay taxes, so the tax would not affect it
- f. I could not decide/did not understand the questions
- g. Other (fix order position)
- h. Don't know/Prefer not to say (exclusive answer option, fix order position)

19. (Not relevant for SME survey)

Ask all:

20. Approximately how far from your **business premises** is the **nearest Post Office**? Please give your best estimate. For your information, it typically takes an average person 15-20 minutes to walk 1 mile. (If your business is based at your home, think of the distance from your home to the nearest post office.) (single choice, fixed order)

- a. Less than half a mile
- b. More than (or exactly) half a mile, but less than 1 mile
- c. More than (or exactly) 1 mile, but less than 2 miles
- d. More than (or exactly) 2 miles, but less than 3 miles
- e. More than (or exactly) 3 miles, but less than 5 miles
- f. 5 miles or more
- g. Don't know

Ask all:

21. And if you were to travel from your **business premises** to the **nearest Post Office**, how long would it take you? Again, please give your best estimate. (single choice, fixed order)
- a. Less than 5 minutes
 - b. 5 to 10 minutes
 - c. 11 to 15 minutes
 - d. 16 to 20 minutes
 - e. 21 to 30 minutes
 - f. 31 minutes to one hour
 - g. Over an hour
 - h. Don't know

Ask all:

22. And if you were to travel from your **business premises** to the **nearest Post Office**, how would you travel there (by what means of transport)? (single choice, fixed order)
- a. By car, van or motorcycle
 - b. By foot
 - c. By bicycle
 - d. By public transport (bus, train, tram etc.)
 - e. Other
 - f. Don't know

(Next screen)

Now we are going to ask you to make some choices regarding the **distance to the nearest Post Office branch, from your business premises**. Please think about these choices in their own right, not what has gone before.

Below is an example choice. In this choice two things vary between Option 1 and Option 2:

- The distance from your business premises to the nearest Post Office branch, and
- The total amount of tax your business would pay to maintain a large Post Office network

You will see six choices like this and just need to tell us which option you would prefer (for your business) while bearing in mind the cost (in terms of tax) of each option considering your business's finances.

	Option 1	Option 2
Distance from your business premises to the nearest Post Office branch	1 mile	3 miles
Tax your business would pay to maintain a large Post Office network (in total in this scenario)	£10 per month	£5 per month

When making your choices, think about what your business uses the Post Office for, and how someone would travel to the Post Office from your business premises if it were the distances shown in the choices. For your information, it typically takes an average person 15-20 minutes to walk 1 mile.

When you think you understand this example, please click 'Next' to see your first choice.

(Next screen)

Ask all:

23. Please make your **first** choice.... (single choice, fixed order)

Insert first choice, according to the respondent's allocation, in the table format below.

	Option 1	Option 2
Distance from your business premises to the nearest Post Office branch	[distance] miles [or "mile" if distance=1]	[distance] miles [or "mile" if distance=1]
Tax your business would pay to maintain a large Post Office network (in total in this scenario)	£[price] per month	£[price] per month

I don't know which option I would choose: ○ ○

Repeat question 23 six times using the choices according to the respondent's allocation. Between each choice change "Please make your first choice..." to "Please make your second choice...", etc., finishing with "Please make your final choice..."

Ask all:

24. In the last choice exercise, why did you make the choices you did? Please select all that apply. (multiple choice except exclusive answer option, randomise order)

- a. I chose options based on the value to my business of having the local Post Office close by or further away
- b. My business could afford the amount of tax shown
- c. The amount of tax shown was too high
- d. I think it is good that taxes are used to maintain a large Post Office network (do not ask in SME survey)
- e. My business shouldn't pay tax to support the Post Office
- f. The Government does not need to support the Post Office
- g. My business does not pay taxes, so the tax would not affect it
- h. I felt like I had no choice
- i. I could not decide/did not understand the question
- j. Don't know prefer not to say (exclusive answer option, fix order position)

Finally, we would like to ask you about whether your business relies on cash as a transaction method.

25. (Not relevant for SME survey)

Ask all:

26. To what extent would you say your business **relies on cash** (rather than other payment methods) in its day-to-day operations?

