



# Regulation of the provision of post boxes

Consultation on a proposed modification to the  
current regulatory obligations on Royal Mail for the  
provision of post boxes (DUSP 1.8)

Consultation

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## Section 1

# Summary

## Background

- 1.1 This consultation concerns the regulation of the provision of post boxes in the UK and sets out Ofcom’s proposal to extend regulatory protection to all UK delivery points via a modification to the designated universal service provider (DUSP) conditions.<sup>1</sup>
- 1.2 Ofcom’s primary duty under the Postal Services Act 2011 is to carry out our functions in relation to postal services in a way that we consider will secure the provision of a universal postal service. Section 29(6) of the Act requires Ofcom to “secure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service”. “Access points” are any box or other facility provided for the purpose of accepting postal items into Royal Mail’s network. In practice, this means post boxes and post offices. Royal Mail currently has about 115,500 post boxes, which can be used to send letters and small packets, but not larger items or items requiring a signature. This consultation does not consider any issues in relation to post offices.
- 1.3 Royal Mail is currently required by DUSP condition 1.8.1 to provide sufficient access points to meet the reasonable needs of users of the universal postal service.<sup>2</sup> Royal Mail is considered to have met its general obligation in DUSP 1.8.1 in relation to post boxes if it meets access point criteria set out in DUSP 1.8.2(a).
- 1.4 The access point criteria set out in DUSP 1.8.2(a) are that: “in each postcode area where the delivery point density is not less than 200 delivery points per square kilometre, not less than 99% of users of postal services are within 500 metres of a letter box”.<sup>3</sup> On average in the UK there are about 120 delivery points (or addresses) per square km. Therefore, the criteria only cover postcode areas (“PCAs”) with a significantly higher than average density of delivery points.<sup>4</sup> The criteria exclude most rural areas, and even some cities in PCAs with low overall delivery point density, for example Belfast, Edinburgh, Newcastle and Swansea.

## The current access point criteria are not fit for purpose

- 1.5 We consider that the current access point criteria are not fit for purpose because:

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<sup>1</sup> Delivery points are the points at which a postman or woman delivers post. For example, a block of flats may contain numerous households but if mail is delivered to a central point in that block then that will be regarded as one delivery point.

<sup>2</sup> The DUSP conditions were drafted by Ofcom to replicate the previous licence conditions imposed by the former postal regulator Postcomm.

<sup>3</sup> The distance calculation is by straight line rather than by public highway.

<sup>4</sup> A postcode area refers to the first letter(s) in a postcode, for example “SE” in the postcode of Ofcom’s address, SE1 9HA.

- They apply only to 61 out of the 121 PCAs – covering less than 20% of the UK's geographic area and about 75-80% of households and businesses.
  - They do not protect those users who are most likely to need protection – users in rural areas, where post boxes typically have lower volumes of mail and higher costs of collection per item than in urban areas.
- 1.6 Royal Mail does not meet the criteria in 41 of the 61 high density UK PCAs and would have to relocate about 2,000 post boxes to comply with DUSP 1.8.2(a). Despite Royal Mail's non-compliance, we currently have no evidence of consumer harm or that the current network does not meet the reasonable needs of users now. As set out in this document and annexes, research indicates high satisfaction from users.<sup>5</sup> Additionally, both Ofcom (and previously Postcomm) and Royal Mail receive very few complaints from users with regard to post box provision. It is important to note that volumes of mail posted via post boxes are steadily falling year on year at a faster rate than total mail volumes and that on average residential users post one item per week. Royal Mail could have removed a high number of post boxes under the current regulation but has not done so.
- 1.7 Royal Mail has told us that it has no current plans to materially change the size of the post box network, that it considers that additional density requirement regulation is unnecessary, and that the current requirement should be removed (and not replaced). However, we consider removing the density requirement entirely would not be appropriate at present, in light of our duty under section 29(6).
- 1.8 We propose to replace the current requirement which leaves some PCAs unprotected from potential post box removals with a national requirement which will ensure a backstop level of consumer protection for all postal users in all PCAs.

## **Our proposal to modify the current access point criteria**

- 1.9 We propose a significant increase in protection for rural users of the post box network, to address the deficiencies of the current regulatory framework as highlighted above.
- 1.10 Specifically, we propose a UK-wide access point obligation where:
- there should be a post box within 0.5 miles<sup>6</sup> by straight line distance of at least 98% of delivery points nationally; and
  - for the remaining 2% of delivery points, Royal Mail must provide sufficient access points or other means of access to the universal service (e.g. collection on delivery<sup>7</sup> from very remote or isolated locations such as farmhouses) to meet the reasonable needs of users.

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<sup>5</sup> 92% of business and 89% of residential users were very or fairly satisfied with the location of post boxes in the area local to their business/ in their local area.

<sup>6</sup> About 800 metres or a 9-10 minute walk.

<sup>7</sup> Collection on delivery refers to a case where the post person makes a final collection of mail at the same time that post is delivered in that area.

- 1.11 Our proposal appropriately reflects findings from our recent research into users' needs which found that users in rural areas were willing to travel 0.5 miles to post a letter, and rural businesses 0.75 miles.<sup>8</sup> In relation to the percentage of delivery points covered, our proposal covers the highest possible percentage of addresses that will not require Royal Mail to install additional post boxes, i.e. 98% of addresses across the UK. We do not think a requirement to install new post boxes would be appropriate given falling mail volumes and post box usage.
- 1.12 We consider that the proposed criteria, which include a general requirement to meet the reasonable needs of users, should be sufficient to protect both rural and urban users and ensure a national network continues to meet their evolving needs.
- 1.13 In practice, we do not expect a change in post box provision in the short to medium term as a result of our proposal. At the same time, Royal Mail would retain some flexibility to manage its network efficiently, for example by collecting mail as part of delivery rounds (which it is free to do).

### Next steps

- 1.14 We will take into account any evidence from stakeholders in their responses to this consultation. Following this consultation, we will issue a statement to confirm our decision in the summer of 2013.
- 1.15 We invite views on the proposed new access point criteria, and any other options, set out by this consultation document by 1 May 2013.

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<sup>8</sup> Ofcom, *Review of postal users' needs*, 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-user-needs/>. As we frequently refer to the research undertaken for this review, we simply refer to the review of postal users' needs hereafter.

## Section 2

# Introduction

- 2.1 The Postal Services Act 2011 (“the Act”) requires Ofcom to ensure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service. To fulfil this duty, Ofcom imposes a condition on Royal Mail to provide access points, to a specified density.
- 2.2 We are proposing to modify the regulatory requirements regarding the provision of post boxes to address shortcomings in the current regulation. We have not identified any problems with current post box provision, and so we are not making proposals on this. In practice, we do not expect a change in post box provision in the short to medium term as a result of our proposal. Royal Mail has always provided an extensive post box network, designed to meet the needs of users, and has told us that it has no current plans to materially change the size of the post box network. However, we consider that not modifying the criteria (or removing them entirely) would not be appropriate at present in light of our section 29 duty to secure the provision of a universal postal service.
- 2.3 This consultation is only concerned with the regulatory requirements relating to post boxes, which provide access points for letters (or small packets which can fit through post boxes) and postal items without premium features. This consultation does not consider the regulatory requirements in relation to post offices, where users can access all single piece postal services, including letter, packet and premium services, and services complementary or additional to mail delivery (such as redirections).

## Objective of this consultation

- 2.4 We committed to looking at the regulation of access points provision in our *Review of Regulatory Conditions* consultation and subsequent March 2012 statement on the new regulatory framework for post.<sup>9</sup> We stated that we would assess whether the current density requirements are appropriate and, if not, what should replace them. Accordingly, as part of our review of postal users’ needs, published in October 2012, we carried out research on current usage, user satisfaction and the distance users are prepared to travel in relation to post boxes. The objective of this consultation is to address the shortcomings in the current regulation and propose an appropriate modification.
- 2.5 This consultation presents the evidence we have gathered and seeks evidence and views from stakeholders on the current criteria and our proposed modification. While this consultation document asks a number of specific questions, we do not seek to limit the issues on which respondents may wish to comment. We welcome views and additional evidence on all aspects of our consultation. We invite comments by 1 May 2013.

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<sup>9</sup> Ofcom, *Review of Regulatory Conditions - Postal Regulation*, 2011, <http://stakeholders.ofcom.org.uk/binaries/consultations/review-of-regulatory-conditions/summary/main.pdf>, and Ofcom, *Securing the Universal Postal Service – Decision on the new regulatory framework*, 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/statement/>

## Structure of the consultation document

2.6 The remainder of the document is structured as follows:

- Section 3, *Legal framework*, outlines the legal framework for our consultation, including our duties in relation to the regulation of postal services in general and this consultation on access points in particular;
- Section 4, *Rationale for modifying the current access point criteria*, presents relevant information on the current provision of post boxes and why we consider the current criteria to not be fit for purpose; and
- Section 5, *Proposed new access point criteria*, outlines our proposal to modify the current criteria, including the advantages and disadvantages of the proposed criteria.

## Section 3

# Legal framework

## Introduction

- 3.1 The Act introduced a new regulatory regime for postal services<sup>10</sup> in the United Kingdom, including transferring regulatory responsibility for the postal services sector from Postcomm to Ofcom.
- 3.2 This section summarises the key features of the regulatory framework relevant to the matters considered in this consultation document.

## Duty to secure provision of a universal postal service

- 3.3 Section 29(1) of the Act provides that Ofcom must carry out its functions in relation to postal services in a way that it considers will secure the provision of a universal postal service. Section 29(2) of the Act provides that Ofcom's power to impose regulatory conditions is subject to the duty imposed by section 29(1) of the Act.

## Financially sustainable and efficient provision of the universal service

- 3.4 Section 29(3) of the Act provides that, in performing our duty under section 29(1), we must have regard to the need for the provision of a universal postal service to be:
- financially sustainable; and
  - efficient before the end of a reasonable period and for its provision to continue to be efficient at all subsequent times.
- 3.5 The concept of 'financially sustainable' is not defined exhaustively. However, section 29(4) of the Act states that it includes the need for a reasonable commercial rate of return for any universal service provider on any expenditure incurred by it for the purpose of, or in connection with, the provision by it of a universal postal service.

## The duty to secure the provision of sufficient access points

- 3.6 Section 29(6) of the Act provides that Ofcom's duty under section 29(1) includes a duty to carry out its functions in relation to postal services in a way that Ofcom considers will secure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service. This duty is subject to any direction by the Secretary of State for Ofcom to take, or refrain from taking, specified action. No such direction has to date been given to Ofcom.

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<sup>10</sup> The expression 'postal services' is defined in section 27(1) as meaning the service of conveying postal packets from one place to another by post, the incidental services of receiving, collecting, sorting and delivering postal packets, and any other service which relates to, and is provided in conjunction with, any of those services. 'Postal packets' is defined in section 27(2) as meaning a letter, parcel, packet or other article transmissible by post.

- 3.7 The term ‘access point’ is defined at section 29(11) of the Act as meaning any box, receptacle or other facility provided for the purpose of receiving postal packets, or any class of postal packets, for onwards transmission by post.

### The universal postal service

- 3.8 Section 30(1) of the Act requires Ofcom to make a universal postal service order setting out a description of the services that Ofcom considers should be provided in the United Kingdom as a universal postal service, and the standards with which those services are to comply. The universal postal service must comply with certain minimum legal requirements set out in the Postal Services Directive and section 31 of the Act. Those minimum requirements include at least one collection of letters from every access point in the UK every Monday to Saturday and at least one collection of other postal packets every Monday to Friday from every access point in the UK used for that purpose.
- 3.9 On 26 March 2012, the first universal postal service order was made under the Act: *The Postal Services (Universal Postal Service) Order 2012* (SI 2012/936).<sup>11</sup> A copy of that order was annexed to Ofcom’s Statement of 27 March 2012, *Securing the Universal Postal Service – Decision on the new regulatory framework*.<sup>12</sup> That Statement also set out the regulatory conditions to which Royal Mail, as the designated universal service provider, is subject.

### General duties

- 3.10 Section 3 of the Communications Act 2003 (the “2003 Act”) provides that it shall be our principal duty, in carrying out our functions,
- to further the interests of citizens in relation to communications matters, and
  - to further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 3.11 This principal duty applies also to functions carried out by us in relation to postal services.<sup>13</sup> Section 3(6A) of the 2003 Act provides that the duty in section 29(1) of the Act (to secure the provision of a universal service) takes priority over our general duties in the 2003 Act in the case of conflict between the two where we are carrying out our functions in relation to postal services.
- 3.12 Pursuant to section 3(3) of the 2003 Act, in performing our general duties, we must have regard, in all cases, to the principles under which regulatory

<sup>11</sup> <http://www.legislation.gov.uk/ukxi/2012/936/contents/made>

<sup>12</sup> Ofcom, *Securing the Universal Postal Service – Decision on the new regulatory framework*, 2012, <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/statement/>. The first universal postal service order is at Annex 6, <http://stakeholders.ofcom.org.uk/binaries/consultations/review-of-regulatory-conditions/statement/annex6.pdf> and [http://www.legislation.gov.uk/ukxi/2012/936/pdfs/ukxi\\_20120936\\_en.pdf](http://www.legislation.gov.uk/ukxi/2012/936/pdfs/ukxi_20120936_en.pdf)

<sup>13</sup> Section 1(1) refers to such functions as may be conferred on Ofcom by or under any enactment. The reference to ‘communications matters’ in section 3(1) also refers generally to matters in relation to which we have functions, and similarly the reference to ‘relevant markets’ means markets for any of the services, facilities, apparatus or directories in relation to which we have functions: section 3(14) of the 2003 Act.

activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and any other principles appearing to us to represent the best regulatory practice.

3.13 In performing our general duties, we are also required under section 3(4) of the 2003 Act to have regard to a range of other considerations, which appear to us to be relevant in the circumstances. In this context, we consider that a number of such considerations appear potentially relevant, including:

- the desirability of promoting competition in relevant markets;
- the desirability of encouraging investment and innovation in relevant markets;
- the vulnerability of children and of others whose circumstances appear to Ofcom to put them in need of special protection;
- the needs of persons with disabilities, of the elderly and of those on low incomes;
- the opinions of consumers in relevant markets and of members of the public generally;
- the different interests of persons in the different parts of the United Kingdom, of the different ethnic communities within the United Kingdom and of persons living in rural and in urban areas; and
- the extent to which, in the circumstances of the case, the furthering or securing of the matters mentioned in section 3(1) is reasonably practicable.

3.14 Section 3(5) of the 2003 Act provides that in performing our duty to further the interests of consumers,<sup>14</sup> we must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.

3.15 In this regard, we note Ofcom's general regulatory principles<sup>15</sup> including in particular the following in the present context:

- ensuring that our interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome;
- seeking the least intrusive regulatory mechanisms to achieve our policy objectives; and
- consulting widely with all relevant stakeholders and assessing the impact of regulatory action before imposing regulation upon a market.

3.16 Finally, we have an ongoing duty under Section 6 of the 2003 Act to keep the carrying out of our functions under review with a view to ensuring that

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<sup>14</sup> Under section 405 of the 2003 Act as amended, references to consumers in a market for a service include, where the service is a postal service, addressees.

<sup>15</sup> See our website: <http://www.ofcom.org.uk/about/what-is-ofcom/statutory-duties-and-regulatory-principles/>

regulation by Ofcom does not involve the imposition of burdens which are unnecessary or the maintenance of burdens which have become unnecessary.

## Tests for imposing or modifying regulatory conditions

### General test for imposing or modifying regulatory conditions

3.17 Schedule 6 to the Act provides that we may impose or modify a regulatory condition only if we are satisfied that the condition or modification:

- is objectively justifiable;
- does not discriminate unduly against particular persons or a particular description of persons;
- is proportionate to what it is intended to achieve; and
- is transparent in relation to what it is intended to achieve.

### Designated universal service provider conditions

3.18 The types of condition that Ofcom can impose under the Act include designated universal services provider (DUSP) conditions under section 36 and 37. Pursuant to section 36(2), a DUSP condition may require a universal service provider “to provide, or make arrangements for the provision of, access points for the purposes of a universal postal service”.

