

POST OFFICE BANKING

A Combined Consultation
Stage Impact Assessment
and Equality Impact
Assessment

DECEMBER 2009

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Summary: Intervention & Options

Department /Agency: Department for Business, Innovation & Skills	Title: Consultation Stage Impact Assessment of the consultation on Post Office Banking	
Stage: Consultation	Version: 1	Date: 2 December 2009
Related Publications: Post Office Banking: A consultation on how to develop the banking and financial services available at the Post Office. Available to view or download at: www.bis.gov.uk/consultations		

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What is the problem under consideration? Why is government intervention necessary?

Despite significant developments over recent decades, access to financial services continues to be unevenly distributed across the UK – with citizens in rural and deprived urban areas far less likely to access such services than citizens in other parts of the country. At the same time, the Post Office's traditional revenue streams have declined - as a result of new technology and changing lifestyle choices – whereas its revenue from financial services products has grown significantly.

The Government wants to expand the existing range of financial services available at Post Offices to help reduce these disparities by ensuring that financial services are equitably distributed across the country, and to generate additional revenue to help maintain a more secure and sustainable Post Office network.

What are the policy objectives and the intended effects?

On 29 September 2009 the Prime Minister announced that he wanted Post Offices to bring “*banking services back to the heart of people's communities.*” The Government believes that the Post Office can provide financial services to those who are not currently able to access such services. The additional revenues generated would also help maintain a more secure and sustainable Post Office network. The Government believes that this is the right time to expand the Post Office's financial products and services and to build on the trusted and well-loved Post Office brand.

The objective of the consultation is to gauge stakeholder opinion on the Government's vision for Post Office banking, to seek views on what potential new financial products and services the Post Office could offer, and to use responses to the consultation to further develop policy in this area.

What policy options have been considered? Please justify any preferred option.

1. Consult stakeholders on proposals for the development of financial services to be offered at the Post Office, which increase financial inclusion and/or help sustain the Post Office network. Responses could then be used to further develop, and take forward, policies in this area.
2. Do nothing. Although a desire to develop financial services has been announced, this option serves as a useful baseline for comparison. If development of financial services did not go ahead, the provision of such services would remain unevenly distributed and would not further help increase financial inclusion.

Option 1 is the preferred policy as it allows the Government to take account of stakeholders' opinions and concerns in developing policy options.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? A Government Response will be published within three months of the close of the consultation. This will include a revised Impact Assessment and Equality Impact Assessment. Appropriate monitoring will be considered when policy proposals have been further developed.

Ministerial Sign-off For [consultation stage](#) Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Summary: Analysis & Evidence

Policy Option: 1	Description: Consult stakeholders on proposals to increase the provision of financial services by the Post Office
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' As proposals are still being consulted upon, it has not been possible to calculate costs at this stage. Any costs will be reflected in the Final Stage Impact Assessment.
	One-off (Transition)	Yrs	
	£ TBD		
	Average Annual Cost (excluding one-off)		
	£ TBD		
Total Cost (PV)			£ TBD
Other key non-monetised costs by 'main affected groups'			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' As proposals are still being consulted upon, it has not been possible to calculate costs at this stage. Any benefits will be reflected in the Final Stage Impact Assessment.
	One-off	Yrs	
	£ TBD		
	Average Annual Benefit (excluding one-off)		
	£ TBD		
Total Benefit (PV)			£ TBD
Other key non-monetised benefits by 'main affected groups' Consumers would benefit from easier access to financial services. Greater levels of financial inclusion could help individuals to better cope with future periods of financial difficulty. Any profit made from the proposed services could help sustain the Post Office network.			

Key Assumptions/Sensitivities/Risks

It is assumed that there would be take up of new financial services products. When proposals are developed further, the risks of duplication of products and the impact of competition from High Street banks would have to be taken into account.