- f. A very great extent: my business uses cash for everything
- g. A great extent: my business uses cash for most things
- h. A moderate extent: my business uses cash and other payment methods equally
- i. A small extent: my business occasionally uses cash
- j. A very small extent: my business always or almost always uses other payment methods

Annex 2: Sensitivity of network value estimate to protest responses and use of payment card mid-points

This annex provides information on the sensitivity of the results regarding households' and SMEs' WTP for the post office network.

Sensitivity of network value estimate to protest responses

Households:

As presented in the fourth section of the main report, the average estimated WTP of UK households to maintain the network was £15.19 per household per month.

As explained in the methodology section, this result excluded protest responses. Protest responses were defined as where a respondent answered "I should not pay tax to support the post office network" to question 18 and gave **only** that response. In this annex, we call this 'Definition 1'. Had these protest responses not been excluded from the analysis, the average WTP of households would be £13.32 per month (see the table below).

Another answer option to an earlier survey question²¹ was "I do not believe I would really have to pay". This answer might also be seen as indicating a protest response. Thus, a protest could instead have been defined as a valuation from a respondent who replied either of the following: "I should not pay tax to support the Post Office network" to question 18, or "I do not believe I would really have to pay" to question 15. In this annex, we call this 'Definition 2'.

Had this alternative definition been used, the average WTP of households would change very little compared to the main estimate reported in the third section, by 3 pence to £15.16. The table below summarises these results.

Table 19: Household valuations of the network, by treatment of protest responses

Definition of protest responses excluded	Average valuation
All respondents included (protests not excluded)	£13.32
Protests excluded defined as those who reported "I do not believe I would really have to pay" (per main estimate reported previously)	£15.19
Those who reported "I do not believe I would really have to pay" also excluded	£15.16

Note: Values are per household per month.

²¹ Namely question 15.

SMEs:

The same two definitions of protest responses can be used for SMEs as for households. As for households, the main result for SMEs excluded Definition 1 protest responses. If Definition 1 protest responses were not excluded from the analysis, the average WTP of SMEs would be £18.08 per month. Under the alternative definition of protest responses, Definition 2, the average WTP of SMEs would be £19.02. This is almost the same as the main estimate of £19.03. The table below summarises these results.

Table 20: SME valuations of the network, by treatment of protest responses

Definition of protest responses excluded	Average valuation
All respondents included (protests not excluded)	£18.08
Protests excluded defined as those who reported “I do not believe I would really have to pay” (per main estimate reported previously)	£19.03
Those who reported “I do not believe I would really have to pay” also excluded	£19.02

Note: Values are per SME per month.

Sensitivity of network value estimate to use of payment card mid-points

Households:

The estimate of households’ average WTP for the network was based on the maximum they indicated they would pay **among the amounts presented to them**. Alternatively, the calculation could instead have used the mid-point between this value and the next amount up on the payment card. This is because the question identified that a household would pay a certain amount and not the next amount up, but not their precise WTP.

Consequently, the main estimate in the fourth section of this report, £15.19 per household per month, is somewhat conservative. This is because it was based on the highest value that we **know** households would pay. Suppose instead the mid-point between the maximum WTP of each household among the amounts presented and the next amount up were used for the calculation. In that case, the estimate would be £16.67 per household per month.

SMEs:

As for households, the main estimate in the fourth section for SMEs’ average WTP was based on highest value that we **know** SMEs would pay. This estimate was £19.03 per month. Using the mid-point between the maximum WTP of each SME among the amounts presented and the next amount up gives an estimate of £20.94 per month.

Annex 3: Supplementary Data Tables on Household Frequency of Use

The following tables further break down table 5 on household frequency of use by age, urban/rural, and digital confidence.