## Recent regulatory developments

### Transition from the old to the new regulatory regime

3.19 Under the previous regulatory regime, condition 3 of Royal Mail’s licence imposed obligations upon Royal Mail to provide or procure the provision of access points for the universal service in a manner which met the reasonable needs of users having regard to the costs of providing and servicing such access points.

3.20 As part of the transition to the new regulatory regime to apply from 1 October 2011, that requirement was transposed across to the transitional regulatory conditions imposed on the designated universal service provider by virtue of our Statement of 29 September 2011 on the transition to the new regulatory framework for postal services<sup>16</sup>. At the same time, we also provisionally designated Royal Mail as the universal service provider with effect from 1 October 2011. In practice, Royal Mail is currently the only postal operator capable of fulfilling the role of designated universal service provider.

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<sup>16</sup> Ofcom, *Postal regulation: Transition to the new regulatory framework – Statement*, 2011, <http://stakeholders.ofcom.org.uk/binaries/consultations/postal-regulation/statement/statement.pdf>

## Review of regulatory framework and conditions

- 3.21 On 20 October 2011, we published a consultation on the new regulatory framework for postal services<sup>17</sup>, followed by a further consultation on 13 December 2011 on the regulatory conditions to be applied and the scope of the first Universal Postal Service Order<sup>18</sup>.
- 3.22 Following those consultations, our statement of 27 March 2012 on *Securing the Universal Postal Service* set out our decisions on the new regulatory framework and imposed certain regulatory conditions on Royal Mail with effect from 1 April 2012, including the DUSP conditions.

## Review of Postal Users' Needs

- 3.23 So that the universal service can respond to users' needs in a changing market, the Act requires us to carry out an assessment of the extent to which the postal market meets the reasonable needs of users within eighteen months of our taking over responsibility for postal regulation, i.e. by 31 March 2013.
- 3.24 On 16 October 2012 we therefore published our consultation *Review of postal users' needs*, followed by our statement in March 2013<sup>19</sup>. The consultation document in particular contained detailed consumer research, including research on the current usage, user satisfaction and the distance users are prepared to travel in relation to post boxes.

## General impact assessment

- 3.25 The analysis presented in the whole of this document represents an impact assessment, as defined in section 7 of the 2003 Act.
- 3.26 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the 2003 Act, which means that generally Ofcom has to carry out impact assessments where its proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom's activities. However, as a matter of policy Ofcom is committed to carrying out and publishing impact assessments in relation to the majority of its policy decisions. For further information about Ofcom's approach to impact assessments, see our guidelines<sup>20</sup>.
- 3.27 Specifically, pursuant to section 7, an impact assessment must set out how, in our opinion, the performance of our general duties (within the meaning of

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<sup>17</sup> Ofcom, *Securing the Universal Service: Proposals for the future framework for economic regulation – Consultation*, 20 October 2011:

<http://stakeholders.ofcom.org.uk/binaries/consultations/securing-the-postal-service/summary/condoc.pdf>

<sup>18</sup> Ofcom, *Postal regulation: Review of regulatory conditions – Consultation*, 13 December 2011 <http://stakeholders.ofcom.org.uk/consultations/review-of-regulatory-conditions/>

<sup>19</sup> <http://stakeholders.ofcom.org.uk/consultations/review-of-user-needs/statement/>

<sup>20</sup> *Better Policy Making – Ofcom's approach to Impact Assessment*, Ofcom, 21 July 2005 [http://stakeholders.ofcom.org.uk/binaries/consultations/better-policy-making/Better\\_Policy\\_Making.pdf](http://stakeholders.ofcom.org.uk/binaries/consultations/better-policy-making/Better_Policy_Making.pdf)

section 3 of the Act) is secured or furthered by, in relation to what we propose.

### **Equality impact assessment**

3.28 In carrying out our functions, we are also under a general duty under the Equality Act 2010 to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between different groups; and
- foster good relations between different groups,

in relation to the following protected characteristics: age; disability; gender re-assignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

3.29 Such equality impact assessments (“EIAs”) also assist us in making sure that we are meeting our principal duty under section 3 of the 2003 Act discussed above.

3.30 We have therefore considered what (if any) impact the proposals in this consultation may have on equality. We do not consider the impact of the proposals in this consultation to affect any particular group within society.

3.31 We have therefore not carried out separate EIAs in relation to race or gender equality, or equality schemes under the Northern Ireland and Disability Equality Schemes.

## Section 4

# Rationale for modifying the current access point criteria

## Current provision of post boxes

- 4.1 Residential and business users can access Royal Mail's postal services through post boxes and post offices. Business users can also pay Royal Mail for daily Business Collections from their premises.
- 4.2 Post boxes can be used to send any letters (or packets small enough to fit through a post box aperture) which do not have any additional "premium" features such as signature on delivery or guarantee of delivery. First Class, Second Class and the international services, Airmail and Surface Mail, letters can all be posted in a post box.
- 4.3 Royal Mail has an extensive network of approximately 115,500 post boxes, a significant proportion of which are in commercial and city areas, with a minority in rural areas. Royal Mail installs, removes and relocates post boxes as part of its normal business activity. For example, in the 12 months to February 2012 there were around 450 additions of post boxes and around 380 removals of post boxes, giving rise to a net increase of about 70 post boxes.<sup>21</sup>
- 4.4 As set out in Annex 5, our research indicates that users value convenient location of post boxes, and are likely to use the post box nearest to them (65% and 58% of residential and business users respectively). In addition, users are generally satisfied with the current provision of post boxes (89% and 92% of residential and business users respectively).
- 4.5 Ofcom and Royal Mail receive very few complaints about post box location or provision:
  - In the 12 months to February 2013 Ofcom received only two relevant complaints; and
  - a search of Royal Mail's complaints database between December 2010 and August 2012 located only around 250 relevant complaints – about 0.01% of all complaints over this period.

## Current access point criteria

- 4.6 Currently Royal Mail is required by DUSP 1.8.1 to provide access points to meet the reasonable needs of universal service users. Royal Mail is regarded to have met this obligation if it meets the following access point criteria set by the condition in DUSP 1.8.2(a) (Annex 6) in relation to post boxes:

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<sup>21</sup> Both addition and removal figures will include some relocations. All information is provided by Royal Mail.

in each postcode area where the delivery point density is not less than 200 delivery points per square kilometre, not less than 99% of users of postal services are within 500 metres of a letter box.

- 4.7 The current provision affords Royal Mail a wide discretion to determine how best to meet the reasonable needs of users in relation to post boxes not covered by the above criteria (although Royal Mail is also subject to nationwide access point criteria covering both rural and urban PCAs in relation to post offices, and users can also post mail at post offices).

### **The current criteria are not fit for purpose**

- 4.8 We consider that a review of the current access point criteria is required, because:
- the access point criteria exclude less densely populated PCAs including all rural PCAs and some urban PCAs; and
  - Royal Mail does not meet the criteria imposed by DUSP 1.8.2(a).
- 4.9 We address these two points in turn below.

### **The criteria exclude much of the UK**

- 4.10 The criteria only apply to the 61 PCAs where there is a delivery point density greater than 200 delivery points per square km, resulting in the exclusion of predominantly rural PCAs. The current obligation only covers about two-thirds of the UK population. The criteria exclude the other 60 PCAs, which represent over 80% of the UK's geographic area.
- 4.11 We consider that this disparity in protection between densely populated PCAs (urban) and less densely populated PCAs (rural and some urban):
- is inconsistent with the principles behind the universal postal service. A fundamental feature of the universal postal service is that it should be accessible everywhere in the UK. While what constitutes reasonable access can differ depending on individual circumstances, in principle the universality of the service means that users everywhere in the UK should be reasonably able to access the service on similar terms;
  - does not appear justified by current evidence. We do not believe there is sufficient evidence of differing needs of rural and urban post box users to justify the significant difference in regulation that currently exists between urban and rural post boxes. In fact, while rural users are willing to travel further to a post box, they also tend to use post, and post boxes, more than urban users;<sup>22</sup> and
  - does not provide regulatory protection in the areas where, arguably, users may be likely to need it most. Post boxes in urban areas are more likely to be more heavily used than those in rural areas because of the greater concentration of postal users. As urban post boxes are also more likely to be easily accessed and cheaper to collect from, there are greater financial

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<sup>22</sup> As cited in Annex 5.

and commercial incentives for Royal Mail to provide a denser network of post boxes in urban areas than in rural areas, where the costs per item posted of servicing the post boxes are higher, given the longer distances travelled (between each post box and from post box to mail centre) and the generally lower mail volumes in rural post boxes.

### **Royal Mail does not meet the current criteria**

- 4.12 The current criteria have been in place in substantially the same form since 2001. In 2005, Royal Mail and Postcomm corresponded on Royal Mail's failure to comply in some PCAs. In the absence of any evidence that the reasonable needs of users were not being met as a result of Royal Mail's non-compliance, Postcomm decided not to take enforcement action against Royal Mail.
- 4.13 In 2011, Royal Mail provided Ofcom with information showing that they were failing to comply with the 99% criteria in nearly half of the relevant PCAs, albeit only by a narrow margin. In August 2012 Royal Mail provided us with updated information indicating that it was only meeting the current access point criteria in 20 of the 61 PCAs in the UK to which it applies (out of a total of 121 PCAs).
- 4.14 Royal Mail estimates that in order to meet the current criteria within the remaining 41 PCAs it would need to relocate about 2,000 post boxes within these areas, although it says that there is no demand from users for this.
- 4.15 Despite Royal Mail's failure to meet the current criteria, we have no evidence to suggest that Royal Mail is not currently meeting the reasonable needs of users, particularly given users' overall satisfaction with post box provision. We therefore consider that it would be disproportionate to require Royal Mail to relocate 2,000 post boxes in order to meet the current criteria. Instead we propose to modify the criteria to extend regulatory protection to all delivery points in the UK.

### **Royal Mail's position**

- 4.16 Royal Mail believes that the current density requirement, which has been in place for twelve years, should be removed and not replaced. Royal Mail argues that:
- The current regulation has arguably not protected the reasonable needs of users as it does not cover most of the UK;
  - As users are demonstrably satisfied with the post box network it would be disproportionate to expect Royal Mail to relocate or install extra post boxes to meet the requirement;
  - As the post box network does not fully comply with the requirement, there would be adverse impacts for Royal Mail by incurring additional cost if it were required to meet the current requirement;
  - It has created a burden for Royal Mail in developing systems to assess compliance, a calculation which has to be performed for each PCA; and

- International benchmarking does not suggest that there is any need for a specific requirement for post box provision, or that this results in better provision for users.<sup>23</sup>

4.17 We note Royal Mail's comments. However, in light of our duty under section 29(6) of the Act to secure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service, we do not consider it appropriate, at present, to remove the access point density criteria from the DUSP conditions.

## Diminishing use of post boxes

4.18 As we set out in our review of postal users' needs, the most significant postal trend of recent years is the general and accelerating decline in mail volumes, apart from packet services. Between 2006 and 2011, single-piece First and Second Class mail declined by 40%, with many users moving to digital media such as email.<sup>24</sup>

4.19 The decline in letter volumes, particularly single piece letter volumes, has a direct impact on post box usage. This is consistent with the comparison of Postcomm's *Access to Postal Services* research<sup>25</sup> with our quantitative survey done as part of Ofcom's review of postal users' needs<sup>26</sup>, which suggests that residential users post mail in a post box less frequently than five years ago. While the significant rise in internet shopping has resulted in a greater use of packet services, this is unlikely to mitigate the effect of the decline in letter volumes, given post boxes can only be used for sending packets that can fit through the post box aperture and for which the customer does not require any premium features or certificate of posting.

4.20 While mail volumes are declining, our review of postal users' needs research found that users still value the universal service and are likely to do so for the foreseeable future. Therefore, we consider that regulatory protection in relation to access points remains appropriate and the current regulation should be modified to remove the disparity in protection we have identified.

*Question 4.1. Do you agree with Ofcom's analysis that the current regulatory requirements for the provision of post boxes should be modified?*

<sup>23</sup> See Annex 10 for information collated by Royal Mail on international post box criteria.

<sup>24</sup> Ofcom, *Securing the Universal Postal Service*, 2011, <http://stakeholders.ofcom.org.uk/binaries/consultations/securing-the-postal-service/summary/condoc.pdf>

<sup>25</sup> Available at: <http://stakeholders.ofcom.org.uk/binaries/post/1068.pdf>

<sup>26</sup> Relevant findings are summarised in Annex 5.

## Section 5

# Proposed new access point criteria

## Introduction

- 5.1 As discussed previously, we consider that the current criteria are not fit for purpose. In line with our statutory duty and our regulatory principles, we consider that any new, revised condition on Royal Mail should:
- address the shortcomings of the current criteria – namely that they exclude a significant number of PCAs and leave rural areas unprotected from potential post box removal, and that Royal Mail is not compliant with its obligation despite an extensive post box network;
  - be proportionate and give some flexibility to Royal Mail to meet the changing needs of users; and
  - be sufficiently transparent to users.
- 5.2 Taking account of the above principles, we propose the criteria below and also discuss the advantages and disadvantages of this proposal.

## Proposed criteria

### Description

- 5.3 We propose the following alternative access point criteria, to replace the current criteria as set out in DUSP 1.8.1 and 1.8.2(a):
- the distribution of post boxes should be such that there is a post box within half a mile (by straight line distance) of at least 98% of delivery points nationally; and
  - for the remaining 2% of delivery points, Royal Mail must provide sufficient access points or other means of access to the universal service (e.g. collection on delivery from very remote or isolated locations such as farmhouses) to meet the reasonable needs of universal service users.

### Potential advantages of this proposal

#### National coverage increases regulatory protection for users in low density, mainly rural areas

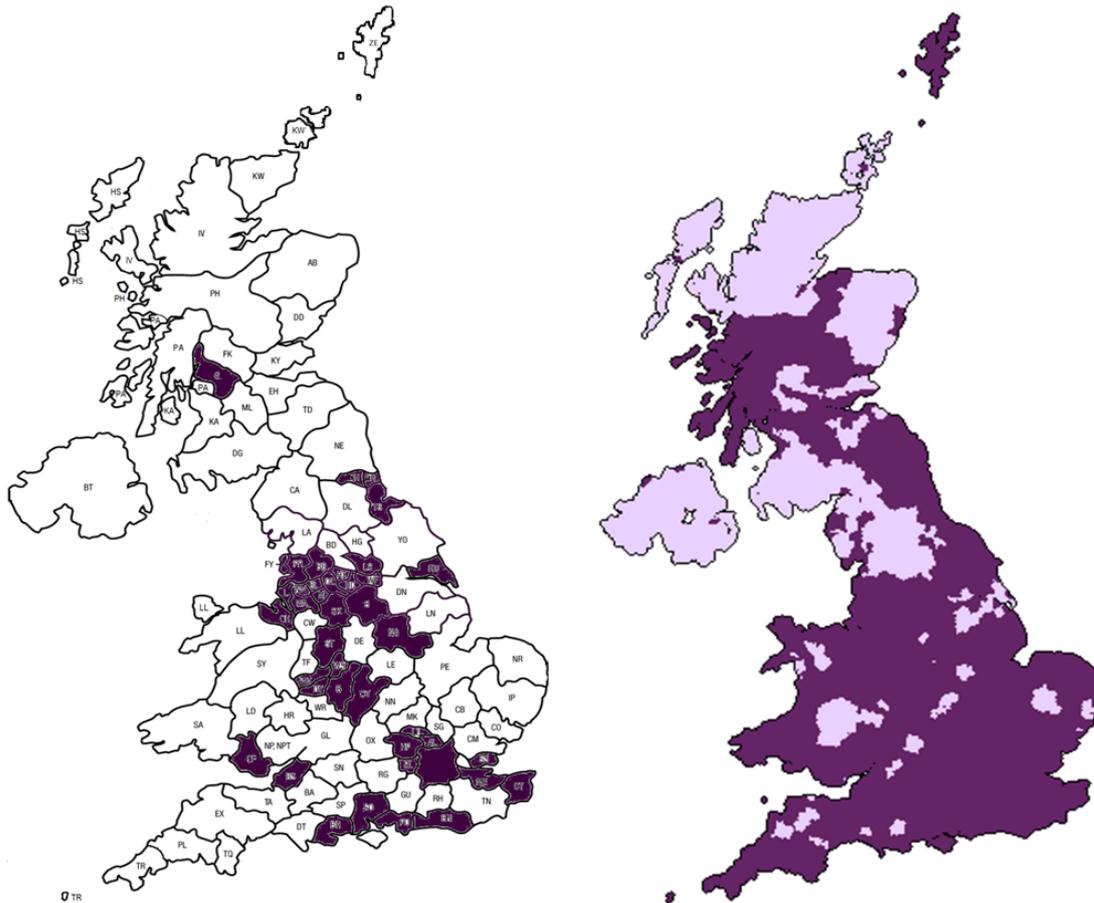
- 5.4 Our proposed criteria would address the difference in regulatory treatment between densely and less densely populated PCAs. In particular, the 98% criterion would significantly increase the geographic coverage of the UK.

