



Department for
Business & Trade



Government Response to the Future of the Post Office Consultation

February 2026

CP 1514



Government of the United Kingdom
Department for Business and Trade

Government Response to the Future of the Post Office Consultation

Presented to Parliament
by the Secretary of State for Business and Trade
by Command of His Majesty

February 2026



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ISBN 978-1-5286-6201-7

E03535494 02/26

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

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Ministerial Foreword

This response reflects the voices of thousands of individuals, postmasters and stakeholders who contributed their views during the once-in-a-generation Post Office Green Paper consultation. Your feedback has shaped our vision for a modern, sustainable Post Office that continues to serve communities across the UK.

From the responses, it is clear that the Post Office means different things to different people. For some, it is a cornerstone of community life; for others, it is simply the most convenient place to collect a parcel. This diversity of purpose is not a contradiction but the model working as intended. The Post Office is neither a purely commercial organisation nor solely a social enterprise. Its strength lies in successfully balancing both roles by delivering essential services to communities while continuing to adapt to consumer trends to ensure it is not left behind.

Our ambition is clear: to protect the Post Office's social purpose and set it up for success in the years ahead, ensuring a thriving network of post offices making everyday life easier for communities across the UK. That means maintaining a strong network of at least 11,500 branches, introducing a new requirement that half of the network consists of full-time and full-service branches and providing up to £180 million in subsidy over the next 3 years to safeguard access to essential services. Alongside this, we are investing up to £483 million over the next 2 years aimed at modernising the look and feel of branches; rolling out new technology across the network; enabling the Post Office to launch a new customer-facing app; and delivering a Technology Transformation Programme that will transition operation of Horizon away from Fujitsu and ultimately replace the Horizon system altogether.

We recognise the Horizon scandal remains critical context for this work. While decisions on governance and ownership will not be made until the Inquiry concludes, we are committed to rebuilding trust and ensuring lessons are learned. Post Office leadership is taking steps to improve its culture and engagement with postmasters, and government will continue to work closely with stakeholders to deliver meaningful change.

Thank you to everyone who engaged with this consultation. Together, we can secure a future for the Post Office that is fit for the modern age and continues to deliver for citizens and businesses across the UK.



Blair McDougall MP

Minister for Small Business and Economic Transformation

Executive Summary

The Department for Business and Trade (DBT) conducted a public consultation between July and October 2025 on the future of the Post Office. The consultation received 2,527 responses. Further citizen engagement, in the form of in-depth discussion groups, was carried out with postmasters and members of the public.

This response sets out a summary of responses across all the chapters in the Green Paper. A government response is included for all chapters, with our final position set out for 'Government's vision for the Post Office' and 'Government's network requirements'. Further work and areas to explore are set out in 'A Post Office fit for the modern age' and 'Reforming the governance and long-term ownership arrangements for the Post Office'. Given their relevance to the [Horizon IT Inquiry](#), no decisions on changes to governance and ownership arrangements will be made until after the final report of the Inquiry. Further details on these issues will be provided in due course.

Government's vision for the Post Office

The government will implement 5 key objectives for the Post Office for the next 5 to 10 years and beyond. We recognise that there is some inherent tension in these objectives. However, this reflects the balance that the Post Office will need to achieve to continue to serve communities across the UK, adapting to changing consumer behaviour whilst also reducing reliance on government funding through identifying opportunities to increase revenue and reduce costs.

- 1. For the Post Office network to provide postal and other critical services – currently including cash and banking, government and utility bill payment – to those who cannot or will not get them elsewhere**

The Post Office should maintain the geographical Access Criteria to ensure essential services remain accessible to all, including vulnerable groups. The government will retain the 11,500 minimum branch requirement.

- 2. For the Post Office to maintain a network made up mostly of full-time and full-service branches, offering a reliably good level of customer service and a wide range of services alongside a retail offering, as these branches provide the most benefit to communities**

The Post Office should ensure at least 50% of the network comprises full-time and full-service branches, with all branches offering a reliable service.

- 3. For the Post Office network to support high streets as visible economic stimulants and hubs for local activity**

The Post Office will be positioned as a visible economic stimulant. As a first step, the Post Office will trial the "Hub of the High Street" model in 2026.

- 4. For the Post Office to be an organisation with a positive culture, that is run in an accountable and transparent way, and delivers benefits for and represents the interests of postmasters, partners, their customers, employees and communities**

The Post Office will develop a joined-up plan for a positive culture by summer 2026. Government expects to see positive progress against the plan in future years.

5. For the Post Office to become an organisation that adapts to changing markets and is financially sustainable, with lower reliance on government funding for investment costs

Backed by over £500 million of investment funding this Parliament, the Post Office will modernise operations and reduce reliance on government funding by 2030.

DBT has written to the Post Office Chair alongside this publication to confirm that the objectives come into effect immediately. Government expects the Post Office to embed these objectives within the organisation and into all Post Office strategies.

A Post Office fit for the modern age

The Post Office will need to adapt and evolve to respond to the changing needs of communities and society. We must look to the future to ensure the Post Office is well equipped to adapt to consumer trends so that it can continue offering a range of services that cater to the diverse needs of our population.

The Post Office needs to improve the in-branch experience for customers by investing in technology and revitalising branches to create a consistent feel across the network. Operational efficiency also needs to be improved, for example through cash automation technology. It also needs to move off the Horizon IT platform.

On key services, the Post Office should press ahead with its multi-carrier strategy for postal services. Alongside this, government would welcome enhanced collaboration between the Post Office and the banking sector. The Post Office should continue to evolve its cash services. Where appropriate, the Post Office should also consider additional face-to-face banking support, such as community banker models in larger branches. Government will also explore opportunities to expand the Post Office's role in delivering in-person government services, particularly for digitally excluded and vulnerable customers, and assess new propositions such as prescription collection and identity verification services. These efforts will ensure the Post Office remains a trusted, accessible hub for essential services while adapting to changing customer needs.

How to operate the Post Office's branch network to best deliver the policy objectives

Government will maintain the 11,500 minimum branch requirement and geographical Access Criteria (for example, that 99% of the population remain within 3 miles of their nearest branch). This will be supported by a network subsidy of up to £263 million between financial years 2025/26 and 2028/29. The Post Office will introduce minimum branch standards and a performance management framework from financial year 2026/27 onwards.

Acknowledging that there could be commercial challenges for the Post Office in the future, government will put in place a process to ensure the Access Criteria and minimum branch requirement are automatically reviewed if certain conditions are met. The specific trigger for a review will be if the cost of the uncommercial network is expected to be greater than 10% of the Post Office's projected total revenue within a financial year. This recognises that the network requirements are correct now, but if risks materialise that make the requirements operationally difficult to meet or overly burdensome on the taxpayer, then government can act quickly in the future.

Reforming the governance and long-term ownership arrangements for the Post Office

Decisions on long-term governance or ownership changes will not be made until the Horizon Inquiry concludes. In the interim, the Post Office and government continue to work towards the Post Office becoming financially viable and building trust with postmasters and partners. These are both foundational elements needed before any potential structural change. In this effort, government has commissioned an external evaluation of the Post Office's postmaster engagement initiatives to support meaningful inclusion and representation.

Key Actions

This section summarises key actions that the government and the Post Office will take in response to the Green Paper consultation. Further detail on each of these is included in the following sections.

Policy objectives

1. Government will formally write to the Post Office to implement the new policy objectives. Government expects the Post Office to embed these objectives within the organisation and into all Post Office strategies.
2. The Post Office will continue reporting on its performance in meeting the geographical Access Criteria and accessibility performance for different user groups. Going forwards, the Post Office will report on what proportion of the network is made up of full-time and full-service branches.
3. The Post Office will create a joined-up culture strategy with measurable objectives that has employees, postmasters and partners in mind while continuing to enhance the proposition for communities and customers. Government expects a plan to be in place by summer 2026 with a strategy implemented in due course.

A Post Office fit for the future

4. Government plans to invest up to £483 million to support the transformation of the Post Office over the next 2 years to secure the company's long-term sustainability and reduce its reliance on government for funding.

This investment will help co-fund:

- a Technology Transformation Programme that will transition the operation of Horizon away from Fujitsu UK to newly procured service partners as soon as possible. Taking a holistic approach – i.e. not just replacing Horizon – this programme will also provide the Post Office with a technology foundation that will enable their wider strategic transformation and ensure long-term sustainability for the future of the Post Office. The Post Office is co-funding the Strategic Transformation Plan (STP) with DBT. DBT is funding the Technology Transformation Programme (a core element of the STP).
- the development of a customer-facing app. This will provide customers with an improved customer experience and will help postmasters manage queues and drive footfall in branches. The app aims to launch by the end of 2026 and will continue to evolve to provide access to a wide range of Post Office services.
- a programme to modernise the Post Office network over the next 4 years. Enhancing the in-branch experience aims to ensure that Post Office branches have a consistent quality, look, feel and service.
- the rollout of new in-branch technology such as portable counter devices and self-service devices for customers, postmasters and partners. This is aimed at enhancing the customer experience and speeding up transaction times.
- the introduction of parcel lockers across the network. The Post Office is currently carrying out a parcel locker pilot in several hundred post offices

across the country as part of a 6-month trial. If successful, these could be rolled out in many more locations across the network.