Price Base Year TBD	Time Period Years TBD	Net Benefit Range (NPV) £ TBD	NET BENEFIT (NPV Best estimate) Estimated cost neutral or beneficial
------------------------	--------------------------	-----------------------------------------	--------------------------------------------------------------------------------

What is the geographic coverage of the policy/option?	UK				
On what date will the policy be implemented?	TBD				
Which organisation(s) will enforce the policy?	Shareholder Executive				
What is the total annual cost of enforcement for these organisations?	£ TBD				
Does enforcement comply with Hampton principles?	Yes				
Will implementation go beyond minimum EU requirements?	No				
What is the value of the proposed offsetting measure per year?	£ N/A				
What is the value of changes in greenhouse gas emissions?	£ N/A				
Will the proposal have a significant impact on competition?	No				
Annual cost (£-£) per organisation (excluding one-off)	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro £0</td> <td style="width: 25%; text-align: center;">Small £0</td> <td style="width: 25%; text-align: center;">Medium £0</td> <td style="width: 25%; text-align: center;">Large £0</td> </tr> </table>	Micro £0	Small £0	Medium £0	Large £0
Micro £0	Small £0	Medium £0	Large £0		
Are any of these organisations exempt?	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> </tr> </table>	No	No	No	No
No	No	No	No		

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ N/A	Decrease of £ N/A	Net Impact £ N/A

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value

Evidence Base (for summary sheets)

Overview

1. *Post Office Banking: A consultation on how to develop the banking and financial service available at the Post Office* sets out the Government's vision for the future of banking and financial services at the Post Office. It describes the banking and financial products and services the Post Office already offers and asks what people value about the existing range. It also proposes further ideas about the banking and financial products and services the Post Office could offer.
2. This Consultation Stage Impact Assessment accompanies the consultation document and combines both an (Economic) Impact Assessment and Equality Impact Assessment. It makes an initial summary of the potential impact of the proposals contained in the consultation document. It is by no means a full Impact Assessment and should not be regarded as such. An updated, Final Stage Impact Assessment will be published with the Government Response. We welcome comments you may have on any part of this Consultation Stage Combined Impact Assessment and Equality Impact Assessment. Please send your comments to postofficebanking@bis.gsi.gov.uk
3. In particular, comments are welcomed in relation to the following question:

Do you have any further evidence on the analysis set out in the Economic Impact Assessment and the Equalities Impact Assessment?

4. This Consultation Stage Impact Assessment is available online from www.bis.gov.uk/postofficebanking. Where possible we will make alternative formats, Braille, large font and other languages available on request. If you require a hard copy please contact the BIS publications order line:

BIS Publications Orderline
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Tel: 0845 015 0010
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Minicom: 0845 015 0030
Email: publications@bis.gsi.gov.uk

Context for the Consultation Stage Impact Assessment

5. This combined Consultation Stage Impact Assessment and Equality Impact Assessment takes an initial summary view of the potential impacts of the policy proposed in the consultation document. Impact Assessments are an important mechanism for ensuring that Government gathers information to enable us to identify the positive and negative impacts that policy proposals might have in certain areas; whether such impacts might be disproportionate; and whether mitigating actions are needed to ameliorate the disparities.
6. The Department for Business Innovation & Skills (BIS) is subject to the public sector duties for disability, race and gender equality under section 49A of the Disability Discrimination Act 1995, section 71 of the Race Relations Act 1976 and section 76A of the Sex Discrimination Act 1975 respectively. In addition we recognise the benefits of ensuring that all government policies are formed so as to avoid, as far as possible, an adverse impact on any particular group. In anticipation of the Equality Bill, which proposes to extend the duty to promote equality of opportunity to sexual orientation, religion or belief, age, gender reassignment and maternity and pregnancy, we aim to show, where possible, the same commitment to the new strands as for the existing ones.
7. The proposals in the consultation are only indicative at this stage. While we have already spoken to a number of stakeholders and drawn on existing relevant research to compile this Consultation Stage Impact Assessment and Equality Impact Assessment, we will need to draw on the responses to the consultation to reach a more informed view.
8. The national public consultation, in addition to further consideration within Government and with stakeholders, should highlight more widely the potential impacts of our proposals for an expansion of the banking and financial products and services available through the Post Office. We will draw on the responses to the consultation and continuing engagement with stakeholders in order to publish a revised Impact Assessment alongside the Government Response to the consultation.