- 5.5 Modifying the criteria would also extend protection to some cities situated in PCAs with a low overall delivery point density, such as Belfast, Edinburgh, Newcastle and Swansea.<sup>27</sup>
- 5.6 Users residing at the remaining 2% of delivery points could approach Royal Mail if they consider their reasonable needs are not being met. For example, one solution for users living in isolated areas involves postmen or women collecting mail on delivery.

**Figure 1: Coverage of the current against the proposed criteria**

PCAs covered by the current criteria<sup>28</sup>

Geographic coverage of the proposed criteria<sup>29</sup>



Source: Royal Mail data / Ofcom analysis

- 5.7 We consider that the proposed criteria appropriately reflect the distance rural users are willing to travel. Our quantitative research for the review of postal users' needs asked users how far they are prepared to travel to post their letters.<sup>30</sup> The median answer was 0.3 miles for residential users and 0.5 miles

<sup>27</sup> Other examples include Aberdeen, Derby, Londonderry and Newport, all excluded from the "high density areas" as defined in the current DUSP condition.

<sup>28</sup> Dark purple = Postcode areas covered by current criteria; white = areas not covered by current criteria, i.e. where there is no regulatory protection.

<sup>29</sup> Dark purple = there is a post box within 0.5 miles of 98% of delivery points; light purple = requirement of reasonable provision.

<sup>30</sup> See Annex 5.

for businesses.<sup>31</sup> This was also the median answer for urban users. However, the median distance **rural** users were prepared to travel was further – 0.5 miles for residential users and 0.75 miles for businesses.<sup>32</sup>

### The proposed criteria are proportionate

- 5.8 Royal Mail is already compliant with our proposed criteria, having informed us that, as of August 2012, for the UK as a whole, 98.4% of delivery points are within half a mile of a post box by the current straight line distance measurement process.<sup>33</sup>
- 5.9 We believe that the obligation should cover the highest possible percentage of addresses, without requiring Royal Mail to install additional post boxes. We do not think a requirement to install new post boxes would be appropriate given falling mail volumes and post box usage.
- 5.10 Royal Mail has told us that it currently has no plans to materially change the size of the post box network. It also told us that it acknowledges that there can be strong feelings about the removal or relocation of a post box. For example, it has voluntary agreements with English Heritage and Historic Scotland which recognise the broader value of the post box network on top of the 500 or so listed post boxes.
- 5.11 We consider that Royal Mail has an incentive to keep a large part of its network in any event and can reduce the costs of provision in ways other than removal of boxes, such as postmen or women collecting letters from post boxes while delivering mail.
- 5.12 In respect of costs of monitoring compliance, we do not expect that Royal Mail will have to undertake significantly more analysis to that currently done.

### The proposed criteria provide some transparency for users

- 5.13 We consider that any new condition needs to balance transparency and protection for users with flexibility for Royal Mail. A density requirement is more transparent to users, Royal Mail and other stakeholders than a national requirement for reasonable provision. While we recognise the need for flexibility for Royal Mail, as discussed above, a general requirement would give significantly wider discretion to Royal Mail, on a network of approximately 115,500 post boxes, than the specific density requirement we propose.
- 5.14 It would be difficult for both users and Royal Mail to interpret what reasonable needs are every time there may be a need to change a post box. For Ofcom, in turn this means that it may be less easy to monitor compliance. It would

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<sup>31</sup> We use median rather than mean average in this consultation document and annexes because the median average is less susceptible to being skewed by the outliers in the data set (e.g. the 2% of people who would be willing to travel more than 5 miles).

<sup>32</sup> We asked consumers the distance they were prepared to travel to post letters. While this is different to the measure used for regulation (i.e. straight line distance from addresses), it would not have been sensible to ask consumers the distance they would be prepared to travel in a straight line to post letters as this would very rarely reflect reality. We do not consider this approach to be problematic as to date no issues have been identified with the application of the current straight line methodology and the functionality to assess compliance is in place.

<sup>33</sup> The breakdown per nation is as follows: England – 99% of delivery points are within half a mile of a post box; Northern Ireland – 93%; Scotland – 95.7%; and Wales – 97.3%.

also be less clear to users, Royal Mail, and other stakeholders, when investigation may be necessary, and it could be quite labour intensive for both Royal Mail and Ofcom.

## Potential disadvantages of the proposal

### The proposed criteria require less post boxes in high density PCAs

- 5.15 Our proposed criteria extend the geographic scope of the current regulation to less densely populated PCAs, particularly rural areas. However, the regulatory protection for those living in a high density area would diminish to some extent, in so far as if provision of post boxes were to reduce to the minimum required to meet the proposed criteria some urban users would have to travel further than under the current criteria.
- 5.16 In practice, we do not expect the proposed modification in regulatory requirements to have a material impact on urban users in the short to medium term. The actual provision of post boxes exceeds the current regulatory requirements in many high density PCAs, and exceeds the proposed criteria. Royal Mail has a commercial incentive to maintain widespread provision of post boxes in urban areas due to higher posting volumes and lower collection costs per item.

### Royal Mail will have less flexibility over post box provision in some low density PCAs

- 5.17 Our proposal would have no immediate cost impact on Royal Mail in relation to requiring changes to the post box network as Royal Mail currently meets our proposed criteria. However, our proposed criteria would reduce to some extent Royal Mail's flexibility to make changes to the post box network. Compared with the current criteria, Royal Mail would have some more flexibility in urban areas, but significantly less flexibility in rural areas.

## Regulatory tests

- 5.18 As described in Section 3, before imposing or modifying a condition, Ofcom must be satisfied that the condition or modification:
- is objectively justifiable;
  - does not discriminate unduly against particular persons or a particular description of persons;
  - is proportionate to what it is intended to achieve; and
  - is transparent in relation to what it is intended to achieve.
- 5.19 We believe that imposing a condition requiring the provision of sufficient post boxes to meet the reasonable needs of users and specifying national criteria to clarify how the obligation is met is:
- **Objectively justifiable** because the current regulatory condition is not fit for purpose and does not adequately protect users of postal services, whereas our proposed modified condition will provide the highest level of

protection for consumers which does not require Royal Mail to install any additional post boxes;

- **Not unduly discriminatory** because the modification necessarily applies to the universal service provider, and there is only one such universal service provider (Royal Mail) in the UK. In addition, our proposed criteria address significantly the current imbalance in regulatory protection, in making sure that rural areas would now be mostly covered by the detailed criteria. They also ensure that regulatory requirements apply in relation to all users, even those living in remote areas;
- **Proportionate** because while we are increasing regulatory protection for postal users, the way we are proposing to do this does not impose any additional cost on Royal Mail, as it is already meeting the proposed modified condition. In addition, the criteria provide backstop protection for users while giving flexibility to Royal Mail to make changes to its post box network where necessary to meet the changing needs of users. We are also ensuring that Royal Mail is able to meet the needs of users living in more remote areas in a proportionate manner; and
- **Transparent** because it is clear what the new condition requires Royal Mail to do in relation to the provision of post boxes across the UK.

5.20 For the reasons given above, we consider that our proposed new criteria satisfy the statutory duty in section 29(6) of the Act to secure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service.

## Alternative options

5.21 In determining an appropriate alternative to the current access point criteria, we have also considered applying different criteria in low density, mainly rural areas and high density, mainly urban areas.

5.22 However, a notable drawback to separate rural and urban criteria is that they would either:

- be based on the current 121 PCAs which greatly vary in terms of delivery point density and geographic size; or
- require extensive further work to identify a suitable definition for rural and urban areas (as an alternative to PCAs) which would be workable and easy to measure for compliance purposes by both Royal Mail and Ofcom.

5.23 We have also considered proposing the 98% criteria at a nations-specific level, i.e. England, Wales, Scotland and Northern Ireland, but on balance decided a single UK-wide criterion was more appropriate as it would provide protection for the highest number of delivery points across the UK without requiring Royal Mail to install any additional boxes. For example, while at present there is no regulatory protection for post box users in Northern Ireland, Royal Mail provision is such that 93% of delivery points are currently within 0.5 miles of a post box and we have no evidence to suggest that Northern Ireland users' needs are not being met now.

- 5.24 Finally, we looked at whether additional safeguards might be appropriate in order to preserve the current network of approximately 115,500 post boxes, for example removal criteria as exist for payphones (i.e. public call boxes). In this case, the universal service provider, BT, must inform the public, by displaying a notice on the call box, and certain local organisations (e.g. district and metropolitan councils) of its plan to remove a particular call box. If the local organisation writes to BT within 90 days to object, setting out their reasons, BT cannot remove the call box. This is known as the 'local veto'.<sup>34</sup>
- 5.25 However, we do not think we should pursue this approach as such additional safeguards would significantly increase the burden and complexity of regulation in an area where there is no evidence of a problem with current provision of post boxes. It would also reduce future flexibility for Royal Mail to manage its network efficiently and hence could be regarded as contrary to our approach of allowing Royal Mail freedom to manage its financial sustainability whilst preserving a right sized universal service obligation.

### Future monitoring of access point provision

- 5.26 While we have not identified any problems with the current provision of access points, or any reason to suspect that this situation will change in the foreseeable future, we will monitor Royal Mail's provision of access points and related customer complaints data. If at any time we identify that the proposed new criteria are proving ineffective in terms of consumer protection, we will revisit this issue.

*Question 5.1. Do you agree with Ofcom's proposed new criteria? Please provide evidence to support your view.*

*Question 5.2. Do you think other criteria than those discussed in our consultation should be adopted? If so, please give your reasons and evidence.*

*Question 5.3. Do you have any other comments on the issues raised by this consultation?*

<sup>34</sup> Ofcom, *Removing Public Call Boxes: a guide to the rules*, 2006, [http://stakeholders.ofcom.org.uk/binaries/consultations/uso/statement/removing\\_callboxes.pdf](http://stakeholders.ofcom.org.uk/binaries/consultations/uso/statement/removing_callboxes.pdf)

## Annex 1

# Responding to this consultation

## How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 1 May 2013**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <https://stakeholders.ofcom.org.uk/consultations/provision-post-boxes/howtorespond/form>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email [access.points@ofcom.org.uk](mailto:access.points@ofcom.org.uk) attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted to the address below, marked with the title of the consultation.
- Katerina Vlachavas  
Floor 2  
Dept Consumer Policy  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA
- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

## Further information

- A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Katerina Vlachavas on 020 7981 3000.

## Confidentiality

- A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk), ideally on receipt. If you think your response should be kept confidential, can you please

specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

## Next steps

- A1.11 Following the end of the consultation period, Ofcom intends to publish a statement in the summer of 2013.
- A1.12 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: [http://www.ofcom.org.uk/static/subscribe/select\\_list.htm](http://www.ofcom.org.uk/static/subscribe/select_list.htm)

## Ofcom's consultation processes

- A1.13 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.14 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk) . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell  
Ofcom  
Riverside House  
2a Southwark Bridge Road  
London SE1 9HA

Tel: 020 7981 3601

Email [Graham.Howell@ofcom.org.uk](mailto:Graham.Howell@ofcom.org.uk)

## Annex 2

# Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

### Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

### During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

### After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

## Annex 3

# Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk).
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at [www.ofcom.org.uk/consult/](http://www.ofcom.org.uk/consult/).
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

### CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

### DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

## Annex 4

# Consultation questions

A4.1 While this consultation document asks a number of specific questions, we do not seek to limit the issues on which respondents may wish to comment. We have included a number of specific consultation questions throughout this document and we would like you to consider these when responding. We have set out these questions below for ease of reference. Respondents are invited to include representations on any issues which they consider to be relevant.

### **Section 4: Rationale for modifying the current access point criteria**

*Question 4.1. Do you agree with Ofcom's analysis that the current regulatory requirements for the provision of post boxes should be modified?*

### **Section 5: Proposed new access point criteria**

*Question 5.1. Do you agree with Ofcom's proposed new criteria? Please provide evidence to support your view.*

*Question 5.2. Do you think other criteria than those discussed in our consultation should be adopted? If so, please give your reasons and evidence.*

*Question 5.3. Do you have any other comments on the issues raised by this consultation?*

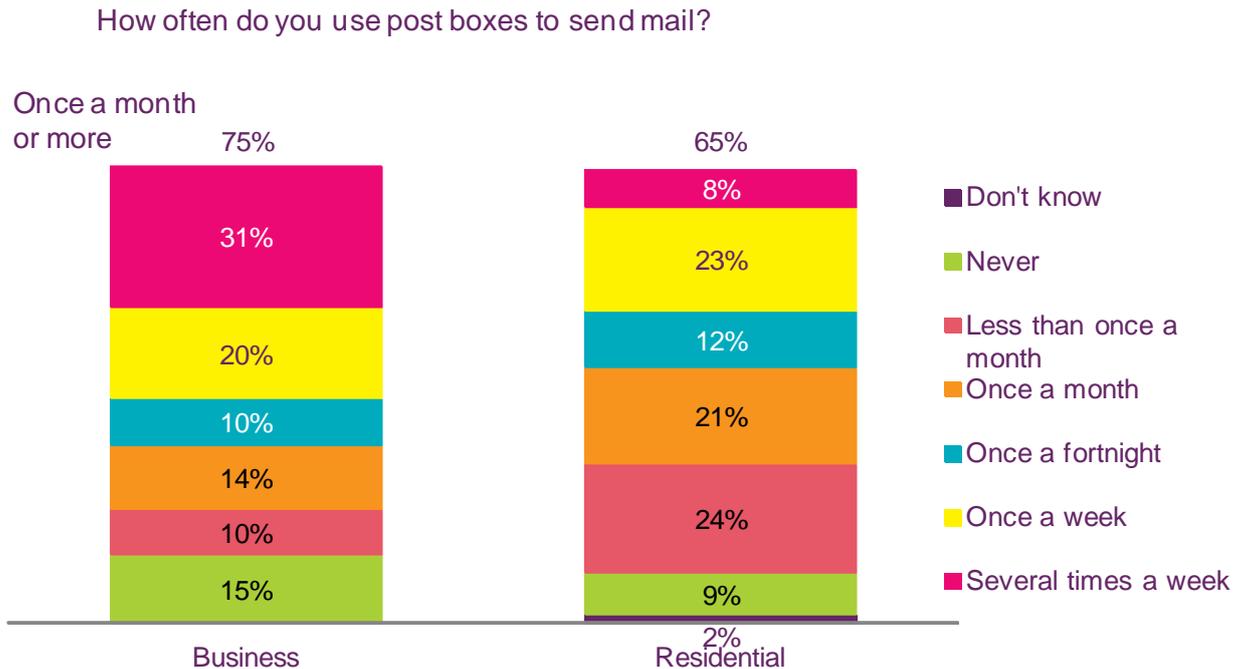
## Annex 5

# Research evidence on users' usage and views on post boxes

## Frequency of using a post box

- A5.1 The majority of users, 65% of residential users and 75% of businesses, use a post box at least once a month. Post box usage increased with age.<sup>35</sup> Households with an income over £50,000 per year, those living in rural/deep rural areas and those offshore also use post box more frequently. This is consistent with the fact that these categories of users also send more post.<sup>36</sup>
- A5.2 Smaller businesses were more likely than larger businesses to use a post box: 72% of businesses with 251+ employees never used a post box, whereas 76% of businesses with 1-10 employees used a post box at least once a month. This is likely to be due to a higher usage of business collections by larger businesses.