- the deployment of automation technology, co-funded with the banks as part of Banking Framework 4. This would include state-of-the-art note counters and Multi-Function Devices to ensure cash withdrawals and deposits at greater speeds and convenience.
5. Building on constructive joint discussions between government, the Post Office and the banking sector in January 2026, where several areas of mutual interest were discussed, attendees agreed to further explore opportunities for continued collaboration on a voluntary basis. Attendees agreed to give an update on discussions in 6 months.
 6. DBT will work across government to explore opportunities to improve and enhance the delivery of in-person government services. We have established a cross-government working group on in-person services for this purpose.

Government's requirements for the Post Office network

7. Government will maintain the 11,500 minimum branch requirement and geographical Access Criteria. Performance against both targets will continue to be monitored carefully by DBT, and the Post Office will continue to publish its Network Report each year setting out the state of the Post Office network.
8. Government is providing up to £83 million in a network subsidy in the 2025/26 financial year. This subsidy will support the cost of delivering government policy requirements such as the minimum branch requirement. Government intends to provide up to £180 million between financial year 2026/27 and financial year 2028/29, with the amount decreasing over time.
9. Government will put in place a mechanism to ensure the Access Criteria and minimum branch requirement are automatically reviewed if certain conditions are met. The specific trigger for a review will be if the cost of the uncommercial network is expected to be greater than 10% of the Post Office's projected total revenue within a financial year.
10. Government is asking the Post Office to work with postmasters and partners to put in place minimum branch standards from 2026/27 onwards. Where funding is available to postmasters and partners to upgrade branches this will be on the condition minimum standards are met.

Longer term governance

11. Government is commissioning an external evaluation into the ongoing initiatives that the Post Office has implemented to engage with postmasters and partners, in consultation with the Post Office, postmasters, postmaster groups and other stakeholders. This evaluation will report later this year.

Chapter 1: Introduction

This chapter summarises the responses to the public consultation

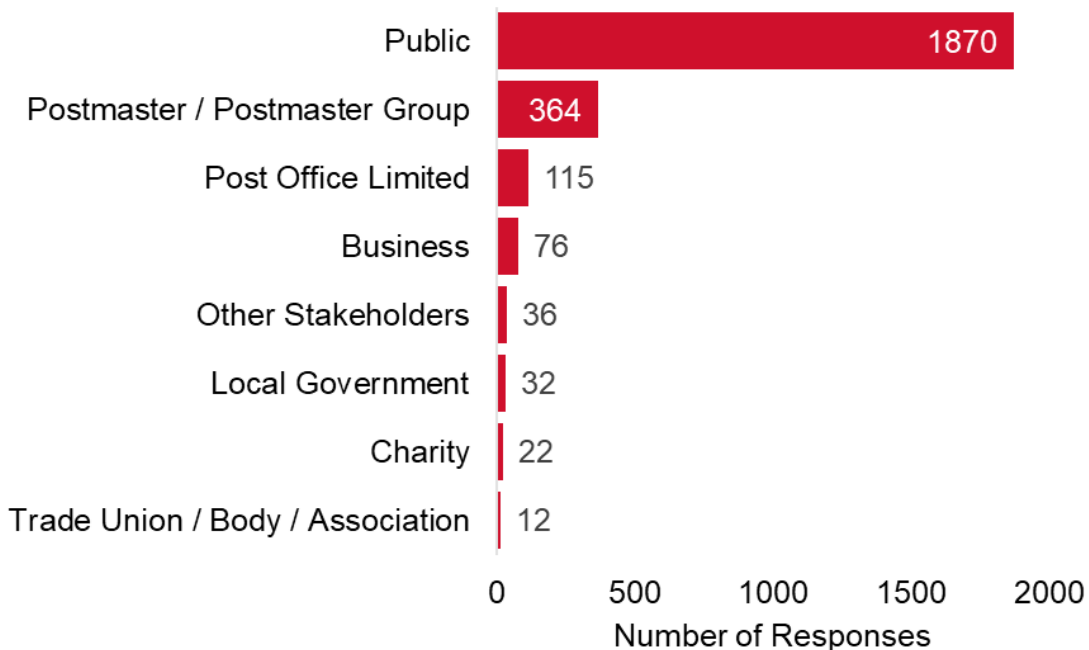
Between 14 July and 6 October 2025, DBT conducted a public consultation on the [Green Paper about the future of Post Office](#). This consultation sought views on the services provided, the structure and governance of the network and how the Post Office can evolve to meet future needs.

The Social Agency, in partnership with TONIC, analysed responses and conducted supplementary discussion groups with postmasters and members of the public.

A total of 2,527 responses were received. 74% of responses came from members of the public, 14% from postmasters, 5% stating they were from Post Office Ltd and the remainder were from businesses and other stakeholders. We expect that respondents who said they were from the Post Office were employees responding on their own behalf, rather than for the organisation. We also expect that some may have been postmasters or employees working at a post office. This explains the relatively high number of respondents stating they were from the Post Office.

Additionally, 8 discussion groups were held with a total of 64 public participants, and 2 discussion groups were held with a total of 16 postmasters.

Chart A: Consultation respondents by type



Participation in the consultation was on a self-selecting basis. This means that participants chose to take part. The findings in the report, therefore, carry the unavoidable risk of self-selection bias and are not generalisable to the overall population. The consultation survey asked 25 closed questions and 8 open questions, which allowed respondents to both state and explain their views.

For more details on themes raised, methodology, and results, please see the full report available at the [consultation's GOV.UK page](#).

Chapter 2: Government’s vision for the Post Office

This chapter summarises responses from the consultation survey and discussion groups to the chapter ‘Government’s vision for the Post Office’ and sets out the government’s response.

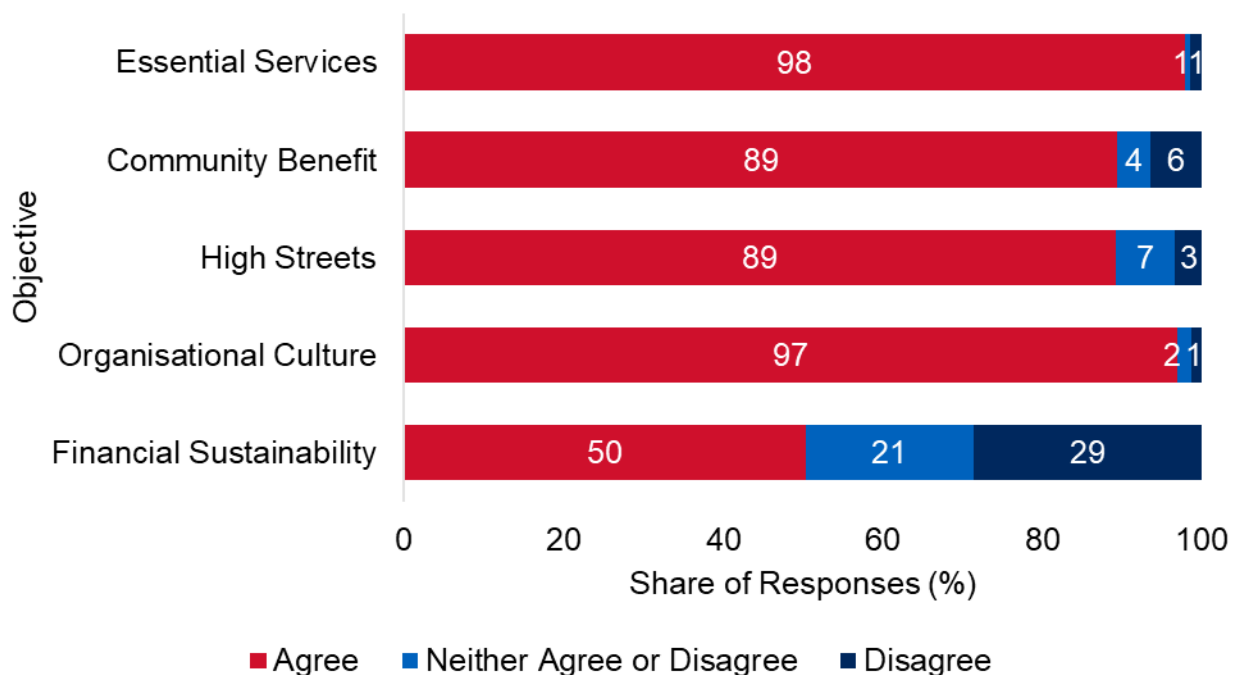
The public consultation document ‘[Future of Post Office](#)’ set out the government’s overarching ambition for the Post Office to remain a vital part of the UK’s social and economic fabric – delivering essential services, supporting high streets and communities, and operating as a modern, transparent and financially sustainable organisation.

Summary of responses

In the consultation survey, questions 1 to 6 asked respondents to what extent they agreed with each of the government’s policy objectives for the Post Office and to explain why they agreed or disagreed.

There was very strong agreement with the core policy aims of: maintaining access to critical services for those who cannot or will not obtain them elsewhere (98% agreed); prioritising a network mostly of permanent, full-hours branches (89% agreed); supporting high streets (89% agreed); and ensuring an accountable, transparent, positive-culture organisation (97% agreed). Views were more mixed on reducing reliance on government funding (50% agreed; 29% disagreed; 21% unsure).

