

# Unlocking financial access through post office digitalisation

Opportunities to boost economic development and financial inclusion



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**In a rapidly digitising world, post offices hold untapped potential to close financial access gaps and connect communities to the global economy.**

In May 2025, Visa and the Universal Postal Union (UPU) launched a five-year strategic collaboration to modernise postal networks and unlock new opportunities in inclusive digital financial services. The collaboration focuses on three priorities: enabling postal operators to provide tailored financial solutions to their customers, enhancing cross-border payment interconnectivity, and strengthening cybersecurity resilience. Through these initiatives, Visa and the UPU aim to transform post offices into digitally enabled hubs for individuals, businesses and governments, making it all the more important to understand the unique role they play today and the even greater one they could play tomorrow.

# The importance of post offices

Post offices are the second biggest contributor to financial inclusion, after banks,<sup>1</sup> and they are critical to bridging financial access gaps, particularly in underserved and rural communities.

## The importance of post offices for financial access and inclusion worldwide

Of approximately 5.4 billion adults worldwide, 1.5 billion, or 28% of adults, access formal financial services through a post office.<sup>2</sup>

Postal operators have one of the largest physical networks in the world, with 650,000+ offices, many of which are in rural areas.<sup>3</sup> Additionally, in 44% of countries, post offices outnumber bank branches, underscoring their reach — especially in rural areas where financial access is limited.<sup>4</sup>

Viewed as a trusted and convenient access point for government services, post offices are especially valuable to rural and elderly populations for services such as pension disbursements, official documentation, savings accounts, and assistance during emergencies and natural disasters.

## Post offices are continuing to grow their impact by offering digital financial services

In addition to their traditional roles, many post offices are recognising the need to diversify their services and embrace digital transformation.

Post offices are already participating as merchants to facilitate payment acceptance and, in some cases, as principal member financial institutions (FIs) issuing cards or enabling payments.

The opportunity to build on the success of post office financial services is clear. With 91% of post office branches now internet-ready and 2.4 billion postal accounts globally, post offices are well-positioned to expand digital financial offerings.<sup>4</sup> The global postal network facilitates over 544 million transactions annually, with a total transfer value of \$44.7 billion.<sup>4</sup>

While the majority of these are domestic transactions, growing potential exists in cross-border remittances, representing an untapped opportunity in emerging markets where post offices can capitalise on their widespread infrastructure and trusted relationships with local communities.

## Reach and connectivity

1.5B

or 28% of adults access formal financial services through a post office<sup>2</sup>

650k

Post offices are in operation worldwide, with many located in rural areas<sup>3</sup>

44%

of countries have more post offices than bank branches<sup>4</sup>

## Value to the economy

2.4B

postal accounts globally<sup>4</sup>

544M

transactions annually<sup>4</sup>

44.7B

total transfer value<sup>4</sup>

# Trends shaping post office operations

Post offices are grappling with broad trends that cut across their entire business model – from declining mail revenues and shifting customer expectations to the rising need for digital-first services. In this context, their role as a critical enabler of financial inclusion must be viewed as part of their broader transformation journey. Post offices are adapting to these evolving market dynamics, signalling key opportunities for digital transformation.



## Declining mail volumes

Post-COVID, mail volumes have significantly declined. Consequently, the revenue generated from mail services dropped worldwide from 50% and is projected to account for only 29% by 2025.<sup>5</sup>

## Rising parcel volumes

Driven by e-commerce growth, parcel volumes are increasing. However, this growth also brings rising pressure on profit margins, as e-commerce businesses have developed their own robust logistics networks. These companies offer fast, reliable delivery options that challenge traditional postal services. Additionally, private courier companies and logistics firms are entering the market with more flexible services, putting further pressure on postal operators to lower prices or improve service to stay competitive.<sup>5</sup>

## Cost pressures

High operational costs are driving a strong focus on cost-cutting measures. Many postal services operate with outdated infrastructure and technology, making it difficult to meet modern delivery standards and customer expectations.

## Revenue diversification

To offset declining mail revenues, post offices are expanding financial and retail services for alternative revenue streams. Financial services now contribute around 17% of revenue, but this share is higher in countries with integrated postal financial networks.<sup>5</sup> Innovative retail partnerships, like Pos Malaysia’s collaboration with Café Mesra to introduce a café and retail experience at selected post offices, leverage retail space to provide food and beverage offerings. Such initiatives capitalise on existing infrastructure to attract new customers and drive revenue diversification.<sup>5</sup>

## Innovation and digitalisation

Many post offices are prioritising digital transformation to improve efficiency, lower costs and provide a better service experience, both locally and internationally. Diversifying their services beyond traditional mail delivery – including logistics, e-commerce solutions, and financial services like payments and banking – is a key strategy for remaining competitive in the changing landscape.