**Figure 1: Use of post boxes**



Source: Business Survey D2, Residential Survey C2  
 Base: All business respondents (1126), All residential respondents (4085)

Source: TNS-BMRB (2012)

<sup>35</sup> Our quantitative research shows a steady increasing use of post boxes at least once a month for each age group. For instance, 28% of those aged 75+ use post boxes at least once a week, compared to 16% of 16-24 year olds.

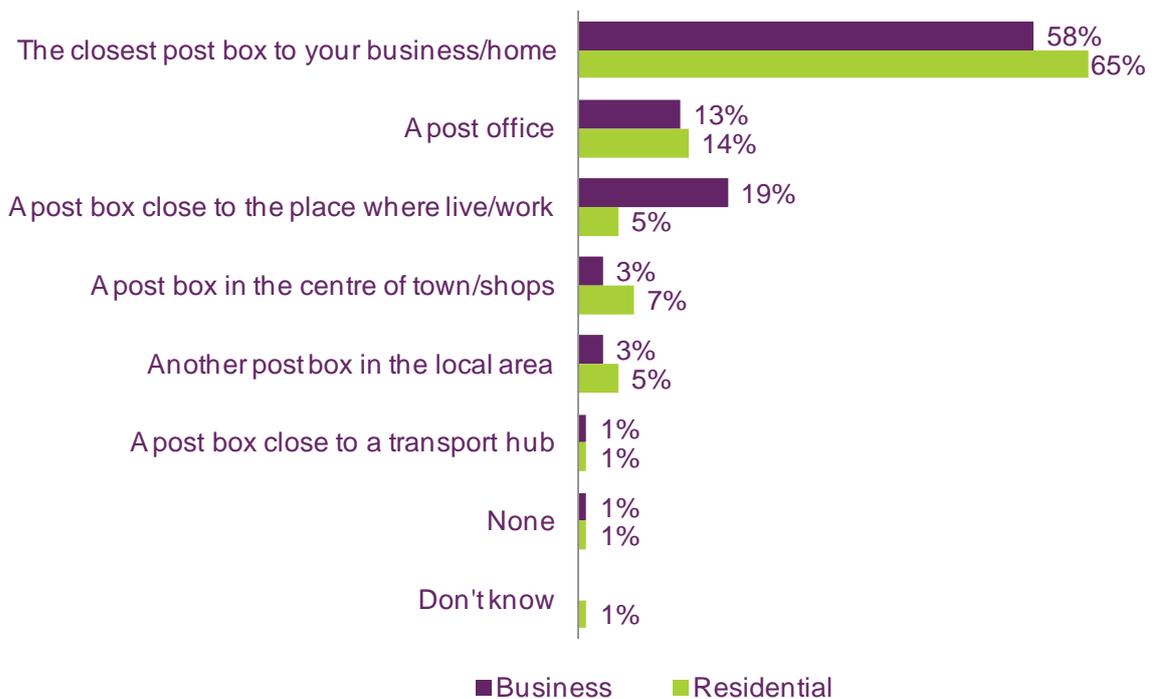
<sup>36</sup> Figure 7.5 of the Review of postal users' needs. The general population sends 1.5 items of post a week, whereas they send over 1.5 items a week, up to 2 items a week for offshore and deep rural users.

## Importance of post box location

- A5.3 Ofcom’s quantitative research found that the majority of users (65% of residential users and 58% of businesses) most use the post box nearest to their home/business to post their mail. The second most popular post box used for residential users was a post office (14% of residential users) and for businesses the post box close to the place they live/work (19% of businesses).
- A5.4 The most important factor to postal users when choosing which post box to deposit their post into was a convenient location (88% for residential users and 79% for business), a lot more important than later collection times (9% and 19%) and accepting metered mail (for business users only – 1%).

**Figure 2: Location of post box used the most**

Which of the following statements best describes the location of the post box/boxes which you/your business uses the most?



Source: Business Survey D3, Residential Survey C3

Base: All business respondents who use a post box (757), All residential respondents who use a post box (3699)

Source: TNS-BMRB (2012)

- A5.5 Postcomm’s research on access to postal services (2007) also showed that when given the choice, over 60% in all the groups<sup>37</sup> (but particularly in rural areas) preferred to keep their local box with earlier collection times, rather than go to a box further away with later collection times. At 58%, the majority

<sup>37</sup> Non-vulnerable Urban, Non-vulnerable Rural, All vulnerable Urban and All vulnerable Rural.

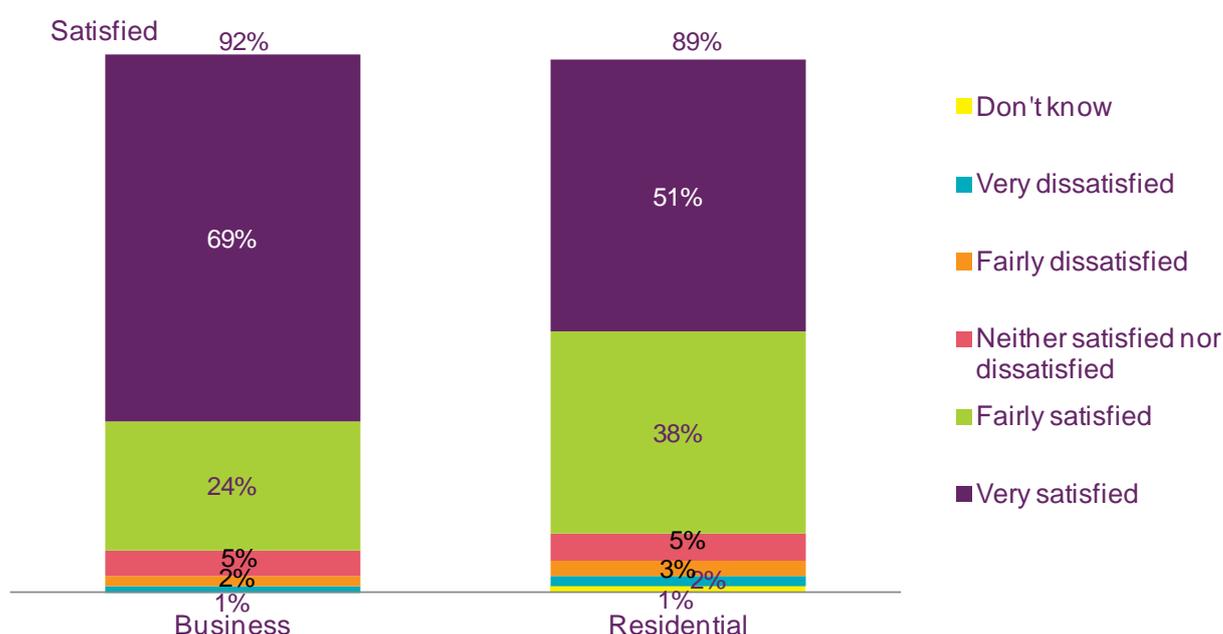
of small and medium businesses (SMEs) also chose earlier collection times (and keep the same location) over a post box further away.

## Users' satisfaction with current provision

A5.6 Our quantitative research found that the vast majority of both residential and business users were satisfied with the location of post boxes nearest their homes or offices (89% and 92% respectively, see Figure 3).

**Figure 3: Satisfaction with location of post boxes**

How satisfied or dissatisfied are you with the location of post boxes in the area local to your business/your local area?



Source: Business Survey D8, Residential Survey C9  
 Base: All business respondents who use a post box (757), All residential respondents who use a post box (3699)

Source: TNS-BMRB (2012)

A5.7 Satisfaction is also high with both urban and rural users: 88% of residential urban users and 92% of residential rural users were satisfied with the location of their post box, and for businesses, 94% of urban businesses and 90% of rural businesses were satisfied with the location of their post box.

A5.8 These findings on users' levels of satisfaction are similar to those found in previous research:

- Postcomm's Customer Survey 2009 found that both residential and business users were very satisfied with their proximity to post boxes/post offices, the average score being 8.6 for residential and business users (on a scale of one to ten where ten means extremely satisfied and one means extremely dissatisfied).<sup>38</sup> These satisfaction levels are reflected in

<sup>38</sup> Postcomm, *Postcomm customer survey 2009, 2010* (conducted by Ipsos MORI), <http://stakeholders.ofcom.org.uk/binaries/post/92.pdf>

previous Customer Surveys<sup>39</sup>, and a study commissioned by the previous consumer watchdog for post, Postwatch, also found that generally residential and business users were satisfied with the ease with which they can post mail and the availability of collection points<sup>40</sup>; and

- Postcomm's *Access to Postal Services* research (2007) showed that around 90% of residential users perceived they travel less than a mile to their most used post box.<sup>41</sup> A majority of SMEs and businesses with small or home offices (79% and 97% respectively) also perceived themselves to be within a mile to their post box.<sup>42</sup>

## Distance prepared to travel to post letters

A5.9 Our quantitative research asked users how far they are prepared to travel to post their letters. Figure 4 shows that there are a wide range of maximum distances users would be willing to travel to post a letter.

A5.10 Two thirds (66%) of residential respondents cited a maximum distance that was 0.5 miles or less. The most frequently cited distance residential users were prepared to travel is 0.2 miles; this seems likely to reflect current provision (0.2 miles is about 320 metres or a 3-5 minute walk). A significant minority, 26% of residential users and 36% of businesses, are willing to travel more than 0.5 miles (more than about 800 metres or 9-10 minute walk).

A5.11 Businesses are generally prepared to travel further than residential users – overall, the median distance residential users would be prepared to travel was 0.3 miles, compared to 0.5 miles for business users<sup>43</sup>

A5.12 Also, rural users are generally prepared to travel further than urban users:

- The median distance **urban** users were prepared to travel was 0.3 miles for residential users and 0.5 miles for business users. **Rural** users were prepared to travel further, 0.5 miles for residential users and 0.75 miles for businesses.<sup>44</sup>

<sup>39</sup> For instance the 2009 Customer Survey shows that in 2008 the average scores of satisfaction (8.6) were the same.

<sup>40</sup> Mean satisfaction scores for residential users and businesses were 4.38 and 4.34 respectively for ease of posting, and 4.13 and 4.01 for the availability of collection points, on a scale from one to five where five means very satisfied and one means very dissatisfied. Postwatch, *Postal universal service obligation: value to the citizen*, 2008, prepared by Accent. [http://tna.europarchive.org/20080905233558/http://www.postwatch.co.uk/images/stories/pdfs/Research/2008/19.5.08\\_Postal\\_uso\\_value\\_to\\_citizen.pdf](http://tna.europarchive.org/20080905233558/http://www.postwatch.co.uk/images/stories/pdfs/Research/2008/19.5.08_Postal_uso_value_to_citizen.pdf)

<sup>41</sup> NERA Economic Consulting, *Access to postal services – a final report for Postcomm*, 2007, <http://stakeholders.ofcom.org.uk/binaries/post/1068.pdf>

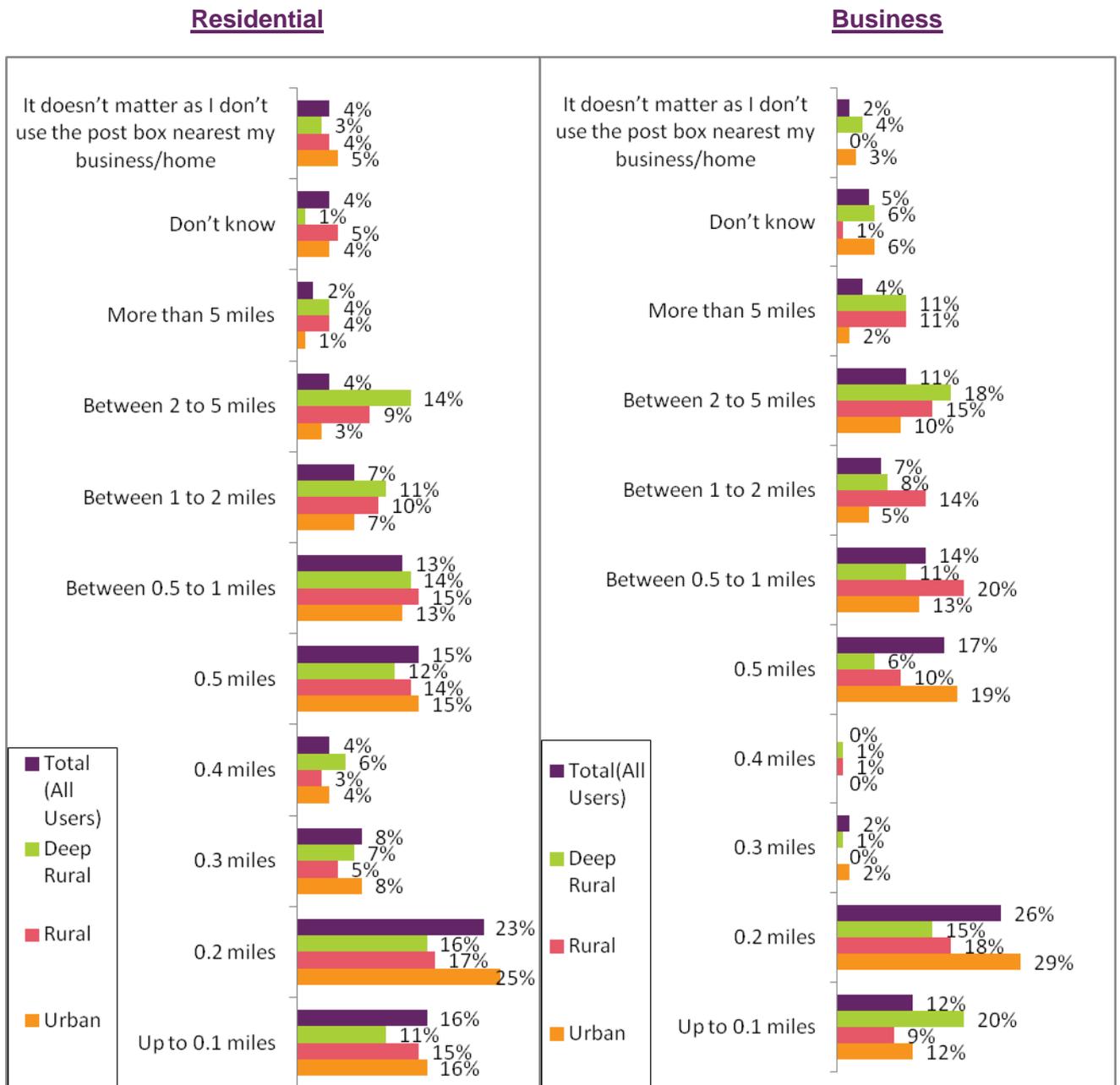
<sup>42</sup> Less rural businesses with a small or home office perceived themselves to be within half a mile of a post box, although still 80% perceived themselves within one mile of a post office. Those businesses perceived themselves to be nearer post boxes when they were in urban areas: 97% perceived their distance to be less than a mile.

<sup>43</sup> The mean distance users were prepared to travel was 0.72 miles for residential users and 1.1 miles for businesses.

<sup>44</sup> The mean average distance was 0.6 miles for residential users in urban areas and 1.13 miles for those in rural areas, and 0.88 miles for urban businesses and 1.85 miles for rural businesses.

- The fact that residential and business users in rural and deep rural locations were prepared to travel further than those in urban locations to post letters is also shown in the proportion willing to travel over 0.5 miles: 24% of urban residential users were willing to travel over 0.5 miles to post their letters, compared with 38% of rural residential users and 43% of deep rural residential users. Similarly, 30% of urban businesses were willing to travel over 0.5 miles to post their letters, compared with 60% of rural businesses and 48% of deep rural businesses.

**Figure 4: Distance users are willing to travel, residential and businesses**



Source: TNS-BMRB (2012)  
 C8 Residential Survey 'What is the maximum distance you would be prepared to travel to post your letters?'/ D9 Businesses survey 'How far would you be prepared to travel to post your letters?'