Chart B: Overall support for policy objectives



* Percentages may not add up to 100% due to rounding.

Those involved in the delivery of the Post Office (those responding as a postmaster, a postmaster group or from Post Office Ltd) were more likely to agree with the objective on reducing reliance on government funding (64% agreed).

Many respondents who disagreed with the funding objective said social value should be balanced with commercial viability and that it was unrealistic to expect all branches

to be profitable. Many responses tended to reject the idea of privatisation and expressed concern that Post Office-earned income alone did not provide sufficient remuneration (the compensation package received by a postmaster for operating a Post Office branch and providing services).

There was broad agreement with all the policy objectives in the postmaster discussion groups, but there were 4 main issues raised with the vision:

- concern about the breadth and high-level nature of the objectives and how they would be achieved given the diversity of branches
- a tension between Post Office being a public service and the increased focus on commercial viability
- previous Post Office and government decisions working against postmasters - such as the removal of government services from Post Office branches despite significant demand or the minimum branch rule creating unnecessary competition between post offices
- to achieve the vision, fundamental changes are needed to remuneration of postmasters, how the Post Office operates and level of government support

Government response

In response to broad support for the policy objectives, government is adopting the 5 objectives that were set out in the Green Paper, with an amendment to the community objective to incorporate customer service in response to feedback via consultation responses. As set out in the Green Paper, these objectives set out what government wants from the Post Office over the next 5 to 10 years and beyond.

DBT has written to the Post Office Chair alongside this publication to confirm that the objectives come into effect immediately with an implementation plan to be discussed at a future Quarterly Shareholder Meeting between DBT and the Post Office. Government expects the Post Office to embed these objectives within the organisation and into all Post Office strategies. The Post Office model requires a balance between operating commercially and maintaining a strong social purpose. The objectives set by government reflect this model with objectives linked to the social purpose and the need to operate more commercially. No one objective is more important than the other, and government is confident that a balance can be struck such that these objectives as a whole are achievable.

The following table sets out the final objectives and how they will be delivered.

Area	Government’s objective	How it will be delivered
Essential services	For the Post Office network to provide postal and other critical services – currently including cash and banking, government and utility bill payment – to those who cannot or will not get them elsewhere.	We will keep the geographical Access Criteria in place and regularly monitor performance. This will ensure that services remain within reasonable distance of the UK’s population. Recognising the Post Office’s important role in serving vulnerable and business user

		groups, the Post Office will continue to publish a yearly assessment of their accessibility for disadvantaged individuals, individuals on low incomes, individuals with disabilities, elderly individuals and small businesses in their Network Report each year.
Community benefit	For the Post Office to maintain a network made up mostly of full-time and full-service branches, offering a reliably good level of customer service and a wide range of services alongside a retail offering, as these branches provide the most benefit to communities.	<p>Government will introduce a new requirement to ensure at least 50% of the Post Office network should be made up of full-time and full-service branches so that communities continue to have strong, reliable post offices.¹ Progress will be monitored and the Post Office will report on its performance in its Annual Network Report.</p> <p>To ensure customers receive a consistent and reliable level of service across the network, the Post Office will work closely with postmasters and partners to introduce minimum branch standards from 2026/27 onwards.</p> <p>DBT intends to begin collecting quarterly customer satisfaction data from Post Office users to help assess the impact of investment (including that from government) in the Post Office.</p>
High streets	For the Post Office network to support high streets as visible economic stimulants and hubs for local activity.	<p>When opening new branches or moving existing branches, the Post Office will use best endeavours to prioritise high street locations when there is a like-for-like decision between 2 locations for a branch.</p> <p>The Post Office will trial its 'Hub of the High Street' proposal in 2026, aimed at transforming larger Post Office branches into high-specification, flagship multi-use spaces where the Post Office</p>

¹ The 'full-time and full-service' definition discounts part-time outreach branches and formats with a limited product offering, such as Drop & Collect outlets.

		partners with commercial and charitable third parties to provide additional services to customers based on local needs.
Organisational culture	For the Post Office to be an organisation with a positive culture, that is run in an accountable and transparent way and delivers benefits for and represents the interests of postmasters, partners, their customers, employees and communities.	<p>The Post Office will look to implement as many of the recommendations from the Post Office Horizon IT Inquiry as possible and will commit to implementing them as quickly as possible, reporting on progress regularly.</p> <p>The Post Office will create a joined-up culture strategy with measurable objectives that has employees, postmasters and partners in mind, while continuing to enhance the proposition for communities and customers.</p> <p>Government expects a plan to be in place by summer 2026 with a strategy implemented in due course, documenting progress to date and future actions. Government expects to see positive progress across all areas demonstrated in the following year.</p>
Financial sustainability	For the Post Office to become an organisation that adapts to changing markets and is financially sustainable, with lower reliance on government funding for investment costs.	<p>Government plans to provide over £500 million of investment funding during this Parliament to modernise the Post Office and enable it to make operations more efficient.</p> <p>By 2030, we expect:</p> <ul style="list-style-type: none"> • the Post Office to be consistently generating a positive trading profit • the ratio of postmaster remuneration to total revenue to increase • the ratio of operating costs to total revenue to decrease

		While government will continue to contribute to the costs of the uncommercial branches required to meet our access requirements, we expect the level of government subsidy should trend downwards over time. The Post Office should manage the network efficiently to ensure value for money for the taxpayer.
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Key actions

1. Government will formally write to the Post Office to implement the new policy objectives. Government expects the Post Office to embed these objectives within the organisation and into all Post Office strategies.
2. The Post Office will continue reporting on its performance in meeting the geographical Access Criteria and accessibility performance for different user groups. Going forwards, the Post Office will report on what proportion of the network is made up of full-time and full-service branches.
3. The Post Office will create a joined-up culture strategy with measurable objectives that has employees, postmasters and partners in mind while continuing to enhance the proposition for communities and customers. Government expects a plan to be in place by summer 2026 with a strategy implemented in due course.

Chapter 3: A Post Office fit for the modern age

This chapter summarises responses from the consultation survey and discussion groups to the chapter 'A Post Office fit for the modern age' and sets out the government's response.

Government's [Green Paper 'Future of Post Office'](#) outlined proposals for how the Post Office should adapt to changing customer needs and market trends over the next 5 to 10 years. The Green Paper noted that the Post Office has a long history of evolution, with most branches now run by independent postmasters and strategic partners (retail chains which operate multiple Post Office branches), and that it operates separately from Royal Mail.

The Green Paper set out major shifts in the postal sector, including the decline in letter volumes, the growth of parcel services driven by e-commerce and the increasing competition among delivery providers. The government expressed support for the Post Office's plans to expand its role as a multi-carrier hub, enabling customers to send and receive parcels from a range of operators.

In relation to banking, the Green Paper set out the trend of declining cash usage and the closure of high-street bank branches. The Green Paper also recognised the continuing importance of cash for many people and organisations, particularly small businesses. As set out in the consultation, the government expressed the intention for the Post Office to remain central to providing in-person banking and cash services through its nationwide network. The government also expressed the intention for the continuation of the Banking Framework Agreement with major banks until it is due for renewal in 2030. The Banking Framework is an agreement between UK banks and the Post Office that allows customers to access everyday banking (cash withdrawals, deposits, balance checks) at Post Office branches.

For government services, the Green Paper recognised the continuing shift towards digital channels, but it proposed that the Post Office should maintain its important role in supporting digitally excluded and vulnerable customers who require in-person access. The Green Paper also considered how government departments might collaborate more effectively with the Post Office to ensure consistent and cost-effective service delivery.