Background

9. The Post Office provides mails; financial and government services; and telephony products to consumers and small businesses through its network of over 11,500 branches. The network supports the Government's social and economic policy objectives to support communities and vulnerable groups throughout the UK.
10. Post Office Ltd (the Post Office) is part of the group of companies owned by Royal Mail Holdings plc, owned by Government. The Post Office is responsible for managing the network of branches whereas its parent Royal Mail Group Ltd operates the letters and parcels business. The Government plays an active shareholder role through the Shareholder Executive, and works closely with Post Office management to develop overall strategy (including government policy for the network). The Government is not, however, involved in the day to day running of the company.
11. The Government is clear that the Post Office plays a vital social and economic role in local communities right across the country. It does this by offering access to essential products and services across its network of branches. That network is substantial and is larger than all the major bank and building society branch networks in the UK combined.
12. Because we recognise that the Post Office's great strength is its national spread and local reach, the Government has put in place three commitments.
 - First, we are investing up to £1.7 billion until 2011 – which includes an annual subsidy of £150 million a year – to help support the Post Office network.
 - Second, we have put in place guarantees to ensure that the Post Office stays local - the Access Criteria – which specify the maximum distance which people should have to travel to their local Post Office, and include specific protections for the vulnerable. As a result nationally 93.3% of the population live within one mile, and 99.7% of the population still live within three miles of their nearest Post Office outlet.
 - Third, we have made it clear that we will continue to support the Post Office network beyond 2011 and will not support any further programme of closures.

THE POST OFFICE ACCESS CRITERIA

Five access criteria apply at the national level:

- 99% of the UK population to be within three miles of their nearest Post Office outlet;
- 90% of the population to be within one mile of their nearest Post Office outlet;
- 99% of the total population in deprived urban areas across the UK to be within one mile of their nearest Post Office outlet;
- 95% of the total urban population across the UK to be within one mile of their nearest Post Office outlet; and
- 95% of the total rural population across the UK to be within three miles of their nearest Post Office outlet.

In addition, the following access criterion applies at a local level to ensure a minimum level of access for customers living in remote rural areas:

- 95% of the population of every postcode district to be within six miles of their nearest Post Office outlet.

The challenge

13. In recent years the Post Office's traditional revenue streams have declined as a result of changing lifestyles, new technology and greater competition. The exception to this decline is financial services, where the Post Office has become one of the fastest-growing providers.
14. The Government believes that now is the right time to expand the Post Office's range of financial services products - building on the trusted and well-loved Post Office brand - to ensure that financial services are placed in the heart of communities, and to develop an important revenue stream for the Post Office.
15. It is for these reasons that the Prime Minister announced on 29 September 2009 that he wanted "the Post Office to play a much bigger role, bringing banking services back to the heart of people's communities".
16. The Government has taken forward this commitment by launching a national public consultation on the future of Post Office banking. The consultation looks at what the Post Office already does in the area of financial services, and where it could go further. It sets out the Post Office's existing extensive range of services and explains how they can be accessed and where. It draws comparisons with Post Banks from around the world and asks what the UK can learn from these examples.
17. Looking forward, the consultation sets out the Government's vision for Post Office banking and the values that should underpin it. Finally, the consultation looks at some of the ideas that have been proposed for the types of financial products and services that the Post Office could offer, and asks respondents for their opinions on these, as well as suggestions for new products that they would like to see offered by their local Post Office.
18. Many people do not realise that the Post Office already offers an extensive range of financial services¹. This is wider than that of many banks, covering many different needs and many different kinds of customers. Around one third of the Post Office's revenue now comes from financial services and it has the largest share of the UK foreign exchange market. But we believe there are opportunities for the Post Office to do more.
19. The Post Office is unlike any other financial services provider on the High Street because part of its role is to provide essential services that others cannot or do not want to provide. This role is enhanced by the Post Office's greatest asset: its local presence, which the Government has protected with its access criteria. The Post Office therefore has a key role to play in ensuring financial inclusion.
20. The Government believes that there are potential benefits to a broader financial services offering at the Post Office – both for consumers and for the Post Office. Consumers would be able to access a wider range of services locally and from one of the nation's most trusted institutions. The Post Office would benefit from increased revenue from financial services, which should help to make the network more sustainable in the long term, as long as the new services help the Post Office raise revenue and do not open it up to unacceptable risk.