- A5.13 This difference in willingness to travel between rural and urban areas may be a reflection of current provision, as generally, between 96% and 99% of addresses in high density areas are within 500 metres of a post box.
- A5.14 This difference may also be partly due to rural users having more flexible expectations of the service than urban users. The qualitative research carried out for the review of postal users' needs found that rural users tended to be "more sympathetic" to the postal services and less demanding of targets. Rural users were more accepting of changes and open to adapting to new systems.
- A5.15 Despite urban residential users being less willing to travel as far as rural users to post letters, moving the post box further away would only severely impact a minority of urban users. When presented with a list of potential changes to the postal service, only 9% of urban residential users and 7% of urban businesses said that a post box further away would be the change with the most significant negative impact on their life/business. Out of those quoting a post box further away as the change with the most significant impact, only 9% of urban businesses<sup>45</sup> and 10% of urban residential users<sup>46</sup> said it would have a severe impact on their ability to run their business or a serious impact on their life. This equates to 1% of the total urban business and residential samples.
- A5.16 The significant differences in how far residential users are willing to travel (median average) are:
- Users outside of England are also willing to travel further than average: users in Wales and Scotland are willing to travel 0.5 miles, and those in Northern Ireland 0.75 miles, compared with those in England (0.3 miles);
  - Those using boxes several times a week are willing to travel further (0.5 miles) than those using post boxes less often (0.4 for those using post boxes once a week, 0.3 for those using post boxes once a fortnight / once a month / less than once a month);

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<sup>45</sup> 9% of businesses overall, 9% of businesses in urban areas, and 8% of those in rural areas. This compares with 11% of urban businesses which say that it would be a major inconvenience but would find ways around it, 54% saying it would be an inconvenience but not a major one, and 25% saying it would have little or no impact on running the business.

<sup>46</sup> This compares with 35% of urban residential users saying it would be a major inconvenience but would find ways around it, 49% saying it would be an inconvenience but not a major one, and 6% saying it would have little or no impact.

## Annex 6

# Current DUSP Condition on provision of access points

### EXTRACT OF DESIGNATED USP CONDITION 1 SERVICES, ACCESS POINTS, PERFORMANCE TARGETS, NOTIFICATION AND PUBLICATION AND CONTINGENCY PLANNING

#### 1.8 Obligation to provide access points for the universal service

<p><b>DUSP 1.8.1</b></p>	<p>Except as <u>OFCOM</u> may have directed otherwise, the <u>universal service provider</u> shall provide, or procure the provision of, <u>letter boxes</u> and other <u>access points</u> for the purpose of providing the universal postal services referred to in DUSP 1.6 in a manner which meets the reasonable needs of <u>users</u> having regard to the costs of providing and servicing such <u>access points</u>.</p>
<p><b>DUSP 1.8.2</b></p>	<p>The <u>universal service provider</u> shall be regarded as having met its obligations under DUSP 1.8.1 if –</p> <ul style="list-style-type: none"> <li>(a) in each <u>postcode area</u> where the delivery point density is not less than 200 delivery points per square kilometre, not less than 99% of <u>users</u> of <u>postal services</u> are within 500 metres of a <u>letter box</u>; and</li> <li>(b) the distribution of <u>access points</u> capable of receiving the largest relevant <u>postal packets</u> and <u>registered items</u> is such that – <ul style="list-style-type: none"> <li>i. in the UK as a whole the premises of not less than 95% of <u>users</u> of <u>postal services</u> are within 5 kilometres of such an <u>access point</u>; and</li> <li>ii. in all <u>postcode areas</u> the premises of not less than 95% of <u>users</u> of <u>postal services</u> are within 10 kilometres of such an <u>access point</u>, and such <u>access points</u> are available to the public in accordance with conveniently published schedules.</li> </ul> </li> </ul>
<p><b>DUSP 1.8.3</b></p>	<p>The <u>universal service provider</u> shall establish, maintain, and review annually a statement of arrangements to ensure that <u>users</u> of <u>postal services</u> whose premises are not within 10 kilometres of an <u>access point</u> provided pursuant to DUSP 1.8.2(b) will be provided with reasonable access to such facilities.</p>
<p><b>DUSP 1.8.4</b></p>	<p>The <u>universal service provider</u> shall establish, maintain and review annually a statement of arrangements to ensure that <u>users</u> of <u>postal services</u> who are <u>blind</u>, <u>partially sighted</u>, infirm through age, chronically sick, or disabled are able to post <u>postal packets</u> using the universal services regularly and as far as possible without significant cost to those <u>users</u> attributable to their difficulties.</p>

## Annex 7

# Statutory notification: proposed modification of DUSP condition 1

### NOTIFICATION OF PROPOSALS TO MODIFY REGULATORY CONDITIONS IN ACCORDANCE WITH SECTION 36 OF, AND PARAGRAPH 3 OF SCHEDULE 6 TO, THE POSTAL SERVICES ACT 2011

#### BACKGROUND

- (A) On 27 March 2012, following a consultation, Ofcom published a statement entitled '*Securing the Universal Postal Service - Decision on the new regulatory framework*'<sup>47</sup> setting out various decisions, including the imposition of regulatory conditions under section 36 of the Postal Services Act 2011 (the "**Act**").
- (B) The DUSP conditions that took effect on 1 April 2012 included obligations concerning the provision of access points for the universal postal service (the "**Access Point Condition**").
- (C) OFCOM is proposing to modify the Access Point Condition in order to improve consumer protection and to meet its obligations under sections 29(1) and (6) to secure the provision of sufficient access points to meet the reasonable needs of users of the universal postal service.

#### PROPOSAL

1. OFCOM hereby proposes, in accordance with section 36 of, and paragraph 3 of Schedule 6 to, the Act and pursuant to powers and duties in section 36 of the Act, to modify Designated USP condition 1, to make provision for matters set out in that section 36.
2. The proposed modification to DUSP condition 1 is specified in the Schedule hereto.
3. The effect of, and OFCOM's reasons for making, this decision are set out in the accompanying consultation document.

#### OFCOM'S DUTIES AND LEGAL TESTS

4. OFCOM is satisfied that this proposal satisfies the general test in paragraph 1 of Schedule 6 to the Act.
5. In making this proposal, OFCOM has considered and acted in accordance with its principal duty in section 29 of the Act and its general duties in section 3 of the Communications Act 2003.

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<sup>47</sup> <http://stakeholders.ofcom.org.uk/binaries/consultations/review-of-regulatory-conditions/statement/statement.pdf>

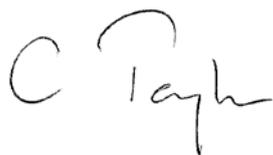
## **MAKING REPRESENTATIONS**

6. Representations may be made to OFCOM about the proposal set out in this Notification by no later than **1 May 2013**.
7. Copies of this Notification and the accompanying consultation document have been sent to the Secretary of State in accordance with paragraph 5(1)(a) of Schedule 6 to the Act.
8. By virtue of paragraph 3(5) of Schedule 6 to the Act, OFCOM may give effect, with or without modifications, to a proposal with respect to which it has published a notification only if OFCOM has—
  - (a) considered every representation about the proposal that is made to OFCOM within the period specified in this Notification; and
  - (b) had regard to every international obligation of the United Kingdom (if any) which has been notified to OFCOM for this purpose by the Secretary of State.

## **INTERPRETATION**

9. Except insofar as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Notification and otherwise any word or expression shall have the same meaning as it has been ascribed for the purpose of Part 3 of the Act.
10. In this Notification—
  - (a) “**Act**” means the Postal Services Act 2011 (c.5).
11. For the purpose of interpreting this Notification—
  - (a) headings and titles shall be disregarded;
  - (b) expressions cognate with those referred to in this Notification shall be construed accordingly;
  - (c) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.
12. The Schedule to this Notification shall form part of this Notification.

Signed by **Chris Taylor**



**Consumer Policy Director**

A person duly authorised by OFCOM under paragraph 18 of the Schedule to the Office of Communications Act 2002

**27 March 2013**

## SCHEDULE

### PROPOSED MODIFICATIONS TO DUSP CONDITION 1.8

<b>Modification</b>	
1	In DUSP 1.8.1, omit the words “in a manner which meets the reasonable needs of <u>users</u> having regard to the costs of providing and servicing such <u>access points</u> ”.
2	<p>In DUSP 1.8.2:</p> <ul style="list-style-type: none"> <li>- delete the words “The <u>universal service provider</u> shall be regarded as having met its obligations under DUSP 1.8.1 if” and replace with the words “In particular the <u>universal service provider</u> must ensure that”.</li> <li>- delete sub-paragraph (a) and replace with: <ul style="list-style-type: none"> <li>“in the UK as a whole, the distribution of <u>letter boxes</u> is such that there is a <u>letter box</u> within half a mile (805 metres) of the premises of not less than 98% of <u>users</u> of <u>postal services</u>”;</li> </ul> </li> <li>- renumber sub-paragraph (b) as (c); and</li> <li>- insert a new sub-paragraph (b), as follows: <ul style="list-style-type: none"> <li>“in the case of any <u>users</u> of <u>postal services</u> whose premises are not within half a mile (805 metres) of a <u>letter box</u> or other <u>access point</u>, the <u>universal service provider</u> shall provide, or procure the provision of, access to the universal service in a manner which sufficiently meets the reasonable needs of such <u>users</u>, having regard to the costs of doing so; and”.</li> </ul> </li> </ul>
3	In DUSP 1.8.3, in the cross-reference to DUSP 1.8.2(b), replace “(b)” with “(c)”.

## Annex 8

## Consolidated version of DUSP 1.8

**MARKED-UP CONSOLIDATED VERSION OF DUSP CONDITION 1.8  
IF MODIFIED AS PROPOSED.**

This consolidated version of DUSP Condition 1.8 as we propose to amend it is provided as an aid to understanding but is not the proposed legal instrument.

- Deletions are marked in red struck-through text.
- Additions are marked in red.

**EXTRACT OF DUSP CONDITION 1  
SERVICES, ACCESS POINTS, PERFORMANCE TARGETS, NOTIFICATION AND  
PUBLICATION AND CONTINGENCY PLANNING**

**1.8 Obligation to provide access points for the universal service**

<b>DUSP 1.8.1</b>	Except as <u>OFCOM</u> may have directed otherwise, the <u>universal service provider</u> shall provide, or procure the provision of, <u>letter boxes</u> and other <u>access points</u> for the purpose of providing the universal postal services referred to in DUSP 1.6 <del>in a manner which meets the reasonable needs of users having regard to the costs of providing and servicing such access points.</del>
<b>DUSP 1.8.2</b>	<p>In particular the <del>The</del> <u>universal service provider</u> <del>must ensure that shall be regarded as having met its obligations under DUSP 1.8.1 if –</del></p> <p>(a) <del>in each postcode area where the delivery point density is not less than 200 delivery points per square kilometre, not less than 99% of users of postal services are within 500 metres of a letter box; in the UK as a whole, the distribution of letter boxes is such that there is a letter box within half a mile (805 metres) of the premises of not less than 98% of users of postal services;</del></p> <p>(b) in the case of any <u>users of postal services</u> whose premises are not within half a mile (805 metres) of a <u>letter box</u> or other <u>access point</u>, the <u>universal service provider</u> shall provide, or procure the provision of, access to the universal service in a manner which sufficiently meets the reasonable needs of such <u>users</u>, having regard to the costs of doing so; and</p> <p>(c) <del>(b)</del> the distribution of <u>access points</u> capable of receiving the largest relevant <u>postal packets</u> and <u>registered items</u> is such that –</p> <ol style="list-style-type: none"> <li>i. in the UK as a whole the premises of not less than 95% of <u>users of postal services</u> are within 5 kilometres of such an <u>access point</u>; and</li> <li>ii. in all <u>postcode areas</u> the premises of not less than 95% of <u>users of postal services</u> are within 10 kilometres of such an <u>access point</u>, and such <u>access points</u> are available to the public in accordance with conveniently published schedules.</li> </ol>
<b>DUSP</b>	The <u>universal service provider</u> shall establish, maintain, and review

<b>1.8.3</b>	annually a statement of arrangements to ensure that <u>users of postal services</u> whose premises are not within 10 kilometres of an <u>access point</u> provided pursuant to DUSP 1.8.2 <del>(b)</del> (c) will be provided with reasonable access to such facilities.
<b>DUSP 1.8.4</b>	The <u>universal service provider</u> shall establish, maintain and review annually a statement of arrangements to ensure that <u>users of postal services</u> who are <u>blind, partially sighted</u> , infirm through age, chronically sick, or disabled are able to post <u>postal packets</u> using the universal services regularly and as far as possible without significant cost to those <u>users</u> attributable to their difficulties.

**Table of terms defined in the Act**

*This table is provided for information and does not form a part of this condition. We make no representations as to its accuracy or completeness. Please refer to the Act.*

<b>Defined term</b>	<b>Section of the Act</b>
<i>access points</i>	29(11)
<i>OFCOM</i>	90
<i>postal packet</i>	27(2)
<i>universal service provider</i>	65(1) and Schedule 9 paragraph 3(3)
<i>user</i>	65(1)

## Annex 9

# Consolidated version of DUSP 1

## CONSOLIDATED VERSION OF DUSP CONDITION 1 IF MODIFIED AS PROPOSED.

This consolidated version of DUSP Condition 1 as we propose to amend it is provided as an aid to understanding but is not the proposed legal instrument. In case of conflict, the modifications as set out in the Notification in Annex 7 take precedence.

### DESIGNATED USP CONDITION 1 SERVICES, ACCESS POINTS, PERFORMANCE TARGETS, NOTIFICATION AND PUBLICATION AND CONTINGENCY PLANNING

#### 1.1. Application, definitions and interpretation

DUSP 1.1.1	This Designated USP condition (“ <b>DUSP Condition</b> ”) shall apply to the <u>universal service provider</u> .
DUSP 1.1.2	<p>In this DUSP Condition—</p> <p>(b) “<b>Act</b>” means the Postal Services Act 2011 (c.5);</p> <p>(c) “<b>actual routing time</b>” means the period in <u>working days</u> between the <u>deemed date of collection</u> of a <u>postal packet</u> and the <u>deemed delivery date</u> of that packet;</p> <p>(d) “<b>appointed date</b>” means 1 October 2011;</p> <p>(e) “<b>appropriate testing methodology</b>” means a testing methodology which is :</p> <ol style="list-style-type: none"> <li>i. representative of the range of services and customers for whom these performance targets are relevant;</li> <li>ii. capable of providing results with measurable statistical significance; and</li> <li>iii. compliant with Article 16 of the <u>Directive</u>;</li> </ol> <p>with reference where relevant to harmonised standards adopted under Article 20 of the <u>Directive</u><sup>48</sup>.</p> <p>(f) “<b>blind</b>” means registered as blind under the provisions of the National Assistance Act 1948;</p> <p>(g) “<b>Certificate of Posting</b>” means a document issued or validated by a <u>post office</u> affirming that a <u>postal packet</u> has been deposited for conveyance;</p> <p>(h) “<b>Christmas period</b>” means the period commencing on the first Monday in December in any year and ending at the start of the first</p>

<sup>48</sup>See CEN EN 13850:2002+A1:2007 *Postal services - Quality of service - Measurement of the transit time of end-to-end services for single piece priority mail and first class mail*.