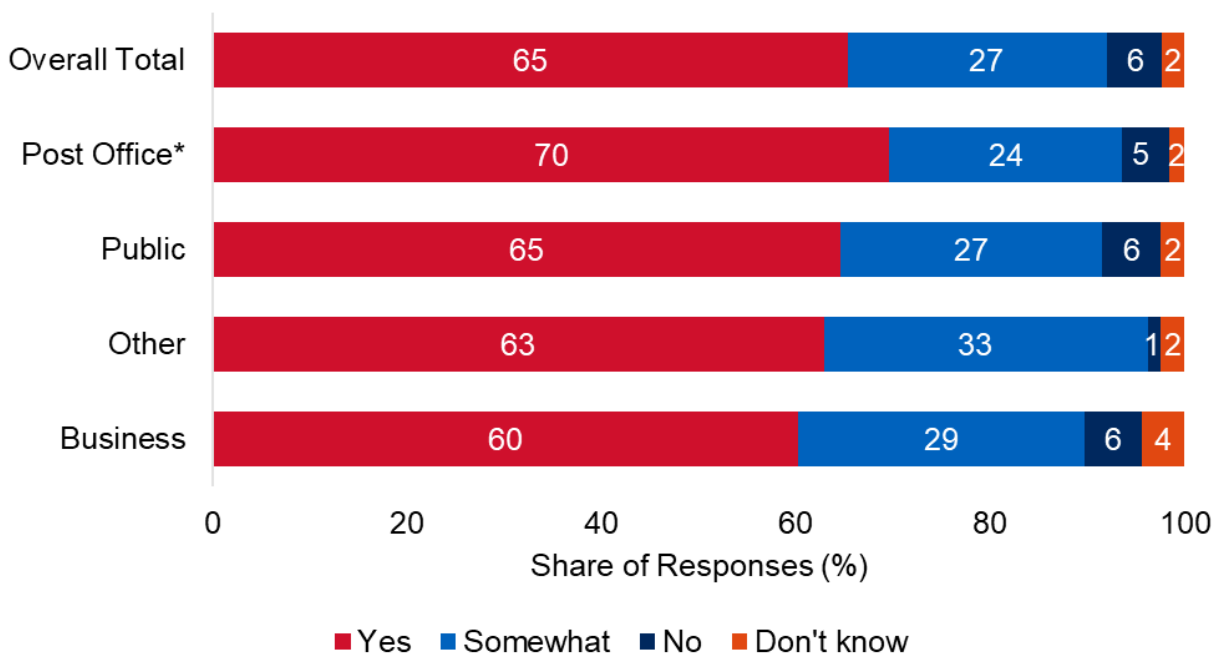
Finally, the Green Paper identified key risks and uncertainties to the Post Office's long-term stability, including digital transformation, the renewal of key commercial contracts and the financial sustainability of postmasters. It invited views on whether the government's assessment of how the Post Office's role will change in postal, banking and government services over the next decade was correct, and it asked respondents to comment on these proposed directions.

Summary of responses

In the consultation survey, respondents were asked if they agreed with government's assessment of how the Post Office's role in postal services, cash and banking services, and government services will change over the next 5 to 10 years. Respondents were also asked to explain their answers and add any further comments.

Most respondents agreed with the assessment of how the Post Office's role in postal, cash and banking, and government services will change over the next 5 to 10 years (65% fully agreed and 27% somewhat agreed).

Chart C: Agreement with government assessment of the Post Office’s role in next 5 to 10 years



* The Post Office refers to respondents involved in the delivery of the Post Office. As elsewhere in this document, this includes respondents such as postmasters, postmaster groups and Post Office Ltd as an organisation. Percentages may not add up to 100% due to rounding.

General views and concerns regarding services

Respondents gave their views on how the Post Office could better deliver services, as well as raising concerns. Many respondents stressed that post office branches must remain open to offer in-person services to elderly, vulnerable and digitally excluded people, especially in remote and rural areas. A number of respondents pointed out that many rural post offices operated with limited resources, which could make it difficult to implement multi-carrier hubs or expanded banking services. Without specific protections or targeted support, they feared such initiatives would result in further service cuts or branch closures in rural communities. Postmasters reported rising operating pressures and emphasised the contribution of Travel Money to footfall and income.

Some respondents suggested there should be a longer planning window beyond 2030 and accelerated modernisation of core systems (including external procurement where appropriate). They also suggested that there should be a stronger role for the Post Office in digital identity and assisted digital support, building upon the role Post Office already has in providing in-branch verification services to GOV.UK’s One Login.

Some raised concerns about the trajectory of the relationship with Royal Mail and suggested government intervention to secure closer alignment. There was a call for the reunification of Royal Mail and the Post Office through a joint venture ownership model. It was argued this would restore efficiency, reduce duplication, strengthen the universal service and build community resilience.

Postal services

In terms of postal services, there was qualified support for multi-carrier parcel hubs, paired with concerns about limited space, low margins and the need for streamlined technology and consistent branch participation.

Public and postmaster discussion groups supported the Post Office as a multi-carrier hub. Postmasters said success depended on terms negotiated and highlighted inadequate margins and storage required for parcels. Some public groups called for more ambitious modernisation. Postmasters expressed frustration at Royal Mail offering cheaper prices online, whilst public groups were unclear how the special relationship between the Post Office and Royal Mail would impact an impartial service offering.

Cash and banking services

With regards to cash and banking services, Banking Framework 4 was viewed as a crucial step forward, but respondents felt that it needed to go further. Some called for higher withdrawal and deposit limits, a wider range of services and stronger, long-term arrangements with banks. Proposals for further development included making bank participation in the Framework compulsory, mandating a larger Post Office role to secure sustainable income and prohibiting the removal of key services without ministerial approval.

Concerns were raised about the balance of the relationship between banks and the Post Office, with calls for banks to bear greater compliance responsibilities and for better training and remuneration for postmasters. There was a call to legislate for universal access to in-person banking through post offices with transaction fees set by an independent regulator.

Evidence provided by some stakeholders highlighted the importance of post office counters for financial inclusion. Some favoured more than one provider of cash services rather than positioning the Post Office as a sole or mandated provider. Some argued that Banking Hubs should not displace full-service branches. A number of stakeholders called for a publicly owned Post Bank to ensure accessibility for all and to diversify revenue streams for the Post Office.

Public and postmaster discussion groups recognised the current opportunity in the face of bank closures but questioned long-term profitability. Both types of groups felt banks should pay the Post Office more for this service.

Banking Framework 4, which came into operation in January 2026, will enable the Post Office to increase the remuneration postmasters receive for delivering cash and banking services.²

Government services

Several responses supported expanding government services, with some advocating exclusivity for the Post Office. Postmaster discussion groups highlighted the importance of services and a wish to expand offering, but they noted that queries were often complex and undercompensated. Public discussion groups supported provision to vulnerable communities, but they questioned long-term sustainability, efficiency and value for money.

² Post Office Limited, 2025 '[Protecting Access to Cash](#)', viewed 16/12/2025.

Government response

The Post Office will be left behind if it stands still, so government is clear that the Post Office needs to continue to adapt to remain convenient and competitive. Government has made it clear it wants the full-time and full-service branches to remain the backbone of the network. It also wants to see innovation, automation and modernisation in the network, and is supporting the Post Office with funding to achieve this.

The future of the Post Office must be a balance between protecting the Post Office's position at the heart of communities and delivering a range of in-person services. We must also recognise that the Post Office must adapt, trialling new formats and delivering some services in different ways to meet changing customer behaviours.

Government is supporting the Post Office's transformation with significant funding. Government plans to invest up to £483 million to support the transformation of the Post Office over the next 2 years to secure the company's long-term sustainability. This investment will help co-fund:

- a Technology Transformation Programme that will transition the operation of Horizon away from Fujitsu UK to newly procured service partners as soon as possible. Taking a holistic approach – i.e. not just replacing Horizon – this programme will also provide the Post Office with a technology foundation that will enable their wider strategic transformation, ensuring long-term sustainability for the future of the Post Office.³
- the development of a customer-facing app. This will provide customers with an improved customer experience and will help postmasters manage queues and drive footfall in branches. The app aims to launch by the end of 2026 and will continue to evolve to provide access to a wide range of Post Office services.
- a programme to modernise and automate the Post Office network over the next 4 years. Enhancing the in-branch experience aims to ensure that Post Office branches have a consistent quality, look, feel and service.
- the rollout of new in-branch technology such as portable counter devices and self-service devices for customers, postmasters and partners. This is aimed at enhancing the customer experience and speeding up transaction times.
- the introduction of parcel lockers across the network. The Post Office is currently carrying out a parcel locker pilot in several hundred post offices across the country as part of a 6-month trial. If successful, these could be rolled out in many more locations across the network.
- the deployment of automation technology, co-funded with the banks as part of Banking Framework 4, including state-of-the-art note counters and Multi-Function Devices to ensure cash withdrawals and deposits at greater speeds and convenience.

Postal services

As set out in the government's Green Paper, the Post Office should act as a convenient hub for a wide range of postal services across different carriers. Customers should be able

³ The Post Office is co-funding the STP with DBT. DBT is 100% funding the Technology Transformation Programme (a core element of the STP).

to walk into a Post Office branch or use the Post Office website or online app (once launched) to choose a service that works best for them from a range of operators.

The Post Office has a strategy to leverage opportunities in the parcel market while continuing to provide essential services and support to customers in branch. Key to this is investing in automation and ensuring post offices are the convenient 'go to' place to pick up a parcel, regardless of the carrier. That is why government is providing funding to facilitate the roll out of a new generation of self-service devices across the network, focused on postal services. These devices will allow customers who are happy using self-service machines to complete their journeys more quickly, while reducing queue times for customers preferring face-to-face transactions.

Government does not intend to introduce legislation, such as requiring 'out of home' delivery options for online purchases (for example, delivery to a parcel locker or shop), as suggested by some respondents. This is because increased regulation on businesses could harm the government's priority mission to deliver growth.

Cash and banking services

Government recognises the strength of feeling from respondents regarding the Post Office's role in providing cash and banking services to customers on behalf of banks. It is clear that Banking Framework 4 is welcomed, but many stakeholders believe the Post Office should evolve and enhance its offer.

Ideas raised by respondents included whether larger post office branches could be converted to accommodate a community banker (a representative from a specific bank who can provide support and advice for cash and bank customers in a dedicated space) or a community liaison officer, who can help customers of any bank. The Post Office is exploring a range of commercial and voluntary opportunities to enhance its cash and banking offer.

