

Organisation (if applicable):

Direct Marketing Association

Additional comments:

We would like to congratulate OFCOM on this comprehensive review into the needs of postal users that highlights a number of areas where the current USO may be "overdelivering". We are only responding to a few of the questions raised in the consultation at this stage - what is more important is how this research will be used.

We would urge OFCOM to use the research and conclusions as the basis for a radical overhaul of the USO obligation so that it genuinely reflects the minimum user requirements and no more.

We believe that a minimal USO will benefit the postal market as a whole by reducing the obligations on the USO provider - currently Royal mail - and the need for measures such as compensation funds.

Question 5.1:Do you have any views on our approach of using a comparison of the costs and benefits to assess the reasonable views of users:

As OFCOM itself points out these results need to be interpreted with some care since it is difficult for participants in some cases to give considered responses to the questions. Although we would broadly agree with the overall results it still represents the views of a relatively small sample. It would also be interesting to explore whether some kind of weighting would be appropriate that gave more weight to the views of postal users who had a greater influence on volumes and profitability (e.g. Direct Mailers) since this has a direct impact on the affordability of providing the USO.

Question 5.2:Do you have any views on the extent to which costs and benefits of elements of the service may change over time:**Question 6.1:Do you have any views on our approach to the monetisation of the private benefits:****Question 6.2:Do you have any views on our approach to estimating the high-level, theoretical cost savings:****Question 7.1:Do you have any views on the results presented on general satisfaction and use of post:****Question 8.1:Do you have any views on the results presented in relation to packet delivery services:****Question 8.2:Do you have any further evidence on the costs and benefits of more convenient packet services, currently and in the longer term:**

Question 8.3:Do you have any views as to whether the current provision of packet services by the postal market meets the reasonable needs of users, over- provides for the needs of users, or under-provides for the needs of users:

Question 8.4:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services:

Question 9.1:Do you have any views on the results presented in relation to next day delivery:

Question 9.2:Do you have any further evidence on needs of users in relation to next day delivery, currently and in the longer term:

Question 9.3:Do you have any further evidence on the costs of provision of next day delivery:

Question 9.4:Do you have any views as to whether next day delivery meets the reasonable needs of users, over- provides for the needs of users, or under-provides for the needs of users? :

Question 9.5:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services:

Question 10.1:Do you have any views on the results presented in relation to quality of service for First Class post:

Question 10.2:Do you have any further evidence on needs of users in relation to a high quality of service for First Class post, currently and in the longer term:

Question 10.3:Do you have any further evidence on the costs of provision of a high quality of service for First Class post:

Question 10.4:Do you have any views as to whether a high quality of service meets the reasonable needs of users, over- provide for the needs of users, or under-provides for the needs of users:

Question 10.5:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services:

Question 11.1:Do you have any views on the results presented:

Question 11.2:Do you have any further evidence or views on the needs of users in relation to the number of collection and delivery days per week, currently and in the longer term:

Question 11.3:Do you have any further evidence or views on the costs of provision of one collection and delivery day:

Question 11.4:Do you have any views as to whether six collection and delivery days meet the reasonable needs of users, over- provide for the needs of users, or under-provide for the needs of users:

We were surprised to see the findings that seem to indicate that businesses were not concerned about 6 days a week delivery. It is interesting that many residential customers appeared to value delivery on a Saturday so businesses should be taking note of this and be more responsive to what their customers want!

Question 12.1:Do you have any further evidence on needs of users in relation to existing collection times:

Question 12.2:Do you have any further evidence on needs of users in relation to collection on delivery:

Question 12.3:Do you have any further evidence in relation to the needs of users for existing delivery times:

Question 12.4:Do you have any further evidence on the impact of earlier collection or collection on delivery on the costs of provision of the universal service:

Question 12.5:Do you have any further evidence on the impact of later delivery times on the costs of provision of the universal service:

Question 12.6:Do you have any views as to whether collection and delivery times meet the reasonable needs of users, over- provide for the needs of users, or under-provide for the needs of users?:

Question 12.7:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services?:

Question 13.1:Do you have any views on the evidence presented in relation to delivery to the door or any additional evidence on this point:

Question 13.2:Do you have any views as to whether delivery to the door meets the reasonable needs of users, over- provides for the needs of users, or under-provides for the needs of users?:

We believe that delivery to the door is still an important aspect of the provision of the Universal Service. Although delivery to the edge of properties or to a central delivery point works in other countries this would represent a significant cultural change and attitude to using post.

At some point in the future this may become acceptable (consumers used to expect milk delivered to the door but this is now the exception rather than the rule) but for the foreseeable future we strongly believe that this would represent "a step too far".

Question 13.3:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services?:

Question 14.1:Do you have any views on the results from the research:

Question 14.2:Do you have any further evidence on needs of users in relation to recorded delivery (or Recorded Signed For), Redelivery, Redirection, Certificate of Posting, Return to Sender, Keepsafe, Poste Restante, Airmail, Surface mail, and International Signed For?:

Question 14.3:Do you have any further evidence on the costs of provision of these services:

Question 14.4:Do you have any views as to whether any of these services (or any of the features of these services), currently specified as characteristics of the universal service, meets the reasonable needs of users, over- provides for the needs of users, or under-provides for the needs of users? :

Question 14.5:If so, do you have any views about which characteristics of the universal service should be modified in order to meet better the reasonable needs of users of postal services:

Question 14.6:Do you think that there are any other reasonable needs of postal users that are not currently being met by the postal services market? If so, please explain what you think that need is, why it is not being met and provide any supporting evidence:

Question 14.7:Do you consider that any aspect of the current universal service (as specified in the universal postal service order and the designated universal service conditions) is no longer necessary either because (a) users' reasonable needs are being adequately met by the wider postal services market and regulation is no longer necessary or (b) there is no reasonable need for that aspect of the service:

Question 14.8:Is there, in your view, any aspect of the current universal service (as specified in the universal postal service order and the designated

universal service conditions) that you think should be modified or amended so as better to meet the reasonable needs of users of postal services:

The research itself has identified a number of areas where the current universal service already over-provides against the needs of postal users. Potential changes to delivery and collection times and, more significantly, a single speed service appear to be worthwhile changes. We would urge OFCOM, however, to also consider how user needs will be changing in the future as consumers use alternative methods of communication more and more when making recommendations based on this research.

Question 14.9:Do you have any other observations on any of the points raised in this consultation document:

We appreciate that the Universal Service in the UK is currently defined by both UK and European legislation but this research shows very clearly that the legislation needs to be reviewed to allow for changes to the USO. Without the flexibility to amend the Universal Service (as, for instance no longer requiring BT to have public phone boxes as the use of mobile phones grew) the provider of the Universal Service is burdened with unnecessary cost which potentially affects the whole postal market and, ironically, the viability of providing the Universal Service itself!

Question 14.10:Do you have any further evidence on the needs of users from the universal service: