

Postmaster support policy

Postmaster contract management

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1 Overview

1.1 Introduction

The relationship between postmasters and Post Office is vital to mutual success. Working in partnership with postmasters, we support them in serving our customers and communities.

This is one of ten postmaster support policies which provide a clear framework and define the standard for how Post Office supports and works in partnership with postmasters. Compliance with these policies supports us in meeting business objectives and balancing the needs of our shareholder, employees, and other stakeholders. Details of all the postmaster support policies can be found in the 'Policy framework' section of this document.

The Postmaster Contract Management Policy is reviewed and updated annually, or more frequently as necessary. This ensures ongoing compliance with regulatory or legislative changes and reflects any lessons learned from both internal and external events. It is subject to annual review and approval by an authorised committee on behalf of the Board of directors. It is then adopted by Post Office Limited.

This policy is a non-contractual document provided for information. It does not form part of the contract between any postmaster¹ and Post Office².

1.2 Purpose

Postmasters provide products and services to customers on behalf of Post Office and, in doing so, are asked to meet the contractual obligations set out in their agreements, with the appropriate support from Post Office. We have an obligation to our customers and clients, that all branches are providing service quality and adhering to the agreed standards.

There may be occasions where the required standards are not being met and a review of the postmaster's performance against the contract may be required. If this happens, Post Office is committed to supporting postmasters in this process. We recognise formal contractual action about performance can be stressful for the postmaster and may impact on the operation of the branch, so it is important that postmasters and Post Office work together to resolve any contract performance issues.

1.3 Who must comply

Compliance with this policy is mandatory for:

- All employees³ working within or for Post Office Limited, including permanent and temporary colleagues (consultants, contractors, third party agents and their employees), who manage postmaster contracts on behalf of Post Office.
- This policy also applies to members of the decision review panel.

¹ In this policy, "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office branch.

² In this policy, "Post Office" and "Group" means Post Office Limited.

³ In this Policy "employee" and "staff" means all persons working for the Group or on our behalf in any capacity including employees at all levels, directors, agency workers, volunteers, interns, and contractors.

1.4 Strategic partners

While strategic partners are not covered by this policy, Post Office works with and supports them to make sure that any agreed standards are met. Should any branch performance issues arise, Post Office will support the Strategic Partner to identify any necessary improvements to be implemented.

2 Principles

2.1 Core principles of the postmaster contract management policy

Post Office will:

Foster an environment where postmasters and Post Office work in partnership to resolve all contract management concerns in good faith with fairness, transparency, and professionalism. This includes, but is not limited to:

- Carrying out a review to establish the facts with the postmaster before any formal contractual action may be taken.
- Considering if Post Office has the right to take contractual action.
- Working with and supporting postmasters, to give them the opportunity to identify and address any issues through the available methods.
- Considering the postmaster's circumstances when deciding whether to take formal contractual action.
- Only taking formal action where absolutely necessary and considering reasonable alternative methods to resolve the issues. For example, requesting further training for branch staff.
- Where formal action is taken, Post Office will maintain regular contact with the postmaster to keep them updated on the progress of the review being carried out.
- Only taking formal action where Post Office is not in breach of duty to the postmaster. For example, has the postmaster received adequate training, have they received the right level of support for any issues raised, etc.
- Postmasters receiving support and representation from the National Federation of SubPostmasters (NFSP), legal representation, or other support for any correspondence, or to talk on their behalf during any meetings with Post Office.

Maintain an effective governance and assurance environment, including:

- Documented and approved processes for postmaster contract management.
- Maintaining records of all reviews and decisions made, including rationale. Details of the review and supporting information is shared with the postmaster, subject to restriction on disclosure. For example, legal privilege, data protection law, material relating to a criminal investigation.
- Advising the postmaster by telephone and confirming in writing the outcome of any performance reviews, contract suspension decisions, reinstatement decisions, contract termination decisions and contract termination decision reviews.
- Identification and monitoring, to completion, of any improvement opportunities and feeding these back to the relevant business areas. For example, available support was not offered to the postmaster when required.
- Providing annual refresher training (unless required earlier due to changes made) on this policy for employees who deal with postmaster contract management activities.

