

# Transformation Update



January 2026

POST  
OFFICE

# Crucial funding secured from government



The background of the slide is a collage of British currency. It includes several banknotes: a purple £20 note in the top left, a blue £10 note in the bottom left, and a large orange £50 note on the right side featuring the portrait of Queen Elizabeth II. There are also several coins, including a silver £2 coin and a gold £1 coin, scattered throughout the composition. A light blue circle is centered over the image, containing the title text.

# **The New... Banking framework**



This year  
we will deliver

£86m

in additional  
remuneration



# Royal Mail Shop





**PayPoint is now  
working with Lloyds  
Banking Group and  
Monzo to offer cash  
services**

# Inconsistent branch experience for customers





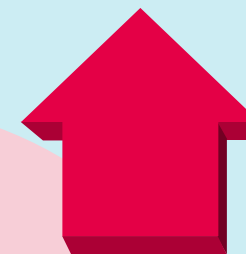
Many branches  
deliver a **brilliant**  
**experience**

# Unsustainable costs



When Post Office costs go down...

...Remuneration to Postmasters goes up



# Three proposed changes



# Remuneration



## Support we provide you



## Network change



# Working with postmasters



20 hours of in-depth discussions with the consultative council



Over 600 postmasters

# Proposals

- Fully **align the variable rates** for Mains and Locals
- Remuneration for banking and travel products will be **lifted to 55%**
- Operational Excellence Incentive will be **increased to 5.5%**





**In March, we  
hope to provide a  
further update  
on remuneration  
for 2026 / 2027.**

**All branches  
provided with  
Ready Reckoners  
via Branch Hub.**





**Driving  
your volume**

**=**

**Growth  
for your  
business**

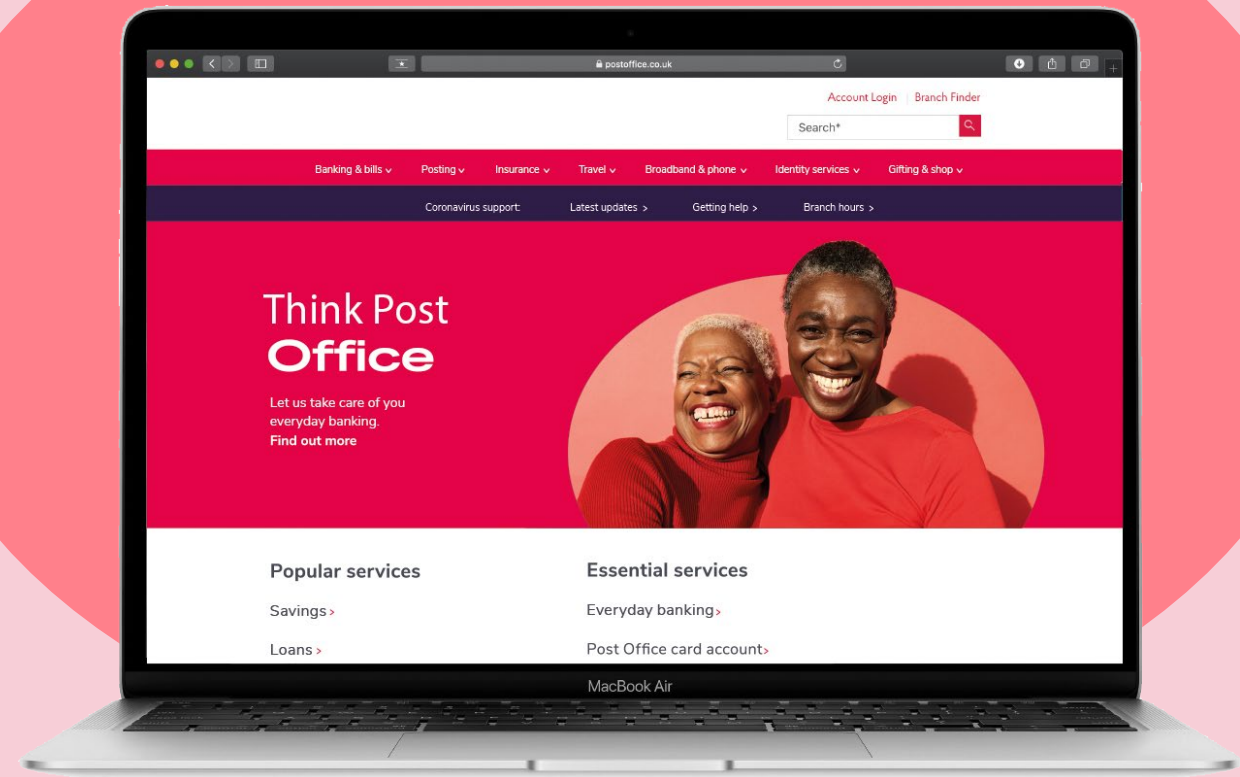
Account  
Management

Digital  
Tools

# Partnership Model

Open  
Banking  
Hub  
POST OFFICE  
Self  
Serve  
Banking in the  
heart of your  
community

# A modern retail network



# Rolling out new technology

Digital marketing screens



Upgraded self service kiosks



Modernised parcel drop off solutions





£120m

Branch modernisation  
programme

# A network shaped by customer demand





**Evolve our  
rural network**

# Back great operators to grow & scale



