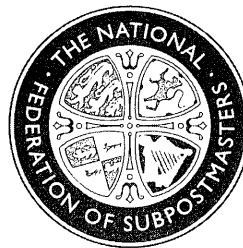


Our Ref. CB/sm FM PP 02



NFSP

18 January 2006

Rt Hon Tony Blair MP  
Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

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It is some time since I have been in touch. I am sure that you realise that I would not be writing to you now unless I had genuine and very serious concerns that need your personal involvement.

I was alerted last week to the intention of the DWP to scrap the Post Office Card Account (POCA) Account in 2010. This came as a devastating blow to me and to Subpostmasters everywhere as the POCA is a popular and widely used means of drawing pensions and benefits at Post Offices. More than 4.3 million people use it and it generates valuable income for subpostmasters. The decision to scrap the POCA will force thousands of Post Offices to close.

As you know, the National Federation of Subpostmasters (NFSP) has cooperated with Government and Post Office Limited to introduce the recommendations of the Cabinet Office Report, signed off by yourself in June 2000. We have cooperated in closing 2,500 Post Offices, and with the introduction of new products and services. The key change however, was the removal of the Pension and Allowance Order book, being replaced by Direct Credit. The main product for the continuance of such payments at the Post Office was the POCA. Can you image how we feel now that the POCA - which is the mainstay for thousands of Post Offices and is popular with our customers - is to be abolished within five years of the last order book being used. This is devastating news.

If that were not enough, last week the DVLA announced in the media an Internet initiative that widens people's options for obtaining motor vehicle tax discs. We have no argument with greater choice, but the Secretary of State for Transport did not even mention that the Post Office continues to provide this service.

Moreover, we learn that the UK Passport Service is developing its own network of offices in a way that precludes Post Office participation - yet another example of a government department effectively driving people away from Post Offices.

Subpostmaster's everywhere feel they have supported the need to change, and often the Federation – in its support for government initiatives - has been seen by some of its members to be at odds with what they themselves would want. But we now face further unacceptable upheaval as there is open talk of a threat to thousands of Post Offices that will no longer have the revenue they need to survive. If the POCA goes, then government business will account for less than 10% of Post Office revenue compared to 90% less than a decade ago.

All this leads to strong doubts over the Government's commitment to the Post Office network. I would now urge you to meet me and a small number of colleagues to restate - and demonstrate - that commitment which you made at the time of the Cabinet Office Report.

That would give hope to thousands of anxious Subpostmasters and their millions of customers, particularly in regard to the future of the POCA.

I do hope we can meet very soon.

Colin Baker CBE  
General Secretary