	<p><u>working day</u> after the New Year <u>public holiday</u> in the following year or, in Scotland, at the start of the first <u>working day</u> after the Scottish New Year <u>public holiday</u> in the following year;</p> <p>(i) “<b>Council</b>” means the National Consumer Council established by s.1 of the Consumers, Estate Agents and Redress Act 2007;</p> <p>(j) “<b>deemed date of collection</b>” has the meaning given in DUSP 1.2.1(b);</p> <p>(k) “<b>deemed delivered</b>”, in relation to a performance target applicable to a <u>postal packet</u>, means any of—</p> <p>(i) delivered or attempted to be delivered to the address given on the <u>postal packet</u>;</p> <p>(ii) delivered to a person named as the addressee on the <u>postal packet</u>; or</p> <p>(iii) delivered to an alternative delivery point approved by <u>OFCOM</u>.</p> <p>(l) “<b>deemed delivery date</b>” means the earlier of -</p> <p>(i) the date upon which a <u>postal packet</u> is delivered to the address given on the <u>postal packet</u>;</p> <p>(ii) the date upon which a <u>postal packet</u> is delivered to a person named as the addressee on the <u>postal packet</u>;</p> <p>(iii) the date upon which a <u>postal packet</u> is delivered to an alternative delivery point requested by the addressee or approved by <u>OFCOM</u>;</p> <p>(iv) the date upon which an unsuccessful attempt is made to deliver the <u>postal packet</u> in accordance with (i), (ii) or (iii) and the <u>universal service provider</u> offers the addressee a choice of redelivery within a reasonable period and an opportunity to collect the <u>postal packet</u> from any of the following places—</p> <ul style="list-style-type: none"> <li>o a <u>post office</u>;</li> <li>o a <u>delivery office</u>; or</li> <li>o another collection point approved by <u>OFCOM</u> for the purposes of this paragraph.</li> </ul> <p>(m) “<b>delivery office</b>” means an office managed by the <u>universal service provider</u> for the purposes of processing <u>postal packets</u> immediately prior to the activity of delivery to the addressee.</p> <p>(n) “<b>Directive</b>” means <i>Directive 97/67/EC of the European Parliament and of the Council on common rules for the development for the development of the internal market of Community postal services and the improvement of quality of service, as amended by Directive 2002/39/EC of the European Parliament and of the Council of 10 June 2001, Regulation (EC) No 1882/2003 of the European Parliament and of the Council of 29 September 2003 and Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008</i>;</p> <p>(o) “<b>domestic</b>”, in relation to a <u>postal service</u>, means the service is for the conveyance of <u>postal packets</u> from <u>access points</u> in the United Kingdom to addresses in the United Kingdom.</p> <p>(p) “<b>EU office of exchange</b>” means a facility for—</p> <p>(i) the collection by a <u>universal service provider</u> of <u>postal packets</u> originating from a country within the European Union other than the</p>
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	<p>United Kingdom, for onward conveyance and delivery within the United Kingdom; or</p> <p>(ii) the deposit by a <u>universal service provider</u> of <u>postal packets</u> originating from the United Kingdom, for onward conveyance and delivery to a country within the European Union other than the United Kingdom;</p> <p><b>(q) “eligible items”</b> means</p> <p>(i) books, papers and <u>letters</u> which are prepared for use by <u>blind</u> or <u>partially sighted</u> people,</p> <p>(ii) papers sent to anyone to be prepared or impressed so <u>blind</u> or <u>partially sighted</u> people can use them,</p> <p>(iii) relief maps, machines, frames and attachments for making impressions for <u>blind</u> or <u>partially sighted</u> people to use,</p> <p>(iv) writing frames and attachments for <u>blind</u> or <u>partially sighted</u> people to use,</p> <p>(v) Braille instruction manuals,</p> <p>(vi) games (including card games) for <u>blind</u> or <u>partially sighted</u> people,</p> <p>(vii) mathematical appliances and attachments for <u>blind</u> or <u>partially sighted</u> people,</p> <p>(viii) recordings of readings from printed sources, such as books, journals, newspapers, periodicals or similar publications,</p> <p>(ix) equipment used to play such recordings,</p> <p>(x) metal plates impressed or sent for impressing for use by <u>blind</u> or <u>partially sighted</u> people,</p> <p>(xi) supplies of covers, envelopes and labels for sending articles for use by <u>blind</u> or <u>partially sighted</u> people,</p> <p>(xii) watches, clocks, timers, tools and measuring equipment designed for <u>blind</u> or <u>partially sighted</u> people to use,</p> <p>(xiii) walking sticks adapted for <u>blind</u> or <u>partially sighted</u> people,</p> <p>(xiv) harnesses for guide dogs; and</p> <p>(xv) computer disks and CDs which are prepared for <u>blind</u> or <u>partially sighted</u> people;</p> <p><b>(r) “insured item”</b> means a <u>postal packet</u> the value of which has been declared to a <u>universal service provider</u> and of which, in the event of its theft or loss or damage in the course of its conveyance by post, the <u>universal service provider</u> has agreed to pay to the sender the declared value or such lesser sum as is consistent with the provision of the service at affordable prices;</p> <p><b>(s) “latest delivery time”</b> means, for each UK address, the time expressed in minutes past an hour by which the <u>universal service provider</u> endeavours to make a delivery every <u>working day</u> in accordance with the <u>universal service provider</u>’s classification, as at 1 December 2005, of addresses as either "urban" or "rural";</p> <p><b>(t) “letter box”</b> includes any pillar box, wall box, or other box or receptacle provided by a <u>postal operator</u> for the purpose of receiving <u>postal packets</u>, or any class of <u>postal packets</u> for onwards conveyance by post;</p> <p><b>(u) “meter”</b> means a method of evidencing payment for <u>postal services</u> provided by a <u>universal service provider</u> which involve the conveyance of a <u>postal packet</u>, through which the sender having paid in advance</p>
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	<p>for postage applies an impression to a visible surface of the <u>postal packet</u> using a franking machine licensed by the <u>universal service provider</u>;</p> <p>(v) “<b>partially sighted</b>” means certified by an ophthalmologist, doctor or ophthalmic optician as having vision which cannot be improved using optical aids (including magnifiers) or additional illumination to allow 12 point sized print to be read at a comfortable reading distance;</p> <p>(w) “<b>post office</b>” means any premises or vehicle in the United Kingdom from which <u>postal services</u> are provided directly to the public;</p> <p>(x) “<b>postcode area</b>” means a geographical area indicated by the letters preceding the first number in the code, as the code is set out in the <u>postcode address file</u>;</p> <p>(y) “<b>postcode address file</b>” has the meaning given in s.116(3) Postal Services Act 2000;</p> <p>(z) “<b>postcode district</b>” means a geographical area indicated by the (alphabetical) letters and numbers in a postcode preceding the space in the code, as the code is set out in the <u>postcode address file</u>.</p> <p>(aa) “<b>proof of delivery</b>” means a copy of a signature, or other evidence from the recipient in confirmation of receipt, obtained on <u>delivery</u> of a <u>postal packet</u>;</p> <p>(bb) “<b>public holiday</b>” includes, in relation to a particular territory, any day in relation to which <u>OFCOM</u> has by direction stated that exceptional circumstances require it to be treated as a public holiday;</p> <p>(cc) “<b>registered item</b>” means a <u>postal packet</u> which has been registered with the <u>universal service provider</u> in connection with its conveyance by post and for which an amount determined by the <u>universal service provider</u> is payable to the sender in the event of theft or loss of or damage to it in the course of its conveyance by post;</p> <p>(dd) “<b>ROW office of exchange</b>” means a facility for—</p> <ul style="list-style-type: none"> <li>(i) the collection by a <u>universal service provider</u> of <u>postal packets</u> originating from a country outside the European Union, for onward conveyance and delivery within the United Kingdom; or</li> <li>(ii) the deposit by a <u>universal service provider</u> of <u>postal packets</u> originating from the United Kingdom, for onward conveyance and delivery to a country outside the European Union.</li> </ul> <p>(ee) “<b>Royal Mail</b>” means Royal Mail Group Limited, whose registered company number in England and Wales is 04138203;</p> <p>(ff) “<b>single piece service</b>” means a <u>postal service</u> for a conveyance of an individual <u>postal packet</u> to the addressee, whose price per <u>postal packet</u> is not subject to any discounts related to—</p> <ul style="list-style-type: none"> <li>(i) the number of <u>postal packets</u> sent in connection with the person who paid for the service;</li> </ul>
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	<p>(ii) the positioning or formatting of text on the <u>postal packet</u>;</p> <p>(iii) the use of markings which facilitate the use of machines to sort <u>postal packets</u>;</p> <p>(iv) presortation into geographical areas for delivery; or</p> <p>(v) the purchase of any other conveyance of the same or any other <u>postal packet</u>.</p> <p><b>(gg)</b> “<b>specified collection time</b>” means, in relation to an <u>access point</u> used in the provision of a service set out in Condition DUSP 1.4, that period of time within which the <u>universal service provider</u> endeavours to make a collection every <u>working day</u> in accordance with the <u>universal service provider</u>’s classification of such <u>access points</u> as at 1 December 2005 as either “commercial area”, “town/city area”, “rest of UK”, “deep rural”, “business box” or “Post Office branch”.</p> <p><b>(hh)</b> “<b>target routing time</b>” means the target maximum time for conveying <u>postal packets</u> from the <u>access point</u> to the delivery point in the provision of a <u>postal service</u>;</p> <p><b>(ii)</b> “<b>tracking facility</b>” means a facility enabling a sender to monitor the progress of a <u>postal packet</u> through the <u>postal network</u>;</p> <p><b>(jj)</b> “<b>USO</b>” means products and/or services provided by <u>Royal Mail</u> for the purpose of complying with <u>Royal Mail</u>’s obligations imposed by any designated USP condition;</p> <p><b>(kk)</b> “<b>working day</b>” means any day which is not a Sunday or a <u>public holiday</u>.</p>
<p><b>DUSP 1.1.3</b></p>	<p>For the purpose of interpreting this DUSP Condition—</p> <p><b>(a)</b> except in so far as DUSP 1.1.2 or the context otherwise requires, any word or expression shall have the same meaning as it has been ascribed for the purpose of Part 3 of the <u>Act</u>;</p> <p><b>(b)</b> headings and titles shall be disregarded;</p> <p><b>(c)</b> expressions cognate with those referred to in this DUSP Condition shall be construed accordingly;</p> <p><b>(d)</b> the Interpretation Act 1978 (c. 30) shall apply as if this DUSP Condition were an Act of Parliament;</p> <p><b>(e)</b> references to a day are references to a period of twenty-four hours beginning with one midnight and ending with the next, which period shall be treated to include a Saturday, a Sunday and a <u>public holiday</u>;</p> <p><b>(f)</b> save to the extent that the days concerned are <u>public holidays</u> in any event, the following shall be deemed to be directions issued by <u>OFCOM</u> stating that exceptional circumstances require particular days to be treated as public holidays for the purposes of the definition of “public holiday” in this DUSP Condition:</p> <ul style="list-style-type: none"> <li>• <i>Exceptions to Royal Mail’s universal service obligation – for 26 December 2009 in the UK, bank holidays on Saturdays in the</i></li> </ul>

	<i>UK, as local holidays in Northern Ireland and Scotland: a decision document (Postal Services Commission, October 2009).</i>
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## **1.2 Routing times and delivery**

<b>DUSP 1.2.1(a)</b>	<p><u>Target routing times</u> and <u>actual routing times</u> are expressed using the formula “D + n”, where—</p> <ul style="list-style-type: none"> <li>• “D” means the <u>deemed date of collection</u>; and</li> <li>• “n” means the number of <u>working days</u> between D and the delivery date, including the delivery date.</li> </ul>
<b>DUSP 1.2.1(b)</b>	<p>“Deemed date of collection” means—</p> <p>(i) in the case of a <u>postal packet</u> deposited at an <u>access point</u> in the United Kingdom on a day on which no collection is required under DUSP 1.5, the next day on which a collection is required under DUSP 1.5;</p> <p>(ii)</p> <p style="padding-left: 20px;">(I) in the case of a <u>postal packet</u> deposited in the United Kingdom as described in subparagraph (II), the next day on which a collection is required under DUSP 1.5,</p> <p style="padding-left: 20px;">(II) subparagraph (I) applies where the <u>postal packet</u> is deposited at a letter box on which, or at a <u>post office</u> at which, a time for last collection is advertised, after the time for last collection on a day on which a collection is required under DUSP 1.5;</p> <p>(iii) in any other case where the <u>access point</u> is in the United Kingdom, the date of deposit;</p> <p>(iv) in the case of a <u>postal packet</u> deposited at an <u>access point</u> outside the United Kingdom, after a last collection time notified in accordance with the rules of the country in question, the next day on which a collection is required under the rules of that country; and</p> <p>(iv) in any other case where the <u>access point</u> is outside the United Kingdom, the date of deposit.</p>
<b>DUSP 1.2.1(c)</b>	<p>Where, in relation to a <u>target routing time</u>, the formula as applied to the delivery of a particular <u>postal packet</u> results in delivery being required—</p> <p>(i) in the UK, on a day on which a delivery is not required by DUSP 1.4.1 or DUSP 1.4.2 (as the case may be); or</p> <p>(ii) outside the UK, on a day on which under the rules of the territory of delivery no delivery is required;</p> <p>compliance with the <u>routing time</u> requirement shall be achieved if delivery is effected on the next day on which a delivery is required.</p>

<p><b>DUSP 1.2.2</b></p>	<p>Where a service required by this DUSP condition requires delivery of a <u>postal packet</u>, delivery shall be effected if—</p> <p>(a) the <u>postal packet</u> has been delivered to the postal address marked on the <u>postal packet</u>;</p> <p>(b) the <u>postal packet</u> has been delivered to a person named as an addressee on the <u>postal packet</u>;</p> <p>(c) the <u>postal packet</u> has been delivered to another delivery point requested by the addressee or approved by <u>OFCOM</u> for the purposes of this paragraph; or</p> <p>(d) an unsuccessful attempt has been made to deliver the <u>postal packet</u> in accordance with sub-paragraphs (a), (b), or (c) and a <u>universal service provider</u> offers the addressee a choice of redelivery within a reasonable period and an opportunity to collect the <u>postal packet</u> from any of the following places—</p> <p style="padding-left: 40px;">(i) a <u>post office</u>;</p> <p style="padding-left: 40px;">(ii) a <u>delivery office</u>; or</p> <p style="padding-left: 40px;">(iii) another collection point approved by <u>OFCOM</u> for the purposes of this paragraph.</p>
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**1.3 Exceptions**

<p><b>DUSP 1.3.1</b></p>	<p>Nothing in this DUSP Condition requires the doing of anything in relation to a <u>postal packet</u>—</p> <p>(a) whose weight exceeds 20 kilograms;</p> <p>(b) whose dimensions fall outside the minimum and maximum dimensions laid down in the Convention and the Agreement concerning Postal Parcels adopted by the Universal Postal Union;</p> <p>(c) which contains an item which it is reasonable to exclude from carriage by post for reasons of potential harm to health, public security or compliance with law or other regulatory requirements; or</p> <p>(d) which does not comply with conditions reasonably imposed on an item's carriage by post for reasons of potential harm to health, public security or compliance with law or other regulatory requirements.</p>
<p><b>DUSP 1.3.2</b></p>	<p>The requirements in this DUSP Condition in respect of the delivery or collection of <u>postal packets</u> and the <u>target routing times</u> of services do not need to be met—</p> <p>(a) on any day which is (in the territory concerned) a <u>public holiday</u>; or</p> <p>(b) in such geographical conditions or other circumstances as <u>OFCOM</u> has by direction specified to be exceptional for the relevant purpose.</p>

<b>DUSP 1.3.3</b>	The requirements in this DUSP Condition in respect of the delivery of <u>postal packets</u> , the <u>target routing times</u> of services and any associated quality of service performance targets do not need to be met in relation to a particular address or delivery point, where the addressee has acquired one or more <u>postal services</u> in accordance with which <u>postal packets</u> for that addressee are to be delayed or diverted.
<b>DUSP 1.3.4</b>	Nothing in this DUSP Condition is to be read—  (a) as requiring a service to continue without interruption, suspension or restriction in an emergency; or  (b) as preventing individual agreements as to prices from being concluded with customers.
<b>DUSP 1.3.5</b>	The following directions shall be deemed to have been made under DUSP 1.3.2 until they expire or are revoked by <u>OFCOM</u> : <ul style="list-style-type: none"> <li>• <i>Direction designating geographical conditions and other circumstances as exceptional for the purpose of deliveries</i> (Ofcom) 23 February 2012<sup>49</sup></li> <li>• <i>Exceptions to Royal Mail's Universal Collections Service - A Policy Document and Direction</i> (Postal Services Commission, October 2008)<sup>50</sup></li> <li>• <i>Direction designating circumstances as exceptional for the purpose of collections</i>, Postal Services Commission, 5 October 2009<sup>51</sup></li> <li>• <i>Direction designating circumstances as exceptional for the purpose of deliveries</i>, Postal Services Commission, 5 October 2009<sup>52</sup></li> </ul>

#### **1.4 Obligation to provide deliveries**

<b>DUSP 1.4.1</b>	Except as set out in DUSP 1.3, the <u>universal service provider</u> shall offer to provide at least one delivery of <u>letters</u> originating from anywhere in the world every Monday to Saturday—  (a) to the home or premises of every individual or other person in the UK; and  (b) to delivery points approved by <u>OFCOM</u> for the purposes of this Condition.
<b>DUSP 1.4.2</b>	Except as set out in DUSP 1.3, the <u>universal service provider</u> shall offer to provide at least one delivery of other <u>postal packets</u> originating from anywhere in the world every Monday to Friday—  (a) to the home or premises of every individual or other person in the UK; and  (b) to delivery points approved by <u>OFCOM</u> for the purposes of this paragraph.

