



EUROPEAN COMMISSION

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Representation in the UK

Press Office

FACT SHEET

To be used only as background, not to be quoted from

POST OFFICES CLOSURES IN THE UK

FACT: The EU does not close post offices

There is no EU legislation forcing post office closures. This is a matter for the UK Government and Royal Mail. EU postal reform (Directive 97/67/EC, as amended by Directives 2002/39/EC and 2008/6/EC) seeks to secure key standards, protect consumers, improve quality of service and promote choice for postal users. The Postal Directive does not stipulate how many post offices the UK must have, nor has the European Commission ever recommended how many post offices there should be in any Member State. It is up to the universal service provider (Royal Mail) and Her Majesty's Government to determine the optimal size of the national network to meet universal service needs.

FACT: EU legislation protects universal service

The Postal Directive enshrines universal service, which is the collection and delivery of mail for every household and business, each working day, at least five days a week. The Directive states that access to postal services, collection and deliveries must still continue to be provided in remote, rural and urban deprived areas by the Universal Service Provider (Royal Mail) whether a market is open to competition or not.

FACT: EU rules allow state aid for post offices

The Postal Directive does not prohibit the UK government from giving rural post offices state funding. State funding is assessed against the community framework for services of general economic interest, and must meet the requirements set out in Article 87§1 of the EC Treaty. The UK Government has since 2006 provided Post Office Ltd with around £150 million pounds a year for the rural network through state funding, recognising the social need for a network of post offices providing services of general economic interest throughout the country. The European Commission has raised no objection to this state funding.

Why are post offices closing?

The UK government has announced that Post Office Ltd will close 2,500 post offices across the country and set up 500 outreach services to mitigate closures in some areas. The growth in e-mail has drastically reduced the number of letters that we

send. Post offices have also lost a lot of their financial payments business to direct debits and internet banking. This helps explain why despite having over 90% of the UK postal market share, the Royal Mail lost over £200 million in 2006/07.

The UK opened its postal market fully to competition in 2006, but this should not be confused with closures. Post office closures have happened in the European Union with fully opened markets as well as in those with only one postal provider reflecting fundamental changes in customer demand and the growth of new technologies.

Further information

Postwatch, the watchdog for postal services in the UK:

http://www.postwatch.co.uk/index.php?option=com_content&task=view&id=35&Itemid=30)

EU postal reform:

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/323&format=HTML&aged=0&language=EN>

http://ec.europa.eu/internal_market/post/index_en.htm

Or call the Commission's London office on 020 7973 1971.