¹ For information about the products and services the Post Office currently offers see section 3 and Annex A of the consultation document, available from www.bis.gov.uk/postofficebanking.

The Government's vision for banking at the Post Office

21. To bring banking services back to the heart of communities, the Government is proposing a new vision for banking services at the Post Office. Our vision for Post Office Banking is based around four values:

- **Universal**
- **Trusted**
- **Accessible**
- **Sustainable**

- **Universal:** As the Prime Minister said, the Government wants the Post Office to widen the range of banking services available in the heart of people's communities. The Post Office is widely used by all sections of society and the banking services it offers should reflect its diverse customer base. This means ensuring that the Post Office offers a range of products that is attractive to everyone in the community. The Post Office should offer services suited to those on low incomes, the more vulnerable members of the community, and those who may not be catered for by other businesses. Yet it should also offer simple good-value products attractive across the community – in particular to those who already use banking services, but place a high value on face-to-face service from an institution they trust and visit on a regular basis.
 - **Accessible:** The Post Office's greatest asset is its unrivalled network of branches. This allows its customers to have face-to-face contact with their local sub postmaster in over 11,500 branches in communities right across the country (by contrast all banks combined have around 10,000 branches). The Post Office should not just be a virtual bank – its strength is that it is a real institution with real branches and recognisable faces behind its counters. We therefore want to make sure that all of the products that the Post Office offers are as widely accessible as is feasible across the network (including Outreach²) as well as being accessible online and over the telephone to increase customer choice.
 - **Trusted:** The "Post Office" brand is strong. People view the Post Office as a trusted and safe institution. We want the Post Office to continue to offer products that live up to that strong brand and its responsible approach to financial services. This means that the Post Office should not offer complicated or risky products. It should focus on simple, transparent, good value products, without catches.
 - **Sustainable:** The Government's first priority for the Post Office is a sustainable network that is also affordable. We want a strong, secure and sustainable future for the Post Office network, supported by financial services which are commercially viable for the Post Office and offer good value to consumers and taxpayers.
22. Examples of possible financial services products we propose in the consultation include:
- Savings, including a children's savings account
 - Weekly budgeting account
 - Access to other banks' current accounts
 - Access to credit union accounts
 - Business services

23. For further information about proposals see section 6 of the consultation document.

² Post Office Outreach services are a way of providing Post Office services in communities where a traditional Post Office is not viable or practical. These enable the Post Office to maintain a service in smaller communities.

Economic rationale

24. Whilst financial services in the UK have developed significantly over the past few decades, access to such services remains unevenly distributed across the country. For example, less than 12% of bank and building society branches are in rural areas, even though 20% of the population live in these areas³. Those living in deprived urban areas also suffer from a lack of access to financial services. These factors are likely to be influential in the fact about 900,000 adults in the UK have neither a transactional account nor a savings account (i.e. no apparent contact with financial services)⁴. This provides a rationale for intervention on the grounds of social equity.
25. The policy options outlined in this consultation, if adopted, would help towards achieving the Government's aim for financial inclusion. This states that everyone should have access to appropriate financial services enabling them to:
 - Manage their money on a day-to-day basis, effectively, securely and confidently;
 - Plan for the future and cope with financial pressure, by managing their finances to protect against short-term variations in income and expenditure, and to take advantage of longer-term opportunities; and
 - Deal effectively with financial distress, should unexpected events lead to serious financial difficulty.

Options

Options Identification and Analysis

- Option 1 - Consult stakeholders on proposals for the development of financial services to be available at the Post Office. Responses could then be used to further develop, and take forward, policies in this area. This takes forward the vision set out in the Prime Minister's announcement of 29 September.
 - Option 2 - Do nothing. Although the desire to develop financial services has been announced, this option serves as a useful baseline for comparison.
26. We are not pursuing the 'do nothing' option as this would not allow us to hold a publicly consult in order to gain a wide range of further opinions and information about the costs and benefits of this policy.
 27. Analysis of these two options including costs and benefits will be quantified at the final stage Impact Assessment.

