



Department for
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Our ref: MCB2024/11701
Your ref: PK02456

By email: paul.kohler.mp@parliament.uk

10 March 2025

Dear Paul,

Thank you for your letter of 20 November, addressed to the Secretary of State regarding concerns about Raynes Park Post Office being at risk of closure. I am replying as the Minister responsible for Postal Affairs; please accept my apologies for the time it has taken to respond, your correspondence has only recently been brought to my attention.

Given the Post Office Chair's announcement on the future of the Post Office, and subsequent media reports on imminent branch closures, I completely understand your concerns regarding the Raynes Park Directly Managed Branch (DMB) within your constituency.

Post Office has been facing significant financial challenges in recent years, requiring public subsidy to maintain its nationwide network of branches and services. Government uplifted this subsidy by £37.5m in December last year to further support the network and the important services it provides across the country. As part of Post Office's efforts to improve operational efficiency and financial sustainability, the company has initiated a series of cost reduction measures at its Head Office, and is reviewing operational costs across its network of Directly Managed Branches. No decisions have yet been taken on the future of any individual DMBs, including Raynes Park Post Office. The Post Office continues to work with local communities, Citizens Advice, Trade Unions and potential future partners to consider how to best meet the needs for Post Office services in a local area.

Government sets the parameters within which the Post Office operates. Post Office then has the freedom to make commercial decisions regarding the composition of its network within those parameters. Government protects the Post Office network by setting minimum access criteria to ensure that 99% of the UK population lives within three miles of a post office. The access criteria ensures that however the network changes, essential services, including banking and cash services, remain within local reach of all citizens.

As you rightly highlight, Post Offices are an integral part of the communities they serve and the services they provide for local people and businesses. The Post Office however is at a crucial point in its history, given the issues uncovered by the Post Office Horizon IT Inquiry

and its poor financial position. The Secretary of State for Business and Trade told the Inquiry that there is a need for the Post Office to be run differently, and for structural changes so that it's sustainable for the future while addressing the mistakes of the past.

The Government will continue to work closely with the Post Office as it develops its transformation plan, with the aim to increase efficiency, improve culture and increase remuneration for postmasters.

Thank you again for taking the time to write. I hope this response reassures you and your constituents who share similar concerns.

Yours sincerely,

A handwritten signature in black ink that reads "Gareth Thomas". The signature is written in a cursive style with a large initial 'G' and a long, sweeping underline.

GARETH THOMAS MP
Minister for Services, Small Business and Exports