<sup>49</sup> Annex 1 in <http://stakeholders.ofcom.org.uk/consultations/direction-extension/direction/>.  
<sup>50</sup>

[http://webarchive.nationalarchives.gov.uk/20081212184530/http://www.psc.gov.uk/postcomm/live/policy-and-consultations/consultations/universal-service--services-to-be-provided-exceptions/2008\\_10\\_01\\_Direction\\_Collections\\_letterpolicydirection\\_v1\\_0.pdf](http://webarchive.nationalarchives.gov.uk/20081212184530/http://www.psc.gov.uk/postcomm/live/policy-and-consultations/consultations/universal-service--services-to-be-provided-exceptions/2008_10_01_Direction_Collections_letterpolicydirection_v1_0.pdf)

<sup>51</sup> <http://stakeholders.ofcom.org.uk/binaries/post/271.pdf>

<sup>52</sup> *ibid*

<b>DUSP 1.4.3</b>	The following approval shall be deemed to have been given under DUSP 1.4.1(b) and DUSP 1.4.2(b) until it expires or is revoked by <u>OFCOM</u> : <ul style="list-style-type: none"> <li>• <i>Approval of identifiable points for delivery of relevant postal packets</i> (Ofcom) 23 February 2012<sup>53</sup></li> </ul>
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### **1.5. Obligation to provide collections**

<b>DUSP 1.5.1</b>	Except as set out in DUSP 1.3, the <u>universal service provider</u> shall provide at least one collection— <p>(a) every Monday to Saturday, from public <u>access points</u> for <u>letters</u> for the services described in DUSP 1.4; and</p> <p>(b) every Monday to Friday, from public <u>access points</u> for other <u>postal packets</u> for the services described in DUSP 1.4.</p>
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### **1.6. Obligation to provide end-to-end services**

	<b><i>End-to-end domestic services at affordable tariffs</i></b>
<b>DUSP 1.6.1</b>	Except as set out in DUSP 1.3, the <u>universal service provider</u> shall provide <u>postal services</u> meeting the following descriptions at affordable prices determined in accordance with a public tariff which is uniform throughout the United Kingdom, on fair and reasonable terms, every day on which a collection is required by DUSP 1.5. <ul style="list-style-type: none"> <li>• <b><i>Priority service(s)</i></b></li> </ul>
<b>DUSP 1.6.1(a)</b>	One or more <u>domestic single piece services</u> for the conveyance of <u>postal packets</u> other than <u>insured items</u> , which— <p>(i) have a <u>target routing time</u> of D+1;</p> <p>(ii) are capable of purchase by postage stamp and by <u>meter</u> and may be capable of purchase by other reasonable methods;</p> <p>(iii) include provision of a <u>Certificate of Posting</u> on request where the <u>postal packet</u> is deposited at a <u>post office</u>;</p> <p>(iv) include provision of <u>proof of delivery</u> on application by the sender; and</p> <p>(v) do not include provision of a <u>tracking facility</u>.</p>
	• <b><i>Standard service(s)</i></b>
<b>DUSP 1.6.1(b)</b>	One or more <u>domestic single piece services</u> for the conveyance of <u>postal packets</u> other than <u>insured items</u> , which— <p>(i) have a <u>target routing time</u> of D+3;</p> <p>(ii) are capable of purchase by postage stamp and by <u>meter</u> and may be capable of purchase by other reasonable methods;</p> <p>(iii) include provision of a <u>Certificate of Posting</u> on request where the <u>postal packet</u> is deposited at a <u>post office</u>;</p>

<sup>53</sup> Annex 2 in <http://stakeholders.ofcom.org.uk/consultations/direction-extension/direction/>.

	<p>(iv) include provision of <u>proof of delivery</u> on application by the sender; and</p> <p>(v) do not include provision of a <u>tracking facility</u>.</p>
	<p>• <b><i>Return to sender service(s)</i></b></p>
<b>DUSP 1.6.1(c)</b>	<p>One or more <u>domestic single piece services</u> for the conveyance of <u>postal packets</u> back to the <u>sender</u> within a reasonable period, where—</p> <p>(i) the <u>postal packet</u> has been conveyed in the provision of a universal postal service and delivery to the addressee named on the <u>postal packet</u> has not been effected;</p> <p>(ii) the <u>sender's</u> address is legibly marked on the <u>postal packet</u>; and</p> <p>(iii) the service may be paid for by reasonable methods;</p> <p>and for the purposes of this service, part (v) of the definition of “single piece service” shall read “the purchase of a conveyance of any other <u>postal packet</u>”.</p>
	<p>• <b><i>Registered and insured service(s)</i></b></p>
<b>DUSP 1.6.1(d)</b>	<p>One or more <u>domestic single piece services</u> for the conveyance of <u>insured items</u> weighing no more than 10 kilograms and <u>registered items</u> weighing no more than 10 kilograms which—</p> <p>(i) have a <u>target routing time</u> of D+1;</p> <p>(ii) have a target delivery time of 1pm, except where this is not reasonably possible;</p> <p>(iii) include provision of a <u>tracking facility</u>;</p> <p>(iv) include provision of <u>proof of delivery</u> on application by the sender; and</p> <p>(v) are paid for in advance.</p>
<b>DUSP 1.6.1(e)</b>	<p>One or more <u>domestic single piece services</u> for the conveyance of—</p> <p>(i) <u>registered items</u> weighing more than 10 kilograms; and</p> <p>(ii) <u>insured items</u> weighing more than 10 kilograms;</p> <p>which convey the <u>postal packet</u> to the delivery point within a reasonable period.</p>
	<p>• <b><i>End-to-end international services</i></b></p>
<b>DUSP 1.6.1(f)</b>	<p>One or more <u>single piece services</u> for the conveyance of <u>postal packets</u> to <u>EU offices of exchange</u>, where—</p> <p>(i) in relation to each country, the postal packet is conveyed to the <u>EU office of exchange</u> within a period that is—</p> <p style="padding-left: 40px;">(i) reasonable; and</p> <p style="padding-left: 40px;">(ii) compatible with the provision of an end-to-end service in which at least 85% of <u>postal packets</u> are <u>deemed delivered</u> in D + 3 and at least 97% of <u>postal packets</u> are <u>deemed delivered</u> in D + 5; and</p> <p>(ii) the service or services are capable of purchase by postage stamp</p>

	<p>and may be capable of purchase by other reasonable methods;</p> <p>(iii) the service or services include provision of a <u>Certificate of Posting</u> on request where the <u>postal packet</u> is deposited at a <u>post office</u>.</p> <p>The services must include one or more services for the conveyance of each of the following:</p> <ul style="list-style-type: none"> <li>• <u>registered items</u>;</li> <li>• <u>insured items</u>.</li> </ul>
<b>DUSP 1.6.1(g)</b>	<p>One or more <u>single piece services</u> for the conveyance of <u>postal packets</u> to <u>ROW offices of exchange</u> for onward delivery to each country of the world other than countries within the European Union, where—</p> <p>(i) in relation to each country, the <u>postal packet</u> is conveyed to the <u>ROW office of exchange</u> within a period that is—</p> <ol style="list-style-type: none"> <li>(a) reasonable; and</li> <li>(b) compatible with a <u>target routing time</u> for the provision of the end-to-end service of D + 7;</li> </ol> <p>(ii) the service or services are capable of purchase by postage stamp and may be capable of purchase by other reasonable methods; and</p> <p>(iii) the service or services include provision of a <u>Certificate of Posting</u> is provided where the <u>postal packet</u> is deposited at a <u>post office</u>.</p> <p>The services must include one or more services for the conveyance of each of the following:</p> <ul style="list-style-type: none"> <li>• <u>registered items</u>;</li> <li>• <u>insured items</u>.</li> </ul>
<b>DUSP 1.6.1(h)</b>	<p>One or more <u>single piece services</u> for the conveyance of <u>postal packets</u> to <u>ROW offices of exchange</u> for onward delivery to each country of the world other than countries within the European Union, where—</p> <p>(i) in relation to each country, the <u>postal packet</u> is conveyed to the <u>ROW office of exchange</u> within a period that is—</p> <ol style="list-style-type: none"> <li>(a) reasonable; and</li> <li>(b) compatible with a <u>target routing time</u> for the provision of the end-to-end service of D + 72;</li> </ol> <p>(ii) the service or services are capable of purchase by postage stamp and may be capable of purchase by other reasonable methods; and</p> <p>(iii) the service or services include provision of a <u>Certificate of Posting</u> is provided where the <u>postal packet</u> is deposited at a <u>post office</u>.</p> <p>The services must include one or more services for the conveyance of each of the following:</p> <ul style="list-style-type: none"> <li>• <u>registered items</u>;</li> <li>• <u>insured items</u>.</li> </ul>
<b>DUSP 1.6.1(i)</b>	<p>One or more <u>single piece services</u> for the onward conveyance and delivery within the United Kingdom of <u>postal packets</u> collected from <u>EU offices of exchange</u> for <u>postal packets</u> originating from each country within the</p>

	<p>European Union other than the United Kingdom, where in relation to each country, the <u>postal packet</u> is conveyed from the <u>EU office of exchange</u> to the delivery point within a period that is—</p> <p>(a) reasonable; and</p> <p>(b) compatible with the provision of an end-to-end service in which at least 85% of <u>postal packets</u> are <u>deemed delivered</u> in D + 3 and at least 97% of <u>postal packets</u> are <u>deemed delivered</u> in D + 5.</p>
<b>DUSP 1.6.1(j)</b>	<p>One or more <u>single piece services</u> for the onward conveyance and delivery within the United Kingdom of <u>postal packets</u> collected from <u>ROW offices of exchange</u>, where in relation to each country, the <u>postal packet</u> is conveyed from the <u>ROW office of exchange</u> to the delivery point within a reasonable period.</p>
	<b><i>Overseas operators</i></b>
<b>DUSP 1.6.2</b>	<p>The <u>universal service provider</u> shall use reasonable endeavours directly or indirectly to establish arrangements with <u>postal operators</u> in countries outside the United Kingdom for them to—</p> <p>(a) deliver to the <u>universal service provider</u> any <u>postal packets</u> posted from outside the United Kingdom for addressees in the United Kingdom; and</p> <p>(b) deliver to addressees within their country of operation any <u>postal packets</u> posted from inside the United Kingdom for addressees in their country of operation.</p>
	<b><i>End-to-end services to be provided free of charge</i></b>
<b>DUSP 1.6.3</b>	<p>Except as set out in DUSP 1.3, the <u>universal service provider</u> shall provide the following <u>postal services</u> free of charge throughout the United Kingdom, save as otherwise specified, and on fair and reasonable terms every day on which a collection is required by DUSP 1.5.</p>
	<ul style="list-style-type: none"> <li>• <b><i>Legislative petitions and addresses</i></b></li> </ul>
<b>DUSP 1.6.3(a)</b>	<p>A <u>domestic postal service</u> for the conveyance of <u>legislative petitions and addresses</u> within a reasonable period.</p>
	<ul style="list-style-type: none"> <li>• <b><i>Services for blind or partially sighted persons</i></b></li> </ul>
<b>DUSP 1.6.3(b)</b>	<p>A <u>domestic postal service</u> having a <u>target routing time</u> of D + 1, which conveys <u>eligible items</u> weighing up to 7 kilograms in aggregate per <u>postal packet</u>—</p> <p>(i) to <u>blind</u> or <u>partially sighted</u> persons;</p> <p>(ii) from <u>blind</u> or <u>partially sighted</u> persons; or</p> <p>(iii) from organisations representing <u>blind</u> people or providing a service specifically designed for <u>blind</u> or <u>partially sighted</u> persons.</p> <p>The service required does not include the conveyance of <u>insured items</u>.</p>

<b>DUSP 1.6.3(c)</b>	<p>The services described in DUSP 1.6.3(d) to (f) for the conveyance of <u>eligible items</u> to <u>EU offices of exchange</u> and <u>ROW offices of exchange</u> for onward conveyance to any country in the world other than the United Kingdom—</p> <p>(i) to <u>blind</u> or <u>partially sighted</u> persons;</p> <p>(ii) from <u>blind</u> or <u>partially sighted</u> persons; or</p> <p>(iii) from organisations representing <u>blind</u> people or providing a service specifically designed for <u>blind</u> or <u>partially sighted</u> persons.</p> <p>The services required do not include the conveyance of <u>insured items</u>.</p>
<b>DUSP 1.6.3(d)</b>	<p>One or more services for the conveyance of <u>postal packets</u> weighing no more than 7 kilograms, where the <u>postal packet</u> is conveyed to the <u>EU office of exchange</u> or the <u>ROW office of exchange</u> (as the case may be) within a period that is—</p> <p>(i) reasonable; and</p> <p>(ii) compatible with a <u>target routing time</u> for the provision of the end-to-end service of D + 72.</p>
<b>DUSP 1.6.3(e)</b>	<p>One or more services for the conveyance of <u>postal packets</u> weighing no more than 1 kilogram, where the <u>postal packet</u> is conveyed to the <u>EU office of exchange</u> or the <u>ROW office of exchange</u> (as the case may be) within a period that is—</p> <p>(i) reasonable; and</p> <p>(ii) compatible with a <u>target routing time</u> for the provision of the end-to-end service of D + 7.</p>
<b>DUSP 1.6.3(f)</b>	<p>One or more services for the conveyance of <u>postal packets</u> weighing more than 1 kilogram and up to 7 kilograms to any territory not listed in Annex 1 to this Condition, where the <u>postal packet</u> is conveyed to the <u>EU office of exchange</u> or the <u>ROW office of exchange</u> (as the case may be) within a period that is—</p> <p>(i) reasonable; and</p> <p>(ii) compatible with a <u>target routing time</u> for the provision of the end-to-end service of D + 7.</p> <p>A price may be charged by a <u>universal service provider</u> for the provision of a service falling within this DUSP 1.6.3(f) if the condition below is satisfied.</p> <p>The condition is that the price (“P”) for conveyance of the <u>postal packet</u> concerned were the <u>postal packet</u> to be conveyed in the provision of a service set out in DUSP 1.6.1(g) exceeds the price (“Q”) for conveyance of the <u>postal packet</u> were it to be conveyed in the provision of a service falling within DUSP 1.6.1(h).</p> <p>The price that may be charged in accordance with this is an amount not exceeding the difference between P and Q.</p>

### **1.7 Obligation to provide addressee services**

<b>DUSP 1.7.1</b>	<p>Except as set out in DUSP 1.3, the <u>universal service provider</u> shall provide the following <u>postal services</u> to addressees at affordable prices determined in accordance with a public tariff which is uniform throughout the United Kingdom, on fair and reasonable terms, and shall be available for</p>
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	acquisition every <u>working day</u> .
	<ul style="list-style-type: none"> <li>• <b>Redirection services</b></li> </ul>
DUSP 1.7.1(a)	<p>One or more services for addressees providing that during a specified reasonable period all <u>postal packets</u> addressed to a named individual should be conveyed to a postal address other than that marked on the <u>postal packet</u> (“the <u>redirection address</u>”) within a reasonable period, save that this service is not required-</p> <p>(i) where the <u>redirection address</u> is outside the United Kingdom and—</p> <ul style="list-style-type: none"> <li>• the <u>postal packet</u> contains <u>registered items</u> or <u>insured items</u>; or</li> <li>• the <u>postal packet</u> exceeds 100 grams in weight, 240 millimetres in length, 165 millimetres in width or 25 millimetres in thickness.</li> </ul> <p>(ii) in relation to <u>postal packets</u> to a particular addressee or from a particular sender or class of sender, where the provision of the service in relation to those <u>postal packets</u> would create a substantial risk of crime;</p> <p>(iii) where the address marked on the <u>postal packet</u> or the redirection address relates to premises in relation to which it is reasonable not to provide the service; or</p> <p>(iv) where the <u>redirection address</u> is a <u>delivery office</u> or a <u>post office</u>.</p>
	<ul style="list-style-type: none"> <li>• <b>Post restante services</b></li> </ul>
DUSP 1.7.1(b)	<p>One or more free of charge services for addressees, which provide—</p> <p>(i) for the address of any specified <u>post office</u> in the UK to be used as an addressee’s postal address for a reasonable period, and</p> <p>(ii) for <u>postal packets</u> for that addressee to be held at that <u>post office</u> for a reasonable period for collection by the addressee, provided, in relation to any <u>post office</u>, that it is reasonable for the <u>post office</u> concerned to be used to provide the service.</p>
	<ul style="list-style-type: none"> <li>• <b>Retention services</b></li> </ul>
DUSP 1.7.1(c)	<p>One or more services for addressees which provide for a delay for a specified reasonable period to the target delivery date otherwise applicable to any <u>postal packets</u>.</p>

