

2022 Review of postal regulation: Redirection affordability research chart pack

Produced by: Yonder

Fieldwork: 9 - 31 August 2021

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Ofcom wanted to better understand the affordability of Royal Mail's Redirection service. Therefore, research was required to provide robust insight into this topic, particularly among vulnerable consumers. Specifically, objectives focus on the following:

1. Understand accessibility of Royal Mail's Redirection service;
2. Identify price point affordability and differences by demographic groups;
3. Evaluate motivations, perceptions and type of subscriptions used.

Sample

- 3,571 adults aged 18+ in the UK
- Sample included online boosts among some potentially vulnerable groups
- CATI boosts applied for those with no internet at home and within this group an additional boost of those who have moved house in the last 5 years
- ‘Recent movers’ is those who have moved home in the last 12 months
- Quotas set on region, gender, age, and working status

Data collection

- Online and CATI interviews
- Conducted by Yonder Consulting
- Fieldwork from 9th August to 31st August 2021

Data reporting

- Weighted to be nationally representative of the UK and of recent home movers as per English Housing Survey; full details can be found in the appendix
- During fieldwork, we found that a small number of respondents indicated that they had moved home within the last 12 months but said they had used Redirection service (slightly) longer ago than that. We recontacted these individuals to ask an additional question to clarify whether they had used the Royal Mail Postal Redirection when they last moved home.
- Data available in Excel tables (aggregated), SPSS and CSV (respondent level)
- Significance testing applied at the 95% confidence level

Section 1 – Accessibility of the service key findings

58% of those who moved and are aware of the service used it in the last 12 months, which equates to 47% of all who moved in last 12 months

However, those with a lower household income are less likely to have used the service.

One-in-seven scored 8+/10 agreement that using the service led to cutbacks on other essential spending

This rises to one-in-five amongst the following groups: those aged 18-34, those who are receiving benefits, those that have restricted mobility and those that have no internet access at home.

Amongst those who did not use the service, one-in-ten cite not being able afford it without cutting back on other essentials as the reason why

One-in-five who are receiving benefits did not use the service because they couldn't not afford to do so (without cutbacks elsewhere).

Notifying contacts or collecting mail themselves were the main alternatives used instead of using the Postal Redirection service

A majority were satisfied with the alternative solution they used; however, a quarter were worried about losing mail as a result.

Section 2 – Price point affordability key findings

A minority of respondents knew the correct price for the Postal Redirection service

When those who have used the service found out the cost, four-in-ten felt it was higher than they thought it would be, compared to one-in-ten who felt it was less than they were expecting.

Three-in-ten adults said that they would not be able to afford to use the service at the current 3-month price (£33.99 for the lead applicant)

The median price point at which they said they could afford to pay across all respondents was £30; this falls to £27 amongst those who have not used the service previously and around £25 for those who are currently receiving benefits.

Increasing awareness of Royal Mail's Postal Redirection discount service and offering a one-month redirection option could improve uptake amongst those who currently find the service unaffordable or poor value for money.

Most of the UK were not aware of the discount scheme that was available at the time of our research and around half felt they would be able to afford the service if they were offered a 20% discount. Over half felt a one-month redirection option would make the service more affordable too.

Section 3 – Motivations, perceptions & subscription used, key findings

Forgetting and/or providing more time to notify a contact and the importance of mail are the main reasons for using the Postal Redirection service

Those aged 55+ are especially likely to cite the above reasons for why they used the service.

The service was typically used for 3-6 months; seven-in-ten added at least one extra person from their household to their subscription

A third renewed their subscription once the initial period ended, forgetting to notify a contact was the primary reason for renewing.

A majority would use the service again and around half feel the service is essential

