

Title:

Mr

Forename:

John

Surname:

Robertson

Representing:

Organisation

Organisation (if applicable):

Veganline.com - mail order retailers

Email:

What do you want Ofcom to keep confidential?:

Keep nothing confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Additional comments:

Apologies for rambling style caused by bad short term memory

Question 1:Do you agree with our proposals for the structure and form of the safeguard cap? If not, please explain why.:

No: the act is not fit for purpose; its parts cannot be reconciled with each other. There is more sorting-out and regulation to do before a price rise.

I'll start with a general answer or scroll down to the next line of hashes for suggestions.

This part of the act requires un-attainable transparency:

http://www.bailii.org/cgi-bin/markup.cgi?doc=/uk/legis/num_act/2011/ukpga_20115_en_1.html#section-39

This part requires un-achieved fairness on the providers:

http://www.bailii.org/cgi-bin/markup.cgi?doc=/uk/legis/num_act/2011/ukpga_20115_en_1.html#section-36-5

"prices take account of the costs of providing the service or part of a service"

This part requires impossibly expensive standards of delivery, given that there is no longer a great monopoly GPO service to cross-subsidise them

http://www.bailii.org/cgi-bin/markup.cgi?doc=/uk/legis/num_act/2011/ukpga_20115_en_1.html#section-31

"one delivery of letters every Monday to Saturday-

(a) to the home or premises of every individual or other person in the United Kingdom, or

(b) to such identifiable points for the delivery of postal packets as OFCOM may approve."

royalmail.com/customer-service/universal-service#47800780

In practice a "15 minute rule" applies for one box, and no rule that I can find for two boxes together, such as a row of empty beach huts.

These different requirements defy rational solution.

If there is a universal 6-day letter post on a national tariff, where is the transparent price?

Is the VAT tax break enough to pay for it?

A Royal Mail spokesman said "That is a matter for Ofcom" on a radio 4 interview, but how is Ofcom meant to know? Trial and error?

Royal Mail's boss seems clear that there has always been cross-subsidy from delivery rounds in towns to rural deliveries, but the trial has ended and he is being forced into error; price hikes they would price Royal Mail out of the market rather than ending losses.

<http://www.guardian.co.uk/uk/2012/apr/25/royal-mail-rivals-tough-conditions>

In this first question about the "structure and form" of the price cap, I suggest that other economies need to be made first, including changes to the act or the regulations surrounding it.

There is nothing in the act about bad letterboxes, so someone needs to right some better regulations about what's reasonable.

There is nothing in the act to qualify "every individual" and their 6-day right to letter post at a national rate.

In practice I think 15 minutes attempting delivery is too much.

I don't think the cost of subsidising bad letterboxes or distant ones is calculated clearly

enough for Ofcom's own principal of "ensuring that our interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome".

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I think any price cap above inflation is unfair while bad letterboxes are charged in exactly the same way as good ones; I think the "fifteen minute rule" is too lenient. I don't think the Universal Service was ever intended to subsidise badly designed letterboxes or suburban garden paths.

<http://forums.moneysavingexpert.com/showpost.php?p=52073723&postcount=27> ...(same as <http://bit.ly/badletterbox>) is a picture of a letterbox which all of us subsidise.

By default, without anyone having ever written this down, deliveries are required to

low boxes

small boxes, which force the bell to be rung more often

stiff boxes

boxes down parallel garden paths that are separated by a fence

boxes without clear numbers on them, visible to Google Street View.

I suggest that the worst 10% of boxes get deliveries every other day.

And that standards of good letter boxes are written down - maybe with a 5cm height.

"It could easily have been done and has been suggested many times", according to someone called who signs himself "ex postie" on Moneysaving expert.

I suggest, if practical, an extra £5 on the council tax for households with the worst letterboxes, paying towards a fund for paying for improvements. Either way, this would allow Royal Mail and other roundsmen to cut costs rather than raise prices. I think this reduced obligation should be in place before a price rise above inflation is considered. To recap: I disagree with the structure and form of the safeguard cap because any price because there is no safeguard of Royal Mail's ability to be more efficient. The two should go together.

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Finally I think that the franking discount should end before ordinary online postage prices rise.

It's an unfair discount. I can't see how franked letters are cheaper for Royal Mail to sort than ones labelled with online postage. Online postage controls the format of the address, the checking of the postcode against Royal Mail's database, and in future might automate weight-checking. Packets and letters sent this way, I guess, are the easiest to automate at the sorting office: easier than franked mail.

For franked mail senders, their discount is eaten-up by requirements for old-fashioned mechanical machines made by a duopoly of suppliers, and their various tied-in service deals.

I think Royal Mail should have to explain why they still give a discount for franking before they are allowed to raise prices for the rest of us, so I disagree with the structure of the cap for that reason

Question 2: Do you agree with our recommendation of up to 53% for the maximum increase permitted by the cap (in addition to inflation)? If not, please explain why.:

No: I disagree with 53%. I think it allows Royal Mail to price itself out of the market while an unfair universal service obligation forces it to do so.

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The increase is unfair on Royal Mail. It will be forced to price itself out of the market to avoid making a loss in the short term.  
The increase is unfair on the taxpayer. In the long term they will have bigger losses as Royal Mail is priced out of the market  
The increase in use of cheap couriers will lead to extra congestion, pollution, and frustration as people wait-in for unreliable delivery times.

I can back-up by statement about Royal Mail pricing itself out of the market for my shoe and slipper packets weighing 0.5-2kg.  
I keep temporary notes of parcel prices on <http://www.veganline.com/parcel.htm> and they may still be there as you read this.  
£3.99 buys Yodel delivery from a Collectplus.co.uk shop to your door including VAT this April 2012.  
£4.19 buys Hermes delivery from my door to yours including VAT.  
£4.41 buys Royal Mail Standard Parcel Post from a sub-post office to your door, more reliably and with less pollution, this April 2012.  
£5.21 buys the same at a proposed new price after April 30th. Reluctantly I want to switch.

After the proposed rise, I'm sure you'll agree that Collectplus/Yodel and Hermes will take a much larger share of the market as their likes have done for big customers for parcels over 2kg, and more recently for the rest of us via brokers like Interparcel. Moneysavingexpert's column on courier prices doesn't even bother to list the standard parcel prices from post office to door above 2kg; it suggests that there is no point using it and I guess few of us do. The very page on Moneysavingexpert that promotes this consultation also has a link to "use the internet to post parcels over 2kg" and another saying "failed delivery - fight back!" suggesting that cheap courier networks don't work well.