As stated in the Green Paper, government would welcome enhanced collaboration between the Post Office and the banking sector on a commercial and voluntary basis. On 21 January 2026, the government held joint discussions between the Post Office and the banking sector to explore where continued collaboration, on a commercial and voluntary basis, would allow all parties to better meet the needs of individuals and businesses. Several areas of mutual interest were discussed including banking services, financial inclusion, the need for modernisation and the importance of continuing to improve financial crime safeguards. Attendees agreed to give an update on discussions in 6 months.

Government services

We acknowledge the frustration that some postmasters feel about previous decisions to withdraw some government services from the Post Office, as services (and consumers) have increasingly moved online. This Green Paper and government response seeks to look forwards rather than backwards. From analysing the Green Paper responses, this government sees 3 opportunities worth exploring further:

- whether there should be a 'common physical front-end' for government services to standardise requirements and ensure there is a 'go to' place for a range of government services
- whether there is a role for the Post Office to expand its role in supporting individuals who are not 'digitally confident' to use digital services

- whether proposals for new services, including prescription pick up services and an enhanced role in providing verification services, should be explored further. In particular the Post Office could play a role in the new digital ID scheme announced by the Prime Minister in September 2025, building upon the role Post Office already has in providing in-branch verification to GOV.UK's One Login which provides access to a wide range of government services.

DBT will continue to explore these 3 themes with colleagues across government.

Key actions

4. Government plans to invest up to £483 million to support the transformation of the Post Office over the next 2 years to secure the company's long-term sustainability and reduce its reliance on government for funding.

This investment will help co-fund:

- a Technology Transformation Programme that will transition the operation of Horizon away from Fujitsu UK to newly procured service partners as soon as possible. Taking a holistic approach – i.e. not just replacing Horizon – this programme will also provide the Post Office with a technology foundation that will enable their wider strategic transformation and ensure long-term sustainability for the future of the Post Office. The Post Office is co-funding the STP with DBT. DBT is funding the Technology Transformation Programme (a core element of the STP).
- the development of a customer-facing app. This will provide customers with an improved customer experience and will help postmasters manage queues and drive footfall in branches. The app aims to launch by the end of 2026 and will continue to evolve to provide access to a wide range of Post Office services.
- a programme to modernise and automate the Post Office network over the next 4 years. Enhancing the in-branch experience aims to ensure that Post Office branches have a consistent quality, look, feel and service.
- the rollout of new in-branch technology such as portable counter devices and self-service devices for customers, postmasters and partners. This is aimed at enhancing the customer experience and speeding up transaction times.
- the introduction of parcel lockers across the network. The Post Office is currently carrying out a parcel locker pilot in several hundred post offices across the country as part of a 6-month trial. If successful, these could be rolled out in many more locations across the network.
- the deployment of automation technology, co-funded with the banks as part of Banking Framework 4. This would include state-of-the-art note counters and Multi-Function Devices to ensure cash withdrawals and deposits at greater speeds and convenience.

5. Building on constructive joint discussions between government, the Post Office and the banking sector in January 2026, where several areas of mutual interest were discussed, attendees agreed to further explore opportunities for continued collaboration on a voluntary basis. Attendees agreed to give an update on discussions in 6 months.
6. DBT will work across government to explore opportunities to improve and enhance the delivery of in-person government services. We have established a cross-government working group on in-person services for this purpose.

Chapter 4: How to operate the Post Office's branch network to best deliver the policy objectives

This section summarises responses from the consultation survey and discussion groups to the chapter 'How to operate Post Office's branch network to best deliver the policy objectives' and sets out the government's response.

The consultation document stated that current requirements for the network of post office branches comprise:

- a minimum of 11,500 branches
- 6 geographical Access Criteria (for example, 99% within 3 miles; 90% within one mile)

As set out in the consultation document, the Post Office has consistently met the 11,500 minimum branch requirement and 5 national Access Criteria, but maintaining these requirements has become more challenging and costly as footfall changes and labour costs rise.

The consultation document explained the network has evolved through 2 notable trends:

- the rapid rollout of low-cost 'drop and collect' parcel-focused sites
- a marked increase in part-time 'outreach' provision

The consultation document stated that while these formats expand coverage and convenience, they can deliver less community social value than full-time and full-service branches. There were 3 options under consideration for future requirements:

- maintain existing requirements (keep the 11,500 minimum and the Access Criteria): provides stability and alignment with government priorities around essential services and community but may lock in a larger-than-necessary network and drive more lighter-format urban branches
- keep the Access Criteria, remove the 11,500 minimum branch requirement: gives flexibility for a modestly smaller network with lower cost and greater operational flexibility; however, potential community concerns over reductions mean this is not the government's preferred option
- replace current requirements with targeted, locally-assessed requirements: focus protection where alternatives are lacking (taking account of similar services provided by alternative providers); potentially more cost-effective but operationally complex and with fewer national safeguards

As set out in the consultation document, additional, more limited changes were also discussed. These included:

- introducing customer-service targets (for example, on queue times)
- reviewing the postcode district Access Criteria due to cost-inefficiency

- reviewing what counts towards the minimum branch requirement (for example, recognising automated or access-point models across services)

The consultation document stated that, if no immediate change is made, government would put in place a clear process to review network requirements in the future. This process would include engagement with postmasters, representative bodies and the public on any significant proposed changes.

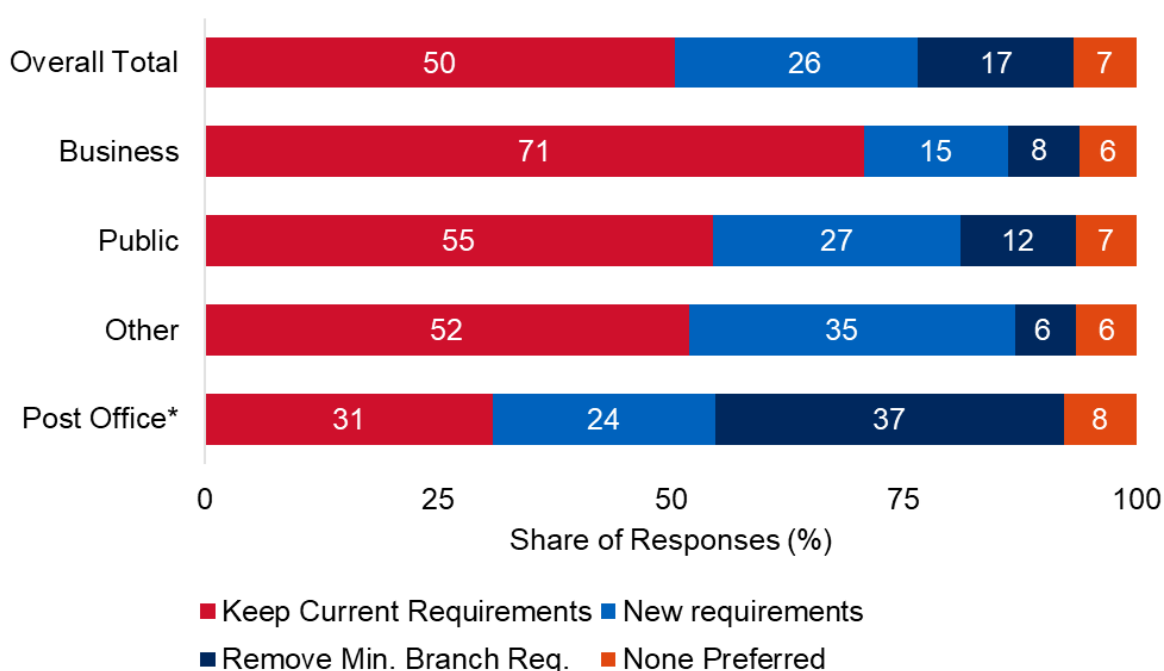
Requirements around the size and shape of the network: summary of consultation responses

In the consultation survey, half of respondents (50%) favoured maintaining government's existing requirements including the minimum branch requirement and Access Criteria. Those who favoured this option often highlighted the essential role of branches beyond their commercial purpose. They thought vulnerable and rural communities would be the most impacted by reduced access under the other options, which they felt were disguised cost-cutting exercises.

Around a quarter of respondents (26%) favoured developing new requirements, often expressing the desire to address specific community requirements and service gaps based on local needs. Supporters of this option suggested a review of local demands including footfall, public transport, topography, local service provision, demography, mobility, digital connectivity and deprivation. Some respondents felt this option would provide flexibility for the Post Office to adjust to population changes and market developments.

Although removing the minimum branch criteria was the least preferred option overall (favoured by 17% of respondents), it was the most popular option for those involved in the delivery of the Post Office such as postmasters (favoured by 37% of this group of respondents). Those who favoured this option often highlighted that the current requirement for a minimum of 11,500 branches was arbitrary and out-of-step with the needs of the network. They suggested it had resulted in unnecessary branches that undermine the Post Office's financial viability where resources could be better used elsewhere, for example to increase postmaster remuneration.

Chart D: Preferred network options



* The Post Office refers to respondents involved in the delivery of the Post Office. As elsewhere in this document, this includes respondents such as postmasters, postmaster groups and Post Office Ltd as an organisation. Percentages may not add up to 100% due to rounding.

