



NFSP

Our Ref. GT/sm

29 July 2009

Dear Member

Change to your remuneration (E Top-ups and Growth Bond Issue 9)

I am writing to advise you that the NFSP disagreed strongly with Post Office Ltd (POL)'s recent unilateral reduction in subpostmasters' remuneration for E Top-up (mobile phone top up) transactions and sales of Growth Bond Issue 9. I have spent the majority of my time over the last two weeks meeting with POL Network Director Paula Vennells and Managing Director Alan Cook attempting to get them to keep the rates of pay at the previous level until the pay negotiations next year. Despite the best efforts of the NFSP team and an initial indication that progress might be possible, ultimately our suggestions fell on deaf ears. A pay deal was recently agreed, and it is absolutely disgraceful that POL has now gone back on that agreement and chosen to implement pay cuts by executive action at a time when many subpostmasters are struggling to survive.

E Top-ups

Whilst it is true that market rates for E Top-ups have fallen, the Federation put forward a proposal that would have kept the rates at the present level, to be looked at again as part of the 2010 pay deal. It is bitterly disappointing that this proposal was not given the consideration it deserved. The decision therefore to unilaterally cut the rates does not say much for the partnership between POL and subpostmasters.

Growth Bond Issue 9

We believe that, at a difficult time for Post Office financial products, it is self-defeating to move away from the payment rate of £25 per bond sold. This action will almost certainly lead to subpostmasters putting less effort into selling future Growth Bond issues.

Let me finish by saying that the Federation has made clear to POL that this breach of trust is completely unacceptable and we will use all the avenues available to us to ensure that the general public realise that thousands of subpostmasters are struggling to survive. We believe that the ongoing reductions to subpostmasters' remuneration via pay cuts, particularly at a time when economic pressures mean that many subpostmasters are already struggling to keep their post offices open, will put large parts of our post office network in jeopardy, when they should be treated as a national asset.

Yours faithfully

George Thomson
General Secretary