Principles specific to operational performance issues

- Where a postmaster is not meeting their obligations to the required standard, as set out in their contract, Post Office will review potential contract performance issues to establish the facts in relation to a material (i.e., non-trivial) matter.
- We will make sure the relevant business area has worked with a postmaster to resolve any performance issues. For example, through the use of an action plan setting out the actions needed to achieve required standards.
- Where needed, we will make sure extra training or support has been offered to the postmaster.

- Following the performance review, we may issue an advisory notice, provide a written direction, or take no action at this time. In more serious cases, suspension or termination of the Agreement may be considered (see below).
- We will apply a monitoring period to check the issue is resolved.

Principles specific to contract suspension

- Suspension is sometimes necessary to allow us time to investigate an issue and does not imply misconduct. A preliminary investigation will have been completed to establish relevant facts before any suspension.
- Suspension periods should be kept as short as possible, to allow a review to be completed.
- Postmasters will continue to receive payment during the suspension period, based on an average of the previous 12 months' remuneration (during the period of suspension any rate increases and/or additional payments will be taken into account, and the suspension payment will be increased accordingly).
- The postmaster will be notified of a suspension by telephone in the first instance, and this will be followed up in writing.
- Post Office will offer to attempt to find a temporary postmaster for any premises where the postmaster has been suspended. A temporary postmaster will only be able to operate with the express permission of the postmaster.
- A suspension governance committee will review all new suspensions, to make sure a decision to suspend was taken in line with the relevant contract and Post Office policies. They will also review all ongoing suspensions, to approve it is reasonable and proper to keep a postmaster suspended.

Principles specific to contract termination

- We will review the postmaster's contract to check the stated termination rights.
- Before a decision is made, we will ascertain the facts to make sure there is reasonable and proper cause to terminate the contract. Consideration will be given to:
 - Terminating the contract immediately, without notice, for repudiatory breaches and/or where there is an immediate termination right in the contract for a specific event.
 - Terminating the contract by giving the postmaster a period of notice in writing.
- A contract termination governance committee will review and, if the decision was taken in line with the relevant contract and Post Office policies, approve or reject all recommendations to terminate or reinstate a postmaster's agreement.
- Where a decision to terminate a postmaster's contract has been made, the postmaster has the right to ask for the termination decision to be reviewed.

In relation to this policy, the postmaster and Post Office should:

- Be transparent and open towards each other.
- Respond to written correspondence and telephone calls in a timely manner to assist in reaching a decision.
- Be flexible and available for meetings where required.

3 Policy framework

3.1 Policy framework

The postmaster support policies are reviewed annually and set out guidelines on how Post Office should support postmasters across ten specific areas. Each policy stands on its own, but should be reviewed in conjunction with the others.

Setting branches up for success

- Postmaster onboarding
- Postmaster training

We're listening...

- Postmaster complaint handling

Network monitoring, cash and stock management and account support

- Network monitoring
- Network operational support
- Network cash and stock management
- Network transaction corrections
- Postmaster account support
- Postmaster discrepancy review and resolution

Our agreement with the postmaster

- Postmaster contract management

3.2 Additional policies

You can find the full set of postmaster support policies on Branch Hub in the 'Help to run your branch' section or by visiting <https://corporate.postoffice.co.uk/en/governance/post-office-policies/post-office-policies>

3.3 Policy queries

If you have any questions or queries about this policy, or any of the other postmaster support policies, you can email us at postmastersupportpolicies@postoffice.co.uk.

4 Where to go for help

4.1 Postmaster wellbeing

Postmaster wellbeing matters to us. Branch Hub provides an online space where postmasters can find help and support when they need it. This could be to deal with an urgent or emerging situation, accessing professional resources, or getting friendly support and advice by joining a community group.