Participants in discussion groups favoured alternative options. In these groups, most members of the public supported developing new requirements that tailor services to local needs whilst granting flexibility to remove genuinely unnecessary branches. No single discussion group supported maintaining the existing requirements as they are.

Postmasters in focus groups supported the removal of the minimum branch requirement as they thought the target was arbitrary and out-of-step with the genuine needs of communities. They believed the target had led to unnecessary competition between post offices, and money could be reinvested into a smaller, stronger network.

In the consultation survey, some respondents supported removing business rates on post offices to reduce financial pressure on postmasters and avoid a circular subsidy through government support.

Requirements around the size and shape of the network: government response

Government will keep the geographical Access Criteria and the 11,500 minimum branch requirement. A strong and accessible Post Office network is crucial to delivering services valued by communities across the UK. While it was right to consider a range of options to secure the organisation’s long-term future, government was consistently clear that our preference was to keep the minimum branch size and geographical Access Criteria the same.

Having carefully considered the range of views across the engagement methods that were part of the consultation, government has decided to maintain the geographical Access Criteria and the 11,500 minimum branch requirement. Maintaining the current

requirements provides the stability that government committed to providing while allowing an appropriate degree of flexibility to allow the Post Office network to evolve over time.

Government is clear that the Post Office network is a public service and it is not current policy for the Post Office to be entirely financially independent. If the network was run as a purely commercial enterprise, we know that many rural branches would disappear, and vulnerable customers would be disproportionately impacted. It is right, therefore, that government continues to contribute to the costs of the uncommercial branches necessary to meet our requirements. DBT is providing up to £83 million in a network subsidy in financial year 2025/26 to support with the cost of delivering government policy requirements, such as the minimum branch requirement. We intend to provide up to £180 million from financial year 2026/27 up until financial year 2028/29, with the amount decreasing over time.

We expect the overall network subsidy to decrease over time as the Post Office continues to transform and bring the cost of the uncommercial network down. However, it is likely that a network subsidy will be required for the foreseeable future to ensure the Post Office can continue to deliver the government's access requirements. Government also recognises the concerns raised at how much taxpayer funding is provided to support the Post Office network. While we are clear this network subsidy funding is essential and necessary, it is not a blank cheque:

- Government expects the Post Office to manage the network efficiently to ensure value for money for the taxpayer. The right formats should be used in the right location, reflecting a community's population density and socio-economic factors. This will ensure resources can be prioritised on the full-time and full-service branches where there are few alternatives available to customers.
- Government will put in place a process to ensure the Access Criteria and minimum branch requirement are automatically reviewed if certain conditions are met. The specific trigger for a review will be if the cost of the uncommercial network is expected to be greater than 10% of the Post Office's projected total revenue within a financial year. The Post Office has a plan to reduce the cost of the uncommercial network to 7% of overall revenue by 2029/30. DBT will continue to monitor this as the Transformation Plan is delivered.

This recognises that the network requirements are correct now, but if risks materialise that make the requirements operationally difficult to meet or overly burdensome on the taxpayer, then government can act quickly in the future. Government also reserves the right to review Access Criteria and the minimum branch requirement if this specific trigger is not met, but a review becomes necessary for wider reasons.

A review of network requirements would involve setting out the facts to key stakeholders, including the public, postmasters, partners and businesses, and seeking views on a range of options to enable government to make an informed decision. A review would use the most appropriate engagement method, such as targeted citizen and stakeholder engagement, and not necessarily a full public consultation.

Introducing customer-service targets: summary of responses

In the consultation survey, there were mixed views towards introducing customer-service targets – 39% of respondents agreed, 31% were unsure and 31% disagreed. However, respondents involved with the delivery of the Post Office (including postmasters) were more likely to agree (51% agreed).

Those who agreed believed customer service needed to be improved within post offices and that targets are a crucial part of any customer-oriented business. Some respondents conditionally agreed. They argued that targets should only be implemented after fixing underlying issues, such as remuneration or network modernisation.

Respondents who disagreed felt targets were counterproductive given current operational challenges and that a one-size-fits-all approach may be unsuitable given the diversity of branches. Some felt monitoring would be difficult and targets could be manipulated, leading to unintended consequences such as rushing customers. They felt that this would impact vulnerable customers with complex queries the most. Discussion group participants agreed with this view.

Introducing customer-service targets: government response

Government is asking the Post Office to work with postmasters and partners to progress work to improve and standardise customer service across the network. We have listened to concerns about government imposing strict targets that do not work on the ground and drive the wrong incentives. Instead, we are asking the Post Office to make improving customer service a priority by introducing minimum branch standards from financial year 2026/27 onwards. Where funding is available to postmasters and partners to upgrade branches with new technology like new self-service machines, this will be on the condition that the branch meets minimum standards. DBT also intends to begin collecting quarterly customer satisfaction data from Post Office users to help assess the impact of investment (including that from government) in the Post Office.

Reviewing the postcode district Access Criteria: summary of responses

There were also mixed views in the consultation survey towards reviewing the postcode district Access Criteria – 46% of respondents agreed, 31% were unsure and 23% disagreed. However, similar to the other minor network options, respondents involved with the delivery of the Post Office (including postmasters) were more likely to agree (65% agreement).

Those who agreed suggested the requirement was arbitrary and that postcodes alone did not reveal anything useful about a population. Some respondents cautiously agreed with removing the criteria as long as the aim was to improve services, rather than as disguised cost-cutting exercises to reduce them.

Those who disagreed were concerned that reviewing this requirement would lead to the closure of less profitable branches or the defunding of outreach services. They believed this would disproportionately impact rural and vulnerable communities.

Public discussion group attitudes varied, although most saw merit in removing the criteria if alternative service provision was maintained, such as through outreach vans or lockers. Postmasters favoured a review but emphasised this should be based on genuine community needs.

Reviewing the postcode district Access Criteria: government response

Government will not review the postcode district Access Criteria. This is due to the disproportionate impact that removing the requirement would have on the rural communities who benefit from it being in place.

Reviewing what counts as a branch: summary of responses

In the consultation survey, around half of respondents (52%) agreed there should be a review into what counts as a branch, with 28% unsure and 21% disagreeing. However, similar to the other minor network options, respondents involved with the delivery of the Post Office (including postmasters) were more likely to agree (with 73% agreement).

Those who agreed suggested that, under the current classification, there are too many inconsistencies between branches (in terms of range of offerings), staff knowledge and quality of service. These inconsistencies were felt to damage customer trust and brand image. Respondents suggested defining a branch as something that is full-time, with a standalone counter and trained staff providing a high-quality service. Some respondents agreed in principle with the review, while at the same time stressing that it must not be used as a method to reduce the number of small or rural branches.

Those who disagreed suggested that a review would downgrade what counted as a branch, leading to a suboptimal offering in rural communities. For example, many felt there was a risk that drop and collect points and limited hours outreach services would count, on paper, as providing services for rural and remote communities. In reality, the local population of any such area would most likely feel that they had lost their branch and face hardship.

Both public and postmaster discussion groups saw merit in clarifying what constitutes a branch, but that this should offer the full range of services and not be allowed to dilute the brand integrity or customer confidence.

Reviewing what counts as a branch: government response

Government will not review the definition of a branch. The Post Office network must continue to be made up of at least 11,500 branches (currently defined as an outlet that provides a range of postal services), and government is introducing a new requirement that a minimum of 50% of the network must be full-time and full-service branches. As of April 2025, the network exceeds this minimum with 79% of branches being full-time and full-service.

Government does not consider standalone parcel locker solutions outside of a retailer setting to be counted in this definition.

Government believes that there is sufficient flexibility for the Post Office within the current definition of a branch and that consumers benefit from a variety of branch formats, which should be tailored to local needs.

While the network of branches will remain above 11,500, customers frequently access different Post Office services in addition to using the 11,500 branches. This includes Payzone locations for utility payment services, operators of Banking Hubs and locations for parcel lockers – overall a network of over 20,000 locations across the country.⁴

⁴ [Payzone Company Website \[accessed 16/12/25\]](#)

Key Actions

7. Government will maintain the 11,500 minimum branch requirement and geographical Access Criteria. Performance against both targets will continue to be monitored carefully by DBT, and the Post Office will continue to publish its Network Report each year setting out the state of the Post Office network.
8. Government is providing up to £83 million in a network subsidy in the 2025/26 financial year. This subsidy will support the cost of delivering government policy requirements such as the minimum branch requirement. Government intends to provide up to £180 million between financial years 2026/27 and 2028/29, with the amount decreasing over time.
9. Government will put in place a mechanism to ensure the Access Criteria and minimum branch requirement are automatically reviewed if certain conditions are met. The specific trigger for a review will be if the cost of the uncommercial network is expected to be greater than 10% of the Post Office's projected total revenue within a financial year.
10. Government is asking the Post Office to work with postmasters and partners to put in place minimum branch standards from 2026/27 onwards. Where funding is available to postmasters and partners to upgrade branches this will be on the condition minimum standards are met.

Chapter 5: Reforming the governance and long-term ownership arrangements for the Post Office

This section summarises responses from the consultation survey and discussion groups to the chapter 'Reforming the governance and long-term ownership arrangements for Post Office' and sets out the government's response.

