

## Opinion



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## Universal Credit and state pensions will no longer go to Post Office accounts – the vulnerable could suffer

Opening a new account may just be a bothersome piece of paperwork for most of us, but for some pensioners who will need one by November, it can be a daunting exercise



The Government has a contract with the Post Office network, enabling pensioners (and some other claimants) to withdraw their money this way which ends in November 2021 (Photo by Pietro Recchia/SOPA Images/LightRocket via Getty Images)



**By Baroness Ros Altmann**

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Many of Britain's pensioners have never had a bank or building society account. These are some of the oldest and vulnerable members of our society, and are often totally reliant on state pensions and other benefits for their income. Over the past three years, the Government has been exhorting them to open an account and provide the details for their state pension and benefits to be paid there.

But 900,000 people have not done this. They rely on their local Post Office instead, using Post Office card accounts (POca). The Government has a contract with the Post Office network, enabling pensioners (and some other claimants) to withdraw their money this way.

But, in order to cut costs, this contract will not be renewed when it ends in November 2021. It is cheaper for the Department for Work and Pensions to pay money directly into bank accounts than the POca system, which ministers have said provides poor value for taxpayers. Anyone who has been using this service must close their account at the Post Office and provide details of a new account for their benefits to be paid into, as no benefits or state pension payments will be sent to these accounts after November. This can be a bank or building society account, basic bank account or a credit union account.

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People will still be able to collect their money locally though, as banks and building society accounts can be accessed in their Post Office. However, there could be problems, especially for the oldest pensioners. Many will have been struggling through the pandemic, perhaps becoming isolated, or seriously unwell, either physically or mentally.

I am concerned that forcing people to close the account they have always relied on for their benefits, and open a new one, could cause them added stress. These pensioners must collect a P6703 account closure form from their local Post Office, or call a contact centre to have the form posted to them. They must take the completed form back to the local Post Office to be sent for processing, which usually takes up to 10 working days. But they must not do this until they have opened a new account and made sure their benefits have been paid into it.

To most of us, this may seem a bit of a bothersome piece of paperwork, but for older pensioners, this can be a daunting exercise. There is plenty of helpful information online, but those without a computer will not see it.



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Pensioners living in rural areas, who cannot cope with online applications, are most at risk. POca accounts have been used for paying state pensions and benefits to people since 2003, allowing them to obtain cash payments in a familiar environment. Many pensioners value this service and feel more secure with their Post Office than a bank. Indeed, during the pandemic, the Post Office has made great efforts to help these vulnerable people, including providing contact-free cash payments by Royal Mail special delivery for POca users.

The Government is writing to all POca users to inform them about the discontinuation of the system, with the help of a contact centre used by councils and the National Shielding Service to contact vulnerable customers who receive benefits or pensions solely through the Post Office accounts. It will also establish an alternative “**exception service**” for those who really cannot access bank or building society accounts, but this service is not ideal and has limits on the amounts that can be withdrawn each time.

I understand the DWP believes the majority of POca users already have bank or building society accounts, but have not declared their account number. They will now be forced to, so their benefits can be paid directly there, rather than to the Post Office.



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The major concern is that many pensioners may simply not know what is happening. We have seen, [from the example of women's state pensions](#), that the Government does not always know where people live, and those who move home or are in hospital may not receive their letters and may suddenly have no means of receiving their benefits after November. I understand the need for cost-cutting, but this must not be at the expense of vulnerable people.

Since the Parliamentary and Health Service Ombudsman's finding of [maladministration](#) by the Government over communication of women's state pension age changes, it is to be hoped that there will be lessons learned about ensuring people do know the vital information they require about money they may be relying on receiving in old age.

**Baroness Ros Altmann is a Conservative peer and pensions expert. [i](#)**