

## Card Account U-turn is welcome first step

*A letter to the Herald, November 2008*

Sir,

Last week, after months of delay, the Government finally caved in to pressure from campaigners, and re-awarded the contract for the Post Office Card Account to Post Office Ltd.

The Card Account handles the payment of benefits, state pensions and tax credits to over 4m people. It is a vital revenue source for post offices and without it even more branches would have been threatened with closure.

In Parliament last Monday, MPs demanded that the Post Office keep the contract, and that the decision be announced well before Christmas – but ministers refused to agree to this. On the Wednesday, James Arbuthnot pressed Mr Brown on it directly at Prime Minister's Questions – but all the PM would commit to was 'a decision in due course'. Then the very next day came the climb-down.

This is the right decision, and will be welcomed by both Sub-postmasters and post office customers.

But it is only a defensive victory. We have already lost so much of the network, especially in rural areas. For our remaining post offices to thrive in future we need to expand the range of business branches can take on.

Sensible proposals include letting post offices take on contracts for provision of more national and local government services; and liberalising the range of services that Sub-postmasters can sell.

I'd also like to see the role of the Card Account itself widened, so it can accept additional deposits – including housing benefit and weekly wages – and create sub-accounts which can be used for direct debit payments. Such moves would also reduce financial exclusion and let more people on lower incomes potentially cut their heating bills by moving to direct debit tariffs.

Sincerely

Damian Hinds

Prospective parliamentary candidate (Conservative) for East Hants