The consultation document stated government's 2 overarching aims for the Post Office:

- to be an accountable and transparent organisation with a positive culture that serves postmasters, partners, customers, employees and communities
- to become a financially sustainable organisation with less reliance on public investment

The consultation document set out that the Post Office remains an arm's-length public corporation, wholly owned by the appropriate Secretary of State on behalf of the government. As set out in the consultation document, DBT sets long-term direction, appoints the Chair and Board and approves key plans and certain major decisions. UK Government Investments advises DBT and represents the shareholder on the Board within a formal governance framework. The Board operates commercially under Companies Act duties and currently includes non-executive directors, the Shareholder Representative, the Chief Executive and Chief Financial Officer.

As stated in the consultation document, recent cultural reform measures include a Transformation Plan and 'New Deal for postmasters', focusing on higher remuneration, stronger partnership and improved operational standards. The leadership of the Post Office are taking active steps to learn lessons from the Horizon scandal and ensure improvements to their culture and engagement with postmasters. This also includes a Postmaster Experience Director embedded centrally, 2 postmaster non-executive directors and new engagement mechanisms. These engagement mechanisms include the Consultative Council, a Postmaster Panel and the Post Office's 'Adopt a Function' initiative for postmasters to work directly with Post Office colleagues in certain head-office functions. These are designed to shape processes from onboarding and training to performance management. The consultation document stated that governance improvements to the Board are also being implemented.

The consultation document explained that government does not propose fundamental ownership changes now, citing the need for stability during transformation and Horizon replacement. However, as set out in the consultation document, government sought views on further reforms to strengthen governance and postmaster voice while avoiding bureaucracy that could slow decision-making. Issues on which views were invited included:

- **permanency and independence of engagement bodies:** making the Consultative Council and Postmaster Panel more independent or formalised, while noting trade-offs around information access, cost and complexity
- **efficiency and speed:** ensuring added structures do not hinder transformation or responsiveness

- **relationship with government:** scope for greater stakeholder input into strategic direction, network decisions and key appointments
- **membership:** whether to broaden beyond postmasters to unions and consumer groups, balancing diversity of views with clarity of purpose
- **a strong postmaster voice:** ensuring that postmasters, partners and employees feel heard within any future arrangements

The consultation document stated that any new forum would remain consultative and advisory, with decision-making authority staying with the Post Office Board. Government invited respondents to indicate which reform priorities mattered most.

The consultation document set out that government considers the current governance model remains appropriate in the short-to-medium term while the Post Office continues to depend on taxpayer funding and works to demonstrate financial stability and cultural transformation.

Looking further ahead, the consultation document identified 2 potential long-term options for reform.

Conversion into a mutual

A mutual would be collectively owned by postmasters and partners and potentially other stakeholders, such as employees, customers and community groups. This model could give postmasters greater control and accountability, while maintaining public benefit. The Green Paper outlined key design questions around membership, funding and liabilities, and ownership structure. It also noted that mutualisation would only be viable once the Post Office is financially stable and less reliant on public subsidy. It would be complex, time-consuming and costly to implement.

Charter model

A charter model would be similar to the BBC or certain universities, under which a formal charter would define the Post Office's public purpose and governance rules. This model was said in the consultation document to reduce direct government ownership and oversight, granting the Post Office greater operational autonomy and long-term strategic freedom. Funding would remain a mix of commercial income and agreed public subsidy. The document noted, however, that this approach might introduce new bureaucratic layers or prove unnecessary once the Post Office achieves stability and reforms its culture following the Horizon Inquiry.

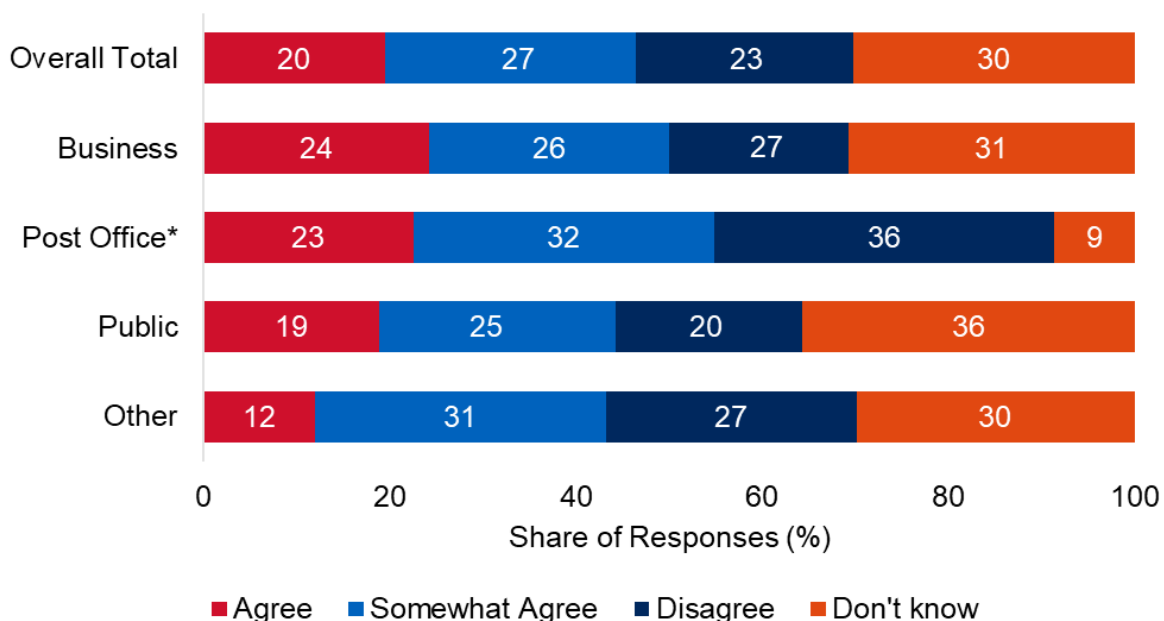
Overall, the consultation document stated that while both models could enhance independence and local accountability in the longer term, neither is proposed for immediate implementation.

Summary of responses

Existing governance arrangements

In the consultation survey, there was no clear consensus on whether current governance arrangements were sufficient for achieving the Post Office's cultural transformation – 20% stated they were sufficient, 27% somewhat sufficient, 23% insufficient and 30% did not know.

Chart E: Extent of agreement that current governance structures are sufficient for achieving the Post Office’s cultural transformation



* The Post Office refers to respondents involved in the delivery of the Post Office. As elsewhere in this document, this includes respondents such as postmasters, postmaster groups and Post Office Ltd as an organisation. Percentages may not add up to 100% due to rounding.

Those who thought current arrangements were sufficient stated that they felt the current structure was working well and did not require any significant change at this time. Many highlighted the positive aspects of postmaster representation. They felt that it allows for decision-making to be influenced by on-the-ground experience and knowledge, whilst as the same time being balanced by professionals with an understanding of large-scale commercial businesses.

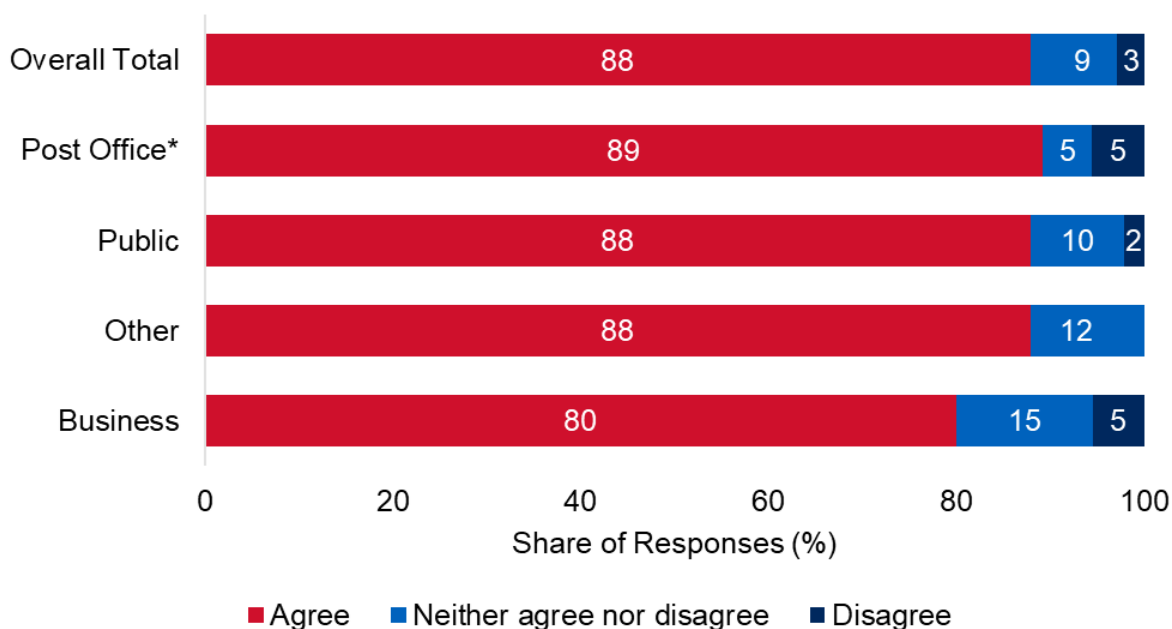
Those who thought current arrangements were insufficient expressed a view that they were overly bureaucratic and top-heavy, leading to too many layers of management that were inefficient and lacked accountability. Some suggested the current panels, boards, and proposed reforms were ‘tick-box’ exercises and not tackling the real issues. Some felt decision-makers were too far removed from the realities of managing post offices and described current postmaster representation as ‘tokenistic’. The Consultative Council was criticised as being too heavily influenced and manipulated by Post Office Ltd, limiting their independence and effectiveness. Some respondents felt that the organisation was resistant to change and that new, independent and external leadership with fresh perspectives was necessary to bring real innovation and transformation.