4.2 Branch Hub

Branch Hub provides useful information and services to help postmasters run their branch and self-service their needs.

4.3 Reporting a concern – how to ‘Speak Up’

Post Office strives to foster an environment where everyone feels comfortable speaking up. We encourage everyone to raise concerns about wrongdoing, illegal activities, or unethical behaviour.

To support this, we have several reporting channels:

- Contacting the “Speak Up” service, a confidential reporting service which is operated by an independent company on behalf of Post Office.
- Direct to the Speak Up Manager speakup@postoffice.co.uk

Information and contact details

Speak Up:

- Telephone number: 0800 041 8159
- <http://speakup.postoffice.co.uk> which is a secure online web portal
- Email direct: speakup@postoffice.co.uk
- Through the QR code below.



4.4 National Federation of SubPostmasters

Postmasters may also contact the National Federation of SubPostmasters (NFSP) for help and support, by:

- calling its helpline on 01273 452324
- emailing admin@nfsp.org.uk
- visiting its website NFSP.org.uk

5 Document control

5.1 Document control record

Version	Document review period	Policy – effective date
1.0	Annual	28 November 2024
1.1	Update	21 January 2025
1.2	Update	29 April 2025
1.3	Update	16 July 2025

5.2 Policy approval

Committee	Date approved
On behalf of the Board	20 November 2025

Next policy annual review date: 30 November 2026

6 Appendices

Appendix 1 – Definitions

Advisory Notice – a letter setting out that, although no formal contractual action is being taken at that stage, a Postmaster is required to fulfil the obligations outlined in the Agreement.

ARC (Audit, Risk and Compliance Committee) – is the Committee of the Post Office Limited Board which reviews and approves the postmaster support policies.

Board of directors - Post Office Limited's Board of Directors comprises the Chair, a Senior Independent Director, seven other Non-Executive Directors and two Executive Directors. You can find more information on the Board by visiting our [Post Office corporate](#) website.

Client – Client is the term used to describe the organisation which has a contract in place for Post Office to process transactions on its behalf.

Contractual action – the means of resolving a performance matter with a postmaster through a formal request, most commonly a written direction.

Monitoring period – following a performance review the appropriate Post Office team will monitor the situation. Should the issue reoccur within a specified time period, the appropriate next steps will be considered.

National Federation of SubPostmasters (NFSP) – a professional trade association which exists to support postmasters.

Operational performance issue – a matter that arises where a postmaster is not meeting their obligations, as set out in their contract, to the required standard in relation to a material (i.e., non-trivial) matter.

Performance intervention – where no formal contractual action is taken, the postmaster will be reminded of the need to deploy the obligations of their agreement and what may be the consequences of not doing so.

Repudiatory breach – a breach of the postmaster's contract/agreement that is so serious and fundamental that the contract cannot continue (including sustained non-compliance following the issue of written directions or other fundamental issues: for example, no longer holding a valid property interest, an insolvency event, or conviction of a criminal offence).

Strategic partner – a corporate business that operates post offices in several locations within its retail estate. A corporate partner is likely to operate from more than 25 retail stores, has centralised support functions/head office management and has strategic alignment to future Post Office Limited propositions/network growth.

Temporary postmaster – this refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a post office branch on a temporary basis.

Written direction – A formal letter issued following the performance review which outlines the breach of contract, sets out expectations and what is required of the postmaster, and explains the consequences if there is no maintained improvement.

Appendix 2 – Governance responsibilities

The policy sponsor is responsible for overseeing this policy and the policy owner is responsible for making sure the content is up to date and is capable of being executed. The owner will make sure it is implemented in practice and will inform the owners of other impacted policies where new or significant changes are made to it.

Once approved, the policy owner is responsible for overseeing compliance with this policy and providing assurance to the Board of directors.

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