Table 21: Age 16-34 households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	11%	29%	22%	31%	[c]	[c]	0%
Letters	[c]	19%	13%	26%	[c]	13%	[c]
Parcels	7%	24%	22%	33%	9%	[c]	[c]
Cash & banking	[c]	12%	[c]	[c]	[c]	12%	53%
Bills	[c]	[c]	[c]	[c]	[c]	[c]	77%
Finance	[c]	[c]	[c]	[c]	[c]	[c]	78%
Travel	[c]	[c]	[c]	[c]	9%	12%	64%
HMG & identity	[c]	[c]	[c]	10%	10%	20%	51%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 16-34 only. Sample sizes were Post office: 137; Letters: 135; Parcels: 136; Cash & bank: 129; Bills: 128; Finance: 122; Travel: 127; HMG & identity: 125. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 22: Age 35-44 households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	12%	25%	22%	33%	[c]	[c]	0%
Letters	[c]	18%	21%	26%	12%	[c]	[c]
Parcels	9%	20%	20%	36%	8%	[c]	[c]
Cash & banking	[c]	[c]	[c]	[c]	[c]	11%	55%
Bills	[c]	[c]	[c]	[c]	[c]	[c]	77%
Finance	[c]	[c]	[c]	[c]	[c]	[c]	81%
Travel	[c]	0%	[c]	[c]	8%	19%	63%
HMG & identity	[c]	0%	[c]	7%	13%	41%	37%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 35-44 only. Sample sizes were Post office: 151; Letters: 151; Parcels:

150; Cash & bank: 146; Bills: 147; Finance: 141; Travel: 143; HMG & identity: 142. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 23: Age 45-54 households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	14%	32%	24%	24%	[c]	[c]	0%
Letters	10%	18%	21%	27%	9%	7%	7%
Parcels	9%	28%	20%	31%	5%	4%	[c]
Cash & banking	5%	14%	6%	12%	7%	5%	51%
Bills	[c]	4%	[c]	7%	4%	5%	77%
Finance	[c]	[c]	[c]	[c]	[c]	[c]	78%
Travel	[c]	[c]	[c]	8%	14%	19%	[c]
HMG & identity	0%	[c]	[c]	6%	15%	40%	33%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 45-54 only. Sample sizes were Post office: 244; Letters: 244; Parcels: 244; Cash & bank: 241; Bills: 239; Finance: 236; Travel: 237; HMG & identity: 230. *[c] = Redacted due to base size of 10 or less.

