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Our Ref. CB/sm FM PP 02

18 January 2006

Rt Hon Alistair Darling MP
Secretary of State for Transport and Scotland
Great Minster House
76 Marsham Street
LONDON
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I was gravely concerned at the DVLA's announcement last week of its promotion of the internet and telephone for renewing vehicle licences. Nobody objects to the customer having greater choice, but your Department's media announcement was notable for its complete absence of any reference to the Post Office as a continuing option for obtaining a tax disc. It seemed to me to be a cynical attempt to create the impression that it was no longer possible to tax a vehicle by visiting a Post Office.

This is an incomprehensible move from a Government that keeps telling us how committed it is to supporting and sustaining the Post Office network. The network is still reeling from the Government's decision to scrap order books and instead pay all benefits into bank accounts. That cost the network £400 million a year and it represented the biggest part of the earnings of Subpostmasters. The Post Office network handles some 36 million tax disc applications across the counter every year. It is a vital source of income to Subpostmasters, yet you seem determined to move as many people as possible out of the Post Office. For many there is the added benefit of completing the tax disc transaction at the time of their visit, and Subpostmasters can also help correct mistakes in the paperwork - a service many people find especially useful.

This move by your Department is not an isolated development and forms part of a worrying trend of retreat by the Government from the Post Office network - the effect of which is to drive people away from Post Offices.

I have just learned of the DWP's intention to withdraw the Post Office Card Account, which is used and relied on by 4.3 million people - many of them elderly - to obtain their cash from Post Office branches. This will inevitably threaten thousands of branches with closure and comes on top of the DVLA's campaign to persuade drivers not to use a Post Office to tax their vehicles.

The Passport Service is also pursuing plans for a new network of high street outlets in a way that precludes the participation of the Post Office, while the Department of Health is keen to persuade travellers to use the internet or telephone when applying for one of the new European Health Insurance Cards.

As recently as 2004 the DVLA and Post Office Limited agreed to extend the provision of tax discs to a further 500 Post Offices. This was a welcome boost for the rural network but last weeks campaign for online transactions completely undermines any benefit from the previous move and calls into question your commitment to the Post Office network.

In the 2000 Government report, the Prime Minister underlined the need for government departments to support the Post Office. I urge you now to heed that imperative and ensure that drivers are told about the full range of options available to them when they tax their vehicles.

The Post Office relies on Government support. The DVLA's campaign is conspicuously failing to provide it.

I will of course be taking these issues up with the Prime Minister and other Ministers.

Colin Baker
General Secretary