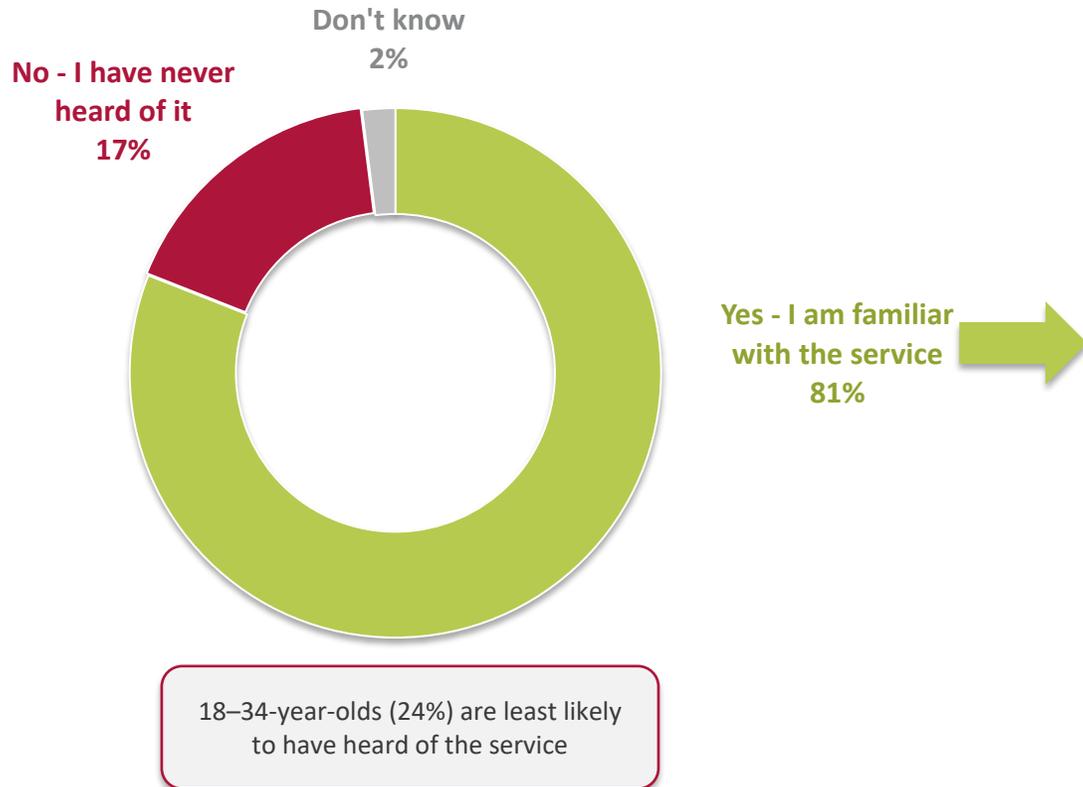
However, perceptions on the time period options available is more mixed; older respondents are more positive towards the service than their younger counterparts.

Section 1

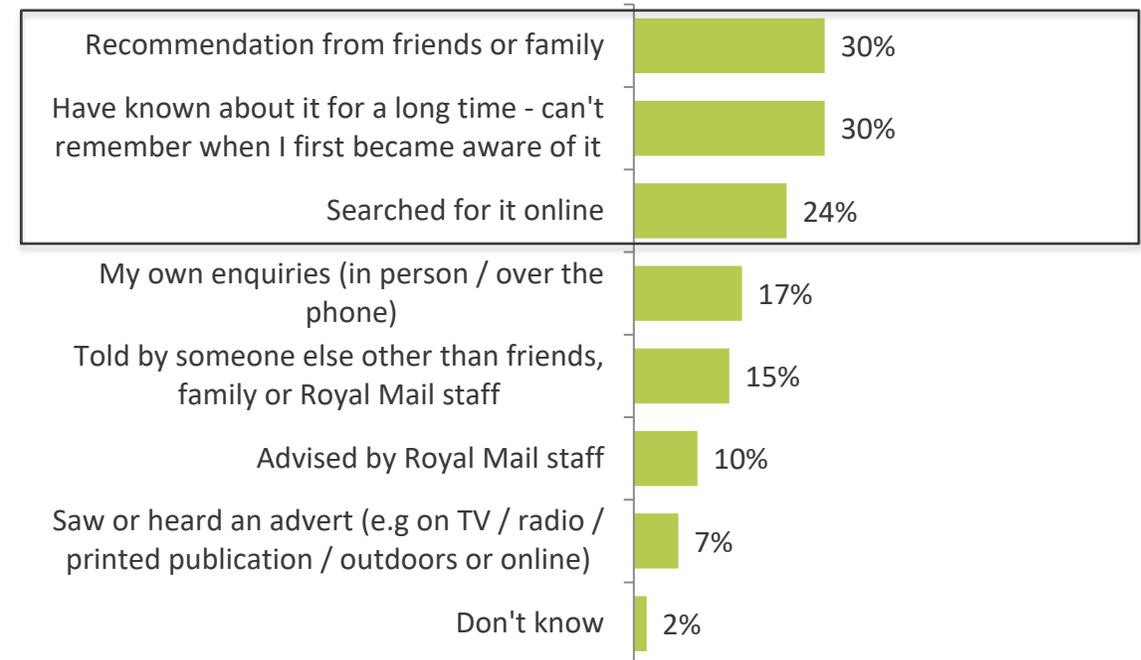
Accessibility of the service

Over four-in-five who moved in the last year are familiar with the Postal Redirection service; recommendations, knowing about it for a long time and online searches drive awareness