# Global collaboration between the UPU and Visa

Visa and the UPU are collaborating to help post offices strengthen their role in delivering inclusive digital financial services.

Announced in May 2025, this 5-year strategic collaboration aims to unlock new opportunities for post offices by addressing local market needs and enabling scalable digital payment solutions that support financial inclusion and cross-border connectivity. **The UPU and Visa are focusing on three core areas:**



## Interpostal payments interconnectivity

Assessing how to improve the way post offices send and receive money across borders in ways such as:

- ✓ Enhancing interoperability and reducing transfer costs
- ✓ Conducting feasibility studies and targeted pilots
- ✓ Exploring solutions to connect key remittance corridors

## Postal Inclusive Finance Technical Assistance Facility 2 (FITAF 2)

Helping post offices offer inclusive digital financial services tailored to their country context, including:

- ✓ Local financial solution assessments
- ✓ Implementation support with local partners

## Cybersecurity risk and advisory

Supporting the UPU and post offices in identifying and managing cybersecurity risks with potential collaborations such as:

- ✓ Sharing best practices, frameworks and toolkits on the UPU's dedicated platforms for cybersecurity information sharing and coordination within the postal and logistics industry
- ✓ Rolling out pilot cybersecurity training and certification to DOs

# Digital financial services – a potential catalyst for post office growth and impact

Post offices are uniquely positioned to modernise their role in communities by expanding into digital financial services. There are four key areas of opportunity where post offices can enhance their offerings and deliver value and financial access to individuals, businesses and government partners.



01

Payments & savings

02

Acceptance

03

Education

04

Digital identity services



**Opportunity 1**

## Payment & savings

Post offices have a unique opportunity to modernise their role in communities by expanding into digital financial services. Key areas for digital transformation include:

### Domestic person-to-person transfers

Enable mobile and digital platforms for fast, low-cost money transfers between individuals and with government agencies.

### International remittances

Offer digital remittance services that allow customers to send and receive funds directly to cards, bank accounts or mobile wallets.

### Government disbursements

Transition from cash-based disbursements to digital payouts for pensions, salaries, and social benefits.

### Bill and tax payments

Accept digital payments for government services, utilities and taxes, making post offices a hub for delivering government services and accepting government payments.

### Basic personal & business banking

Provide digital onboarding and account services for individuals and small businesses, including savings, loans and payments.

### Consumer & business cards

Issue payment cards that support everyday spending, business expenses and e-commerce.

### E-wallets & super apps

Develop post office-branded digital wallets or co-create apps with technology partners that allow users to store value, make payments and manage finances.

### Travel money services

Offer multi-currency digital payment options to travellers, reducing the need for physical cash exchange.



**Opportunity 2**

## Payment acceptance

Post offices can evolve into trusted digital payment hubs by offering small and medium-sized businesses and local entrepreneurs to accept payments digitally, supporting the streamlined management of their businesses, and helping to boost the local economy:

### Accepting payments for people and small businesses

Equip post offices with tools like tap-to-pay, payment links, and online checkout services to help small merchants and individuals accept digital payments easily.

### Reseller model for merchant services

Empower post offices to offer bundled digital acceptance tools (e.g., POS devices, invoicing, fraud prevention) to local businesses.



Opportunity 3

## Education

By combining financial literacy with digital tools, post offices can strengthen their role in helping constituents and small businesses participate more fully in the digital economy:

### Financial literacy programmes

Offer community-based or in-branch education programmes that teach constituents how to manage money, use digital payments safely and grow their financial confidence.

Opportunity 4

## Digital identity services

As trusted public institutions, post offices are well-positioned to provide secure, inclusive identity solutions, essential for accessing digital services, government benefits and financial tools:

### Digital ID

Support the rollout of secure digital identity solutions that can be used for online authentication, benefit collection and streamlined customer onboarding. These systems can include biometric verification, identity-linked payments and compliance with international standards.



# Sources

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Connect with the focal points of the UPU and Visa to explore how your post office can participate in upcoming pilots or begin its digitalisation journey.

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