In discussion groups, postmasters were generally critical of the current governance structure and felt that the whole structure needed to be reviewed. Postmasters highlighted how the arms-length governance model had contributed to the Horizon scandal, as distance from government oversight had allowed the Post Office to operate without adequate accountability.

Postmaster input and engagement

In the consultation survey, there was majority support for more postmaster input into government decisions on the Post Office (88% agreed), and respondents were most likely to select this as their single most favoured change to the current governance model.

Chart F: Extent of agreement that postmasters should input more into government decisions



* The Post Office refers to respondents involved in the delivery of the Post Office. As elsewhere in this document, this includes respondents such as postmasters, postmaster groups and Post Office Ltd as an organisation. Percentages may not add up to 100% due to rounding.

There was also majority support for engagement bodies to have a clear remit (78% agreed), be permanent (68% agreed), diverse in membership (65% agreed), independent of the Post Office (65% agreed) and not be funded by the Post Office (65% agreed). Additionally, there was majority support for the Post Office to be able to consult a wide range of postmaster groups on issues such as remuneration and contractual issues (74% agreed).

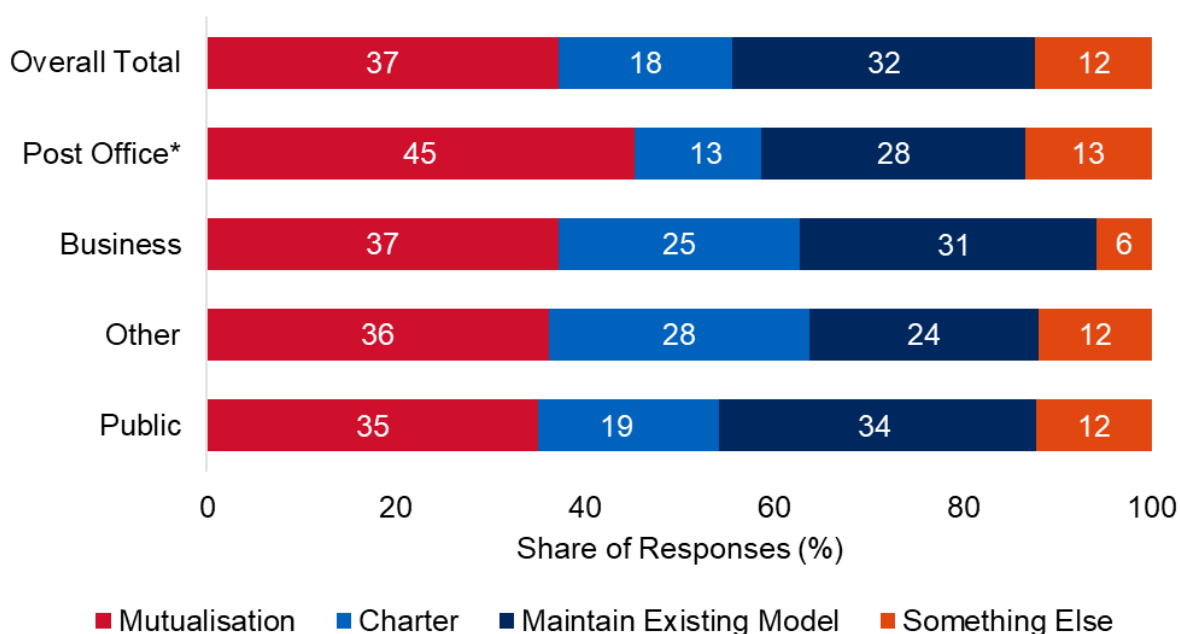
While many respondents agreed, there was no majority support for the idea that any additional governance measures should only be introduced if they do not slow down the Post Office's Transformation Plan (49% agreed; 30% neither agreed nor disagreed; 20% disagreed).

In discussion groups, postmasters felt that existing representation mechanisms – such as the Consultative Council and Postmaster Panel – were failing to give them meaningful input into decisions that affected their businesses. Respondents felt that without sufficient inclusion, commercial decisions were being taken that were not in their favour (for example, with carriers and banks). Participants strongly supported the principle that representation should be independent of Post Office funding.

Long-term governance and mutualisation

In the consultation survey, no single long-term governance option had majority support. The largest support was for mutualisation (37%), followed by keeping current arrangements (32%), conversion to a charter model (18%) and exploring another option (12%). Support for mutualisation was particularly high among respondents involved in the delivery of the Post Office (including postmasters), attracting support from 45% of these respondents.

Chart G: Preferred option for long-term governance of the Post Office



* The Post Office refers to respondents involved in the delivery of the Post Office. As elsewhere in this document, this includes respondents such as postmasters, postmaster groups and Post Office Ltd as an organisation. Percentages may not add up to 100% due to rounding.

The majority agreed that in a potential mutual model postmasters should not take on financial liabilities for the organisation (72% agreed) and that the Post Office should be given more independence from government once it has achieved its cultural and financial policy objectives (51% agreed). However, there were more mixed views on whether, under mutualisation, the Post Office should be completely independent from government (41% agreed; 36% disagreed; 23% unsure) and on whether only postmasters and strategic partners should be able to be members (43% agreed; 24% disagreed; 33% unsure).

In discussion groups, postmasters saw the primary benefit of mutualisation to be freedom, control and the influence they would have over strategic decisions. They also identified access to alternative funding under this model as a benefit.

Although not discussed, access to alternative funding would likely be dependent on how the mutual structure and liability arrangements were set up.

However, postmasters were concerned about whether the Post Office could ever be financially viable as a mutual due to the scale of loss-making branches. They were concerned that if government needed to underwrite the mutual, then government would retain significant control which would undermine the key advantages.

Some postmasters in discussion groups felt the charter model option could enable the Post Office to have greater flexibility and commercial capability than under current government ownership. However, many did not trust Post Office executives to use charter freedoms appropriately.

On balance, postmasters in discussion groups felt that both mutualisation and the charter model had significant problems and neither represented an obvious change to the Post Office's future governance (ownership) model. Postmasters thought that governance structure alone would not determine the Post Office's future success. More fundamental to those responding was addressing remuneration, operational capability, government support for in-person services and ensuring postmasters had genuine input into decisions affecting their businesses.

Government response

The Horizon scandal devastated the lives of many people who delivered the Post Office's services, and government is committed to providing full and fair redress to the victims of the scandal. Substantial progress has been made with more than £1 billion paid in redress since July 2024 and with more than 10,000 victims paid. There is still more to do, and this remains an important priority for DBT. As stated in the Green Paper, we need to recognise the serious cultural issues of the past and ensure that going forwards the Post Office has a positive, postmaster-focused culture and is run in an accountable and transparent way.

As set out in the Green Paper, the relationship between government and the Post Office, and the Post Office and postmasters, is highly relevant to the Horizon IT Inquiry. As such, no decisions on changes to governance and ownership arrangements will be made by government until after Sir Wyn Williams' final report has been published. This is to allow government to fully consider the inquiry's recommendations and findings on governance issues together with the responses to this Green Paper.

Government recognises that many consultation responses supported the idea of further work to assess the Post Office's initiatives to engage postmasters. In response to this, DBT is commissioning an external evaluation into the ongoing initiatives that the Post Office has implemented to engage with postmasters. These include the Postmaster Inclusion Framework and reviewing best practice engagement across broadly comparable organisations, recognising the unique relationship between postmasters and the Post Office. This will allow the government to assess how far the existing inclusion initiatives go to meet the needs of postmasters, identify any gaps in these initiatives and provide recommendations which will help shape the development of a robust and broadly-supported framework for postmaster and partner inclusion.

This evaluation will be conducted by engaging with a range of postmasters, representative bodies, Post Office staff, UK Government Investments staff and officials from DBT. It will use a range of qualitative and quantitative methods. This will help to ensure that the resulting recommendations are reliable, insightful and representative of the postmaster voice.

Key actions

11. Government is commissioning an external evaluation into the ongoing initiatives that the Post Office has implemented to engage with postmasters and partners, in consultation with the Post Office, postmasters, postmaster groups and other stakeholders. This evaluation will report later this year.

Department for Business and Trade

The Department for Business and Trade is an economic growth department. We ensure fair, competitive markets at home, secure access to new markets abroad and support businesses to invest, export and grow. Our priorities are the industrial strategy, make work pay, trade and the plan for small business.

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Published by
Department for Business and Trade
25 February 2026

