



NEWS RELEASE

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An Post contract to be renewed to continue to provide services to welfare customers for next five years - Hanafin

The Minister for Social and Family Affairs Mary Hanafin T.D., confirmed today that An Post will continue to provide payment services to Social Welfare customers under contract for up to five years. The decision to formalise the current arrangements with An Post was confirmed today by the Minister who said the Government's overriding concern is to ensure continuity of services for all customers in the immediate future.

Minister Hanafin said **"An Post is delivering payment services to over one million customers who are getting payments such as pensions, child benefit, one parent family payments and jobseekers payments. These arrangements play a significant role in ensuring that payment services are accessible to people through the network of local post offices throughout the country.**

In the coming years the Department will examine the options available from financial service providers both in Ireland and within the EU, to see what is available and what is the most effective and efficient service for customers. In the meantime, all social welfare customers who are getting their payment through their local nominated post office can be assured that there will be a continuity of service."

Minister Hanafin said that the Department intends to issue a Request for Information across the financial services sector in the next 12 months, to ascertain the range of payment options that are available nationally and across the EU to deliver an appropriate service throughout Ireland. This is in keeping



Department of Social and Family Affairs

with the ruling by the European Court of Justice last year on the provision of such services.

The Department intends to advertise its plans to formalise the current arrangement with An Post for a period of up to five years ending 31st December 2013 and its plans to undertake a procurement process in the coming years, in accordance with European law, for the future provision of payment delivery services. The contract will be reviewed annually during this period.

Under the current contract with An Post, the company delivered 38 million payments at a cost of €54 million in 2007. An Post has been providing the service, under contract, to social welfare customers through its network of offices since 1992. In recent years the numbers availing of electronic payments has increased greatly.

Minister Hanafin said the Department is already making over 80% of payments electronically to its customers. Approximately 1.7 million electronic payments are made to customers directly at a nominated post office, credit union, bank or financial institution. Minister Hanafin said **"we are continually engaged in communicating with all of our customers who are switching over to an electronic payment method. Every person is informed by a personal letter of the change in their payment arrangement, when their weekly payment at their post office becomes electronic. The social services card which customers use to access their electronic payment is more secure than a payment book, as it does not contain personal details such as address, so if lost or stolen, details would be secure.**

Another benefit of getting a payment electronically is that changes in circumstances, including increases in rates of payment, can be more



readily applied to customers. Social Welfare customers can also avail of the special An Post Household Budgeting facility, which enables customers budget on a weekly basis for household bills. Customers decide how much to pay towards utilities like ESB, Gas, telephone or rent from their weekly social welfare payment, with no charge to the customer for the service."

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