³ Commission for Rural Communities (2007) *The State of the Countryside* available at: www.ruralcommunities.gov.uk/files/socr2007-fullreport.pdf

⁴ Financial Inclusion Taskforce (2009) *Fourth Annual Report on Progress Towards the Shared Goal for Banking* available at: www.hm-treasury.gov.uk/d/fourth_annual_banking_report.pdf

Costs

28. It has not been possible to calculate the costs of these proposals since the policy options outlined in the consultation document are still being consulted upon. This will inform their development. However, it has been made clear that any options adopted must be affordable and at least cost neutral in the medium- to long-term, including the recuperation of any one-off costs which are incurred when the options are introduced.
29. The Government's response to the consultation will include a full Impact Assessment which examines in more detail the costs of the more developed policy options to be taken forward.
30. There is no administrative burden to business. The proposed products could help businesses with their operations.

Benefits

31. The introduction of additional financial services being offered by the Post Office could increase the level of financial inclusion. Easier access to financial services may result in individuals making greater use of such services. For example, if a wider range of banking services were introduced across the Post Office network, the network's access criteria would mean that 99% of the population would live within three miles of these services. Easier access could result in some of the 900,000 adults currently without either a transactional account or a savings account opening one.
32. Financial services⁵ currently account for about one third of the Post Office's total product revenue of £1.1 billion⁶. As proposals will be at least cost neutral, there may be some additional benefit to the Post Office. Any additional revenue earned from new products or services could be used to help sustain the Post Office network.
33. The Impact Assessment which will accompany the Government's response to the consultation will examine these potential benefits in greater detail.

Risks

34. There is a risk that financial products introduced by the Post Office could overlap with existing products offered by High Street banks. Whilst this would have a positive impact on competition, it might result in limited take-up in well-served banking areas due to consumer inertia. Although this may be less of a phenomena in areas less well served by banks as consumers are likely to welcome better access to financial products, this would be accounted for in the development of proposals.

⁵ Excluding POCA. For more information about the financial services currently provided by the Post Office, see the consultation document.

⁶ Figures taken from the Postal Services Commission (Postcomm) (2009) ninth annual report on the network of post offices in the UK, 2008 – 2009.

www.psc.gov.uk/postcomm/live/post-offices/2009_10_8_post_office_network_report_v1_0.pdf

35. There are also risks that the aim of these additional services could be misinterpreted. We intend that proposed products and services should support the network and be commercially viable for the Post Office.
36. There is a risk that if products were to perform less well than expected and made a loss, the Post Office's finances and network could be undermined.

Implementation

37. The national public consultation will provide us with further evidence. Following the close of the consultation on 24 February 2010 the Government will analyse all the responses it receives and expects to publish its response, accompanied by a revised Impact Assessment and Equality Impact Assessment, in line with government guidance.

Monitoring and Evaluation

38. A Government Response will be published within three months of the close of the consultation. This will include a revised Impact Assessment and Equality Impact Assessment. Appropriate monitoring will be considered when policy proposals have been further developed.

Enforcement

39. The Post Office works within arrangements that comply with the regulatory frameworks for the various products and services it offers (including appropriate financial regulation by the Financial Services Authority). Any new products or services would be subject to the appropriate regulations and the Post Office would ensure necessary compliance arrangements were in place.