### **1.8 Obligation to provide access points for the universal service**

DUSP 1.8.1	<p>Except as <u>OFCOM</u> may have directed otherwise, the <u>universal service provider</u> shall provide, or procure the provision of, <u>letter boxes</u> and other <u>access points</u> for the purpose of providing the universal postal services referred to in DUSP 1.6.</p>
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<p><b>DUSP 1.8.2</b></p>	<p>In particular the <u>universal service provider</u> must ensure that –</p> <p>(a) in the UK as a whole, the distribution of <u>letter boxes</u> is such that there is a <u>letter box</u> within half a mile (805 metres) of the premises of not less than 98% of <u>users of postal services</u>;</p> <p>(b) in the case of any <u>users of postal services</u> whose premises are not within half a mile (805 metres) of a <u>letter box</u> or other <u>access point</u>, the <u>universal service provider</u> shall provide, or procure the provision of, access to the universal service in a manner which sufficiently meets the reasonable needs of such <u>users</u>, having regard to the costs of doing so; and</p> <p>(c) the distribution of <u>access points</u> capable of receiving the largest relevant <u>postal packets</u> and <u>registered items</u> is such that –</p> <ol style="list-style-type: none"> <li>i. in the UK as a whole the premises of not less than 95% of <u>users of postal services</u> are within 5 kilometres of such an <u>access point</u>; and</li> <li>ii. in all <u>postcode areas</u> the premises of not less than 95% of <u>users of postal services</u> are within 10 kilometres of such an <u>access point</u>, and such <u>access points</u> are available to the public in accordance with conveniently published schedules.</li> </ol>
<p><b>DUSP 1.8.3</b></p>	<p>The <u>universal service provider</u> shall establish, maintain, and review annually a statement of arrangements to ensure that <u>users of postal services</u> whose premises are not within 10 kilometres of an <u>access point</u> provided pursuant to DUSP 1.8.2(c) will be provided with reasonable access to such facilities.</p>
<p><b>DUSP 1.8.4</b></p>	<p>The <u>universal service provider</u> shall establish, maintain and review annually a statement of arrangements to ensure that <u>users of postal services</u> who are <u>blind</u>, <u>partially sighted</u>, infirm through age, chronically sick, or disabled are able to post <u>postal packets</u> using the universal services regularly and as far as possible without significant cost to those <u>users</u> attributable to their difficulties.</p>

### **1.9 Obligation to meet performance targets**

<p><b>DUSP 1.9.1</b></p>	<p>The <u>universal service provider</u> shall meet the performance targets set out in Table 1 and in Table 2 for the <u>universal services</u> included in that Table, measured on average in the United Kingdom as a whole throughout the periods of 12 months ending on 31 March in each year, excluding the <u>Christmas period</u>.</p>
<p><b>DUSP 1.9.2</b></p>	<p>The <u>universal service provider</u> shall monitor or procure the monitoring of its performance in relation to the standards set out in Table 1 using an <u>appropriate testing methodology</u>.</p>
<p><b>DUSP 1.9.3</b></p>	<p>The <u>universal service provider</u> shall subject its monitoring to review annually as set out in Table 1, where:</p> <p>(a) <b>Method A</b> means the <u>universal service provider</u> shall appoint an independent person to test and give an opinion on the suitability of the methodology used; and</p> <p>(b) <b>Method B</b> means the <u>universal service provider</u> shall permit and cooperate with audit of its monitoring by persons appointed by <u>OFCOM</u> with the agreement of the <u>universal service provider</u>, which shall not be unreasonably withheld.</p>

<p><b>DUSP 1.9.4</b></p>	<p>The <u>universal service provider</u> shall monitor or procure the monitoring of its performance in relation to the D+3 standard set out in Table 2 for USO outgoing European Union services using an <u>appropriate testing methodology</u>.</p>
<p><b>DUSP 1.9.5</b></p>	<p>Where a standard in Table 1 or Table 2 is expressed by reference to <u>deemed delivery</u>, this shall entail no obligation to monitor separately each one of the ways in which <u>deemed delivery</u> may be achieved.</p>
<p><b>DUSP 1.9.6</b></p>	<p>The <u>universal service provider</u> shall at all times maintain and comply with a code of practice for identifying the incidence of, and addressing the causes of, significant failure to meet the performance targets in relation to any <u>postcode districts</u> within a <u>postcode area</u> in which the performance targets overall are met.</p>

**Table 1 – domestic standards, performance targets and monitoring**

USO	Standard	Performance target (%)	Review of monitoring method
<b>Deliveries</b>			
DUSP 1.4.1 and 1.4.2	Delivery routes completed each day upon which a delivery is required by DUSP 1.4.1 and DUSP 1.4.2.	99.90	A
	<u>Postal packets deemed delivered</u> in the UK in the provision of the universal service.	99.50	B
DUSP 1.10.2	Deliveries made every day upon which a delivery is required by DUSP 1.4.1 and DUSP 1.4.2, by the latest delivery time notified to <u>OFCOM</u> in accordance with DUSP 1.10.2.	N/A	B
<b>Collections</b>			
DUSP 1.5	Public <u>access points</u> used in the provision of any <u>postal service</u> provided pursuant to DUSP 1.6, served each day upon which a collection is required by DUSP 1.5.	99.90	A
DUSP 1.5 and 1.10.2	Collections made every day upon which a collection is required by DUSP 1.5 from <u>letter boxes</u> and other public <u>access points</u> used in the provision of any <u>domestic service</u> provided pursuant to DUSP 1.6, at or after the final time of collection advertised on the <u>access point</u> .	N/A	A
<b>Domestic end-to-end services</b>			
DUSP 1.6.1(a)	USO priority services: <u>deemed delivered</u> with an <u>actual routing time</u> of D+1.	93.0	B
DUSP 1.6.1(a)	USO priority services purchased by postage stamp and by <u>meter</u> : <u>deemed delivered</u> with an <u>actual routing time</u> of D+1 in each <u>postcode area</u> apart from HS, KW and ZE.	91.5	B
DUSP 1.6.1(a)	USO priority services purchased by postage stamp and by <u>meter</u> : <u>deemed delivered</u> with an <u>actual routing time</u> of D+1 in each of the <u>postcode areas</u> HS, KW and ZE.	N/A	B
DUSP 1.6.1(b)	USO standard services for <u>postal packets</u> weighing up to 1kg: <u>deemed delivered</u> with an <u>actual routing time</u> of D+3.	98.5	B
DUSP 1.6.1(b)	USO standard services for <u>postal packets</u> weighing more than 1kg: <u>deemed delivered</u> with an <u>actual routing time</u> of D+3.	90.0	B

DUSP 1.6.1(d)	USO registered and insured services for postal packets weighing no more than 10 kilograms: <u>deemed delivered with an actual routing time</u> as specified in accordance with DUSP 1.6.1(d).	99.0	A
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**Table 2 – EU standards and performance targets**

USO	Standard	Performance target (%)
DUSP 1.6.1(g)	USO incoming European Union services <u>deemed delivered</u> with an <u>actual routing time</u> of D+3.	85
DUSP 1.6.1(g)	USO incoming European Union services <u>deemed delivered</u> with an <u>actual routing time</u> of D+5.	97
DUSP 1.6.1(f)	USO outgoing European Union services <u>deemed delivered</u> with an <u>actual routing time</u> of D+3.	85
DUSP 1.6.1(f)	USO outgoing European Union services <u>deemed delivered</u> with an <u>actual routing time</u> of D+5.	97

**1.10 Obligation to notify and publish information**

<b>DUSP 1.10.1</b>	The <u>universal service provider</u> shall notify <u>OFCOM</u> and the <u>Council</u> of, and publish in such a manner as will ensure reasonable publicity for it – (a) the brand names of the services it provides with a view to meeting its obligations under DUSP 1.6 and 1.7; (b) the terms and conditions of those services (including prices); and (c) any proposed change to the information in (a) and (b), at least one month in advance of the date on which it is to be implemented.
<b>DUSP 1.10.2</b>	The <u>universal service provider</u> shall notify <u>OFCOM</u> and the <u>Council</u> of, and publish in such a manner as will ensure reasonable publicity for it – (a) the <u>latest delivery times</u> for the United Kingdom and the <u>specified collection times</u> ; (b) any changes it intends to make to its <u>latest delivery times</u> and its <u>specified collection times</u> not less than three months prior to the change being made; and (c) every re-classification of addresses that will result in the <u>latest delivery time</u> of an address becoming later and of every re-classification of <u>access points</u> that will result in an <u>access point's specified collection time</u> starting earlier, within one month of such a change.
<b>DUSP 1.10.3</b>	The <u>universal service provider</u> shall publish its <u>latest delivery times</u> and its <u>specified collection times</u> and shall ensure any changes to them are published within one month of the change in such a manner as will ensure reasonable publicity for them.
<b>DUSP 1.10.4</b>	The <u>universal service provider</u> shall publish, in such a manner as will ensure reasonable publicity for them, its statement of arrangements under DUSP 1.8.3 (access arrangements for premises more than 10 km from access points) and DUSP 1.8.4 (access arrangements for those facing mobility challenges).
<b>DUSP 1.10.5</b>	The <u>universal service provider</u> shall notify <u>OFCOM</u> and the <u>Council</u> and publish, no later than two months from the end of each quarter, its

	performance for that quarter in relation to - (a) all the standards in Table 1; and (b) the D+3 standard for European Union outgoing services.
<b>DUSP 1.10.6</b>	The <u>universal service provider</u> shall notify <u>OFCOM</u> and the <u>Council</u> and publish in such a manner as will ensure reasonable publicity for it, no later than two months from the end of each <u>Christmas period</u> , its performance during that <u>Christmas period</u> in relation to - (a) the D+3 standard for European Union outgoing services; and (b) all the standards in Table 1 apart from - (i) deliveries made every <u>working day</u> by the latest delivery time notified to <u>OFCOM</u> in accordance with DUSP 1.10.2; and (ii) collections made each <u>working day</u> from <u>letter boxes</u> and other <u>access points</u> used in the provision of any <u>domestic service</u> provided pursuant to DUSP 1.6, at or after the final time of collection advertised on the <u>access point</u> .
<b>DUSP 1.10.7</b>	The <u>universal service provider</u> shall notify <u>OFCOM</u> and the <u>Council</u> and publish in such a manner as will ensure reasonable publicity for it, no later than three months from 31 March each year, its performance in relation to the following standards for the period of 12 months ending 31 March, (providing both adjusted and unadjusted results when appropriate <sup>54</sup> ): (a) the D+3 standard for European Union outgoing services; and (b) all the standards in Table 1.
<b>1.10.8</b>	The <u>universal service provider</u> shall ensure that <u>OFCOM</u> and the <u>Council</u> are provided with up to date copies of the code of practice maintained in accordance with DUSP 1.9.6.

### **1.11 Obligation to maintain and review contingency plans**

<b>DUSP 1.11.1</b>	The <u>universal service provider</u> shall at all times maintain appropriate contingency plans, which set out the measures to be taken by the <u>universal service provider</u> to ensure as far as practicable the provision of the services required by DUSP 1.4 to 1.7 without interruption, suspension or restriction of any service in the event, locally, regionally or nationally, of industrial action, an emergency or a natural disaster, and implement those plans, as appropriate, where such events occur.
<b>DUSP 1.11.2</b>	At least once every two years from the <u>appointed date</u> , the <u>universal service provider</u> must review and where appropriate, update or amend its contingency plans.

<sup>54</sup> E.g. to take account of a force majeure incident.

**Annex 1**

The countries are—

- Albania,
- Andorra,
- Armenia,
- Austria,
- Azerbaijan,
- Azores,
- Balearic Islands,
- Belarus,
- Belgium,
- Bosnia-Herzegovina,
- Bulgaria,
- Canary Islands,
- Corsica,
- Croatia,
- Cyprus,
- Czech Republic,
- Denmark,
- Estonia,
- F roe Islands,
- Finland,
- France,
- Georgia,
- Germany,
- Gibraltar,
- Greece,
- Greenland,
- Hungary,
- Iceland,
- Irish Republic,
- Italy,
- Kazakhstan,
- Kirghizstan,
- Kosovo
- Latvia,
- Liechtenstein,
- Lithuania,
- Luxembourg,
- Macedonia,
- Madeira,
- Malta,
- Moldova,
- Monaco,
- Montenegro,
- Netherlands,
- Norway,
- Poland,
- Portugal,
- Romania,
- Russia,
- San Marino,
- Serbia,
- Slovak Republic,
- Slovenia,
- Spain,
- Spitzbergen,
- Sweden,
- Switzerland,
- Tajikistan,
- Turkey,
- Turkmenistan,
- Ukraine,
- Uzbekistan,
- Vatican City State.

**Table of terms defined in the Act**

*This table is provided for information and does not form a part of this condition. We make no representations as to its accuracy or completeness. Please refer to the Act.*

<b>Defined term</b>	<b>Section of the Act</b>
<i>access points</i>	29(11)
<i>legislative petitions and addresses</i>	32(2)
<i>OFCOM</i>	90
<i>postal network</i>	38(3)
<i>postal operator</i>	27(3)
<i>postal packet</i>	27(2)
<i>universal service provider</i>	65(1) and Schedule 9 paragraph 3(3)
<i>user</i>	65(1)

**Annex 10****International post box criteria**

A10.1 The following information has been provided by Royal Mail.

Table 1: Comparative statistics on postbox provision

	<b>Number of postboxes (000's)</b>	<b>Postboxes per 1000 people</b>	<b>Postboxes per 5 km<sup>2</sup></b>
UK	115.3	1.9	2.4
Austria	16.9	2.0	1.0
Denmark	9.6	1.8	1.1
Finland	7.1	1.3	0.1
France	150.0	2.4	1.4
Germany	110.0	1.3	1.5
Greece	10.0	0.9	0.4
Ireland	5.9	1.3	0.4
Italy	60.0	1.0	1.0
Luxembourg	1.2	2.4	2.2
Netherlands	18.0	1.1	2.2
Portugal	15.9	1.5	0.9
Spain	33.6*	0.7	0.3
Sweden	24.6	2.7	0.3
Australia	16.0	0.8	0.0
Japan	186.8	1.5	2.5
Norway	23.6	4.9	0.3
Switzerland	15.2	2.0	1.8
USA	205.0	0.7	0.1

Source: Universal Postal Union statistical database, 2010

\* 2008 figure

Table 2: Summary of Postbox Density Requirements in other developed countries (2012)

Country	No requirement	General requirement but no specific condition	Minimum number of total boxes	Minimum boxes per locality	Population criteria	Distance criteria
Australia*			Yes			
Austria						Yes (urban)
Belgium				Yes		
Canada*	Yes					
Denmark		Yes				
Finland		Yes				
France	Yes					
Germany			Yes**			Yes (urban)
Greece				Yes (rural)	Yes (urban)	
Ireland						Yes
Italy					Yes	
Japan*			Yes			
Luxembourg		Yes				
Netherlands						Yes
New Zealand*	Yes					
Norway*		Yes				
Poland					Yes	Yes
Portugal			Yes			
Spain	Yes					
Sweden		Yes				
Switzerland*				Yes		
United States*	Yes					

\* Not EU \*\* voluntary