Table 24: Age 55-64 households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	17%	36%	18%	23%	[c]	[c]	0%
Letters	7%	28%	19%	28%	8%	5%	5%
Parcels	9%	29%	21%	27%	9%	4%	2%
Cash & banking	6%	14%	5%	10%	7%	11%	47%
Bills	[c]	6%	4%	4%	[c]	9%	75%
Finance	[c]	2%	[c]	5%	3%	[c]	79%
Travel	0%	[c]	[c]	9%	16%	16%	56%
HMG & identity	0%	[c]	[c]	4%	14%	37%	41%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 55-64 only. Sample sizes were Post office: 382; Letters: 380; Parcels: 380; Cash & bank: 371; Bills: 362; Finance: 354; Travel: 359; HMG & identity: 355. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 25: Age 65-74 households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	16%	38%	26%	16%	[c]	[c]	0%
Letters	11%	29%	26%	22%	6%	3%	2%
Parcels	6%	26%	24%	23%	8%	7%	5%
Cash & banking	5%	10%	10%	12%	7%	12%	45%
Bills	[c]	5%	[c]	5%	4%	8%	76%
Finance	[c]	[c]	[c]	[c]	[c]	[c]	85%
Travel	[c]	[c]	[c]	10%	14%	18%	56%
HMG & identity	0%	[c]	[c]	7%	15%	30%	47%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 65-74 only. Sample sizes were Post office: 453; Letters: 451; Parcels: 453; Cash & bank: 445; Bills: 435; Finance: 420; Travel: 426; HMG & identity: 421. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 26: Age 75+ households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	19%	34%	24%	17%	[c]	[c]	0%
Letters	12%	30%	25%	24%	[c]	[c]	[c]
Parcels	5%	14%	20%	32%	12%	13%	4%
Cash & banking	4%	17%	13%	10%	7%	8%	42%
Bills	[c]	[c]	[c]	5%	[c]	7%	83%
Finance	[c]	[c]	[c]	[c]	4%	7%	83%
Travel	[c]	[c]	[c]	5%	9%	15%	[c]
HMG & identity	[c]	[c]	[c]	4%	7%	33%	54%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For age 75+ only. Sample sizes were Post office: 314; Letters: 314; Parcels: 311; Cash & bank: 309; Bills: 306; Finance: 300; Travel: 303; HMG & identity: 293. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 27: Rural households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	18%	34%	21%	22%	[c]	[c]	0%
Letters	10%	26%	21%	26%	8%	4%	5%
Parcels	8%	27%	19%	30%	9%	6%	2%
Cash & banking	5%	15%	9%	12%	8%	12%	40%
Bills	[c]	5%	[c]	3%	3%	8%	78%
Finance	[c]	[c]	[c]	5%	[c]	[c]	81%
Travel	[c]	[c]	[c]	8%	13%	16%	58%
HMG & identity	[c]	[c]	[c]	7%	11%	29%	49%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For households in rural areas only. Sample sizes were Post office: 380; Letters: 379; Parcels: 378; Cash & bank: 373; Bills: 368; Finance: 366; Travel: 366; HMG & identity: 362. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 28: Urban households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	13%	31%	23%	26%	[c]	[c]	0%
Letters	6%	22%	19%	26%	8%	9%	10%
Parcels	7%	23%	22%	31%	8%	5%	3%
Cash & banking	4%	12%	7%	9%	6%	9%	52%
Bills	[c]	4%	[c]	5%	2%	7%	77%
Finance	[c]	[c]	[c]	4%	[c]	[c]	80%
Travel	[c]	[c]	[c]	8%	11%	16%	61%
HMG & identity	[c]	[c]	[c]	7%	13%	33%	43%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For households in urban areas only. Sample sizes were Post office: 1,301; Letters: 1,296; Parcels: 1,296; Cash & bank: 1,268; Bills: 1,249; Finance: 1,207; Travel: 1,229; HMG & identity: 1,204. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 29: Digitally confident households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	14%	32%	23%	26%	[c]	[c]	0%
Letters	7%	22%	19%	26%	8%	8%	9%
Parcels	7%	24%	22%	31%	8%	5%	3%
Cash & banking	4%	12%	7%	10%	7%	10%	50%
Bills	1%	4%	3%	4%	2%	7%	78%
Finance	[c]	[c]	3%	4%	[c]	[c]	81%
Travel	[c]	[c]	4%	8%	11%	16%	60%
HMG & identity	[c]	[c]	3%	7%	12%	32%	44%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For households reported as 'digitally confident' only. Sample sizes were Post office: 1,223; Letters: 1,221; Parcels: 1,220; Cash & bank: 1,196; Bills: 1,177; Finance: 1,156; Travel: 1,165; HMG & identity: 1,150. Sample counts for tables 29 and 30 do not sum to total the counts in table 17 as a small number of respondents chose not to respond to the question on digital confidence at all. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 30: Digitally unconfident households' frequency of use of different services at a post office

Service	At least once a week	At least once a month	c. 6 to 11 times per year	c. 2-5 times per year	About once a year	Less than once a year	Never
Post office	21%	34%	20%	18%	[c]	[c]	0%
Letters	14%	26%	24%	21%	4%	7%	3%
Parcels	7%	19%	21%	29%	10%	8%	7%
Cash & banking	8%	13%	15%	11%	4%	7%	42%
Bills	5%	9%	7%	12%	4%	10%	53%
Finance	[c]	[c]	4%	10%	[c]	[c]	70%
Travel	[c]	[c]	6%	13%	10%	13%	56%
HMG & identity	[c]	[c]	9%	8%	14%	27%	38%

Note: Question: "How often, if at all, does your household use each of the following services at a Post Office branch?". Weighted results. For households reported as 'digitally confident' only. Sample sizes were Post office: 445; Letters: 441; Parcels: 441; Cash & bank: 432; Bills: 427; Finance: 406; Travel: 418; HMG & identity: 403. Sample counts for tables 29 and 30 do not sum to total the counts in table 17 as a small number of respondents chose not to respond to the question on digital confidence at all. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Annex 4: Supplementary Data Tables on Social Value Qualities

The following tables supplement table 17 on household ratings of social value qualities of the post office network.