Specific Impact Tests

Competition

40. The markets in which the Post Office operates are highly competitive, particularly financial services. Whilst the Post Office is in receipt of a subsidy from Government, this is applied to enable the Post Office to continue to provide certain socially beneficial services and has been fully cleared through the state aid regulations of the European Commission. All future subsidies would continue to require such approval.
41. *Would the proposal directly limit the number or range of suppliers?*
We do not consider that there would be any reduction in the number or range of banks or building societies as a result of this proposal. The effect would be to increase access to banking services and to encourage greater financial inclusion.
42. *Would the proposal indirectly limit the number or range of suppliers?*
We do not consider that any supplier would exit the market as a result of these proposals – whether directly or indirectly. While some customers may move their accounts to the Post Office, we view this as a positive development that increases the range of financial products on offer.
43. *Would the proposal limit the ability of suppliers to compete?*
We do not consider that the proposal would limit the ability of suppliers to compete. Services would be provided by the Post Office on a commercial basis.
44. *Would the proposal reduce suppliers' incentives to compete vigorously?*
We do not consider that the proposal would limit the ability of suppliers to compete. The Services would be provided by the Post Office on a commercial basis.
45. *What unintended consequences might there be?*
As mentioned above under the section on Risks, if new financial products and services were to perform less well than expected and made a loss, the Post Office's finances and network could be undermined. Over time other financial institutions in the competitive market may change their policies with regards to accessing their financial products and services from the Post Office.
46. *What alternative proposals have been considered (to encourage financial institutions to provide Financial Services to the unbanked)?*
No other proposals have been considered as part of this consultation. However, we would point out that the Government has taken steps to increase financial inclusion over a number of years⁷. In October 2009 the Government announced that the goal to halve the number of adults living in households without access to a bank account had been achieved. The Government recognises that more needs to be done in this area.

Small firms

47. Small firms are often regular users of Post Offices' services. Therefore small firms would be likely to benefit from a policy that aims to make the Post Office network more

⁷ The Financial Inclusion Task Force advises the Government on financial inclusion policy and monitors and evaluates progress towards the Government's goals for financial inclusion. The fourth annual banking report of the Financial Inclusion Task Force can be found at: http://www.hm-treasury.gov.uk/d/fourth_annual_banking_report.pdf

sustainable in order to keep it at its present size, and to broaden the scope of the banking and financial services offered.

48. The Post Office already offers a range of banking services for business including: business banking in branches; Post Office payout; cheque authority cards; cash collections services; and business insurance. Any further development would benefit small businesses by offering them greater choice and greater accessibility.
49. Making banking and financial services more accessible could help small firms by saving them time and money through reducing the distance they need to travel to do their banking.
50. More visits to Post Office branches could also bring people to the local area, increasing trade both in businesses associated with Post Offices and in the wider local community.

Sustainable development

51. After initial screening it has been decided that these proposals would be unlikely to have a major impact on sustainable development.
52. The proposal supports the sustainability principle of “Ensuring a Strong, Healthy and Just Society (meeting the diverse needs of all people in existing and future communities; promoting personal well-being, social cohesion and inclusion; and creating equal opportunities for all). It is consistent – or at least does not conflict with – the other four sustainability principles.
53. Moreover, the provision of a wider range of financial services at Post Offices would help meet the definition of a sustainable community, i.e. well served - with public, private, community and voluntary services that are appropriate to people's needs and accessible to all.

Legal Aid

54. There would be no impact on Legal Aid because the policy does not create new offences or sanctions for individuals.

Carbon assessment

55. After initial screening it has been decided that these proposals would be unlikely to have a major impact on the emission of greenhouse gases.
56. It is possible that proposal could lead to fewer vehicle journeys if people access more financial services at their local Post Office rather than travelling further afield to a bank or building society branch.

Other environment

57. After initial screening it has been decided that these proposals would be unlikely to have a major impact on other aspects of the environment.

Health

58. We do not consider that the policy would have any negative effect on health or wellbeing. There is the possibility of a positive impact if through supporting the current Post Office branches and increasing the accessibility of financial products and services if people are encouraged to travel on foot to a local Post Office instead of using alternative means of transport.

Rural Proofing

59. We believe that the policy would have a positive impact on all communities and in particular those who lack convenient access to banking facilities, including many rural areas.
60. Any expansion of the current range of financial services available through the Post Office could help maintain the existing rural Post Office network⁸ due to the additional income for the Post Office - and for sub postmasters. The extra income and footfall could also help maintain any associated retail business, which in many cases are the only retail outlet in the local community.
61. The expansion of financial services would also directly benefit customers in rural areas (including people from vulnerable groups, such as the elderly and the disabled, owners of small businesses, the self-employed and home workers). Customers would be able to access a wider range of financial services than hitherto at their local Post Office (including Outreach⁹) rather than having to travel further afield to access their nearest bank or building society branch.

Human Rights

62. After initial screening it has been decided that these proposals would be unlikely to have a major impact on human rights.

⁸ As at 30 June 2009 there were 6,587 Post Offices in the rural network (or 55% of the total UK Post Office network).

⁹ Post Office Outreach services are a way of providing Post Office services in communities where a traditional Post Office is not viable or practical. These enable the Post Office to maintain a service in smaller communities.

Equality Impact Assessment – Specific Tests

63. After an initial screening of equalities tests for race, religion and belief, age, gender, and disability, it has been deemed that no significant impact is anticipated in any case. Further analysis is set out for each equalities stakeholder grouping.

Race

64. The provision of certain financial products and services through the Post Office network does not constitute unlawful discrimination on the grounds of race equality. The issue under consideration is whether the proposal to extend the existing range of financial services would either promote the equality of opportunity or good relations between people from different racial groups.
65. Initial screening on the potential equality impacts of this proposal shows that there would be no significant impact. However, there would be a positive impact on all consumers and that this might also be particularly true for people from different ethnic backgrounds.
66. The proposal to expand the range of financial services at Post Offices might be of interest to people from groups which have either felt excluded from conventional financial institutions or which do not place much trust in them.
67. Any proposal to make more financial services available at Post Offices would also benefit consumers living in deprived urban areas, including people from minority ethnic groups - who do not enjoy the same access to bank and building branches as people living in less deprived areas.
68. We do not currently foresee adverse impacts from this proposal on the grounds of racial equality.

Religion and belief

69. Initial screening on the potential equality impact of this proposal shows that there would be no significant impact. However there would be a positive impact on all consumers and that this might also be particularly true for people from different religious and belief groups.
70. We do not currently foresee adverse impacts from this proposal on people from any religious or belief group.

Age

71. Initial screening on the potential equality impact of this proposal shows that there is no significant impact. However, there would be a positive impact on all consumers and that this might also be particularly true for older people.
72. Older people regularly use Post Offices, including to access banking services. Moreover since older people are more likely to have mobility issues, they are likely to welcome the convenience of being able to access banking and financial services through their local Post Offices.

73. We do not currently foresee adverse impacts from this proposal on people from any particular age group.

Gender

74. Initial screening on the potential impact of this proposal shows that there would be no significant impact. However, there would be a positive impact on the lives of all people, including women who are financially excluded and older women (including those who are disabled) in terms of access to Post Offices services (including financial services).
75. The access to a wider range of financial services at Post Offices could benefit women more than men as they make up a significantly higher proportion of older people, including those with a disability.

Disability

76. Initial screening on the potential impact of this proposal shows that there is no significant impact. However, there would be a positive impact on the lives of all people, including disabled people.
77. In considering the impact of the proposal to extend the existing range of financial products and services available through the Post Office network on disabled people, we have asked ourselves whether the proposal is likely to:
- promote the equality of opportunity for disabled people;
 - eliminate discrimination or harassment of disabled people;
 - promote positive attitudes towards disabled people;
 - encourage participation of disabled people; or
 - constitute more favourable treatment of disabled people.
78. We have focused particularly on whether the proposal would promote equality of opportunity and encourage participation of disabled people. Access to key services is a particular issue for disabled people, and there is evidence that suggests disabled people are more likely to be financially excluded than the general population.
79. The Government's existing access criteria for the Post Office also offer particular protections for the vulnerable. Within outlets, both the Post Office and sub postmasters take the reasonable steps to enable access in accordance with the appropriate general legislation.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Small Firms Impact Test	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Legal Aid	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Sustainable Development	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Carbon Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Other Environment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Health Impact Assessment	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Race Equality	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Disability Equality	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Gender Equality	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Human Rights	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Rural Proofing	<input type="checkbox"/> Yes	<input type="checkbox"/> No