Table 31: Aged 16-34 households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	[c]	[c]	19%	59%
Nearby & convenient	[c]	[c]	11%	81%
Availability of services	8%	15%	27%	50%
In-person & face-to-face	[c]	[c]	25%	49%
Assistance with tasks	[c]	[c]	22%	51%
Community hub	18%	31%	21%	31%
Institutional value	[c]	[c]	16%	46%
Available when needed	[c]	[c]	20%	65%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Households aged 16-34 only. Sample sizes were Services in one place: 144; Nearby & convenient: 145; Availability of services: 139; In-person & face-to-face: 144; Assistance with tasks: 134; Community hub: 140; Institutional value: 138; Available when needed: 145. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 32: Aged 35-64 households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	[c]	[c]	19%	67%
Nearby & convenient	[c]	[c]	8%	86%
Availability of services	3%	8%	14%	74%
In-person & face-to-face	[c]	[c]	14%	72%
Assistance with tasks	[c]	[c]	14%	67%
Community hub	13%	27%	20%	40%
Institutional value	3%	21%	19%	57%
Available when needed	2%	6%	12%	81%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Households aged 35-64 only. Sample sizes were Services in one place: 798; Nearby & convenient: 799; Availability of services: 772; In-person & face-to-face: 797; Assistance with tasks: 753; Community hub: 757; Institutional value: 784; Available when needed: 792. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 33: Aged 65+ households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	3%	12%	19%	66%
Nearby & convenient	[c]	[c]	9%	83%
Availability of services	4%	12%	16%	68%
In-person & face-to-face	1%	11%	12%	76%
Assistance with tasks	4%	21%	14%	62%
Community hub	11%	27%	20%	42%
Institutional value	[c]	[c]	15%	66%
Available when needed	[c]	[c]	10%	83%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Households aged 65+ only. Sample sizes were Services in one place: 775; Nearby & convenient: 780; Availability of services: 761; In-person & face-to-face: 782; Assistance with tasks: 742; Community hub: 760; Institutional value: 774; Available when needed: 780. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 34: Rural households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	6%	12%	17%	65%
Nearby & convenient	[c]	[c]	8%	85%
Availability of services	5%	9%	14%	71%
In-person & face-to-face	[c]	[c]	13%	75%
Assistance with tasks	3%	17%	14%	66%
Community hub	10%	25%	23%	42%
Institutional value	5%	19%	17%	60%
Available when needed	[c]	[c]	11%	82%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Rural households only. Sample sizes were Services in one place: 384; Nearby & convenient: 385; Availability of services: 376; In-person & face-to-face: 387; Assistance with tasks: 364; Community hub: 372; Institutional value: 378; Available when needed: 386. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

Table 35: Urban households' ratings of social value qualities of the post office network

Social value quality	Not a quality	Not important (rating 1 or 2)	Neutral (rating 3)	Important (rating 4 or 5)
Services in one place	3%	14%	20%	64%
Nearby & convenient	[c]	[c]	9%	83%
Availability of services	4%	11%	19%	65%
In-person & face-to-face	[c]	[c]	17%	65%
Assistance with tasks	5%	19%	16%	60%
Community hub	15%	29%	19%	37%
Institutional value	3%	24%	17%	56%
Available when needed	[c]	[c]	14%	76%

Note: Question: "How important to your household are the following possible qualities of the Post Office branch network? For each statement, please answer on a scale from 1 (Not at all important) to 5 (Very important)." Weighted results. Urban households only. Sample sizes were Services in one place: 1,333; Nearby & convenient: 1,339; Availability of services: 1,296; In-person & face-to-face: 1,336; Assistance with tasks: 1,265; Community hub: 1,285; Institutional value: 1,318; Available when needed: 1,331. *[c] = Redacted due to base size of 10 or less, or due to secondary suppression.

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