Familiarity with the Royal Mail's Postal Redirection service amongst those who moved in last 12 months & how heard about the service



How became aware of Royal Mail's Postal Redirection service



Source: Post-Affordability Study

Question: Q14. Are you familiar with Royal Mail's Postal Redirection service? This is Royal Mail's service where you can arrange to redirect your post to another address for a set period of time. People who move home often make use of it to allow time to inform people and organisations of their new address. Q15. How did you become aware Royal Mail's Postal Redirection service?

Base: All who moved in the last 12 months (1,017); All 18-34 year olds (1,043); : All who moved in the last 12 months who are familiar with the Postal Redirection service (857)

58% of those who moved and are aware of the service used it in the last 12 months, those with lower household income or renting are less likely to have used

Usage of Postal Redirection service amongst all who moved in the last 12 months and are familiar with the redirections service

Net: Ever used

69%

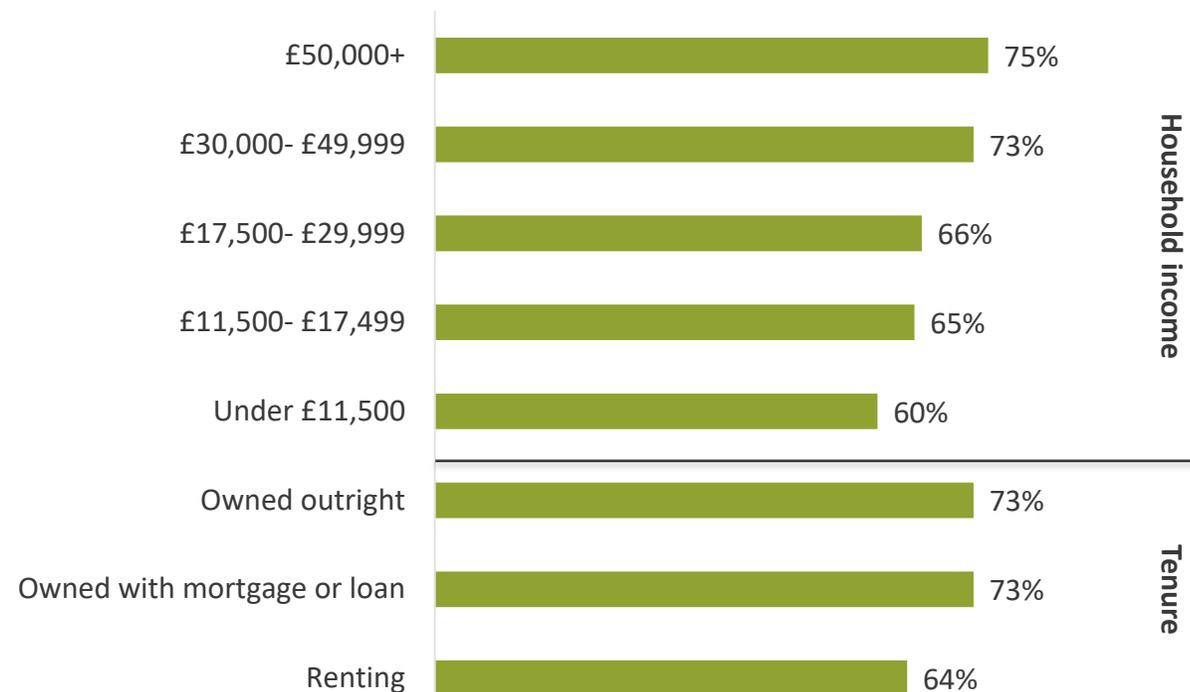
- Used it recently - in the last year
- Used it 1-2 years ago
- Used it more than 2 years ago
- Don't know/ remember



Equates to 47% of all who moved in last 12 months

All who moved in the last 12 months and are familiar with the redirections service

Net: Ever used by annual household income & tenure*



*Responses based upon all who are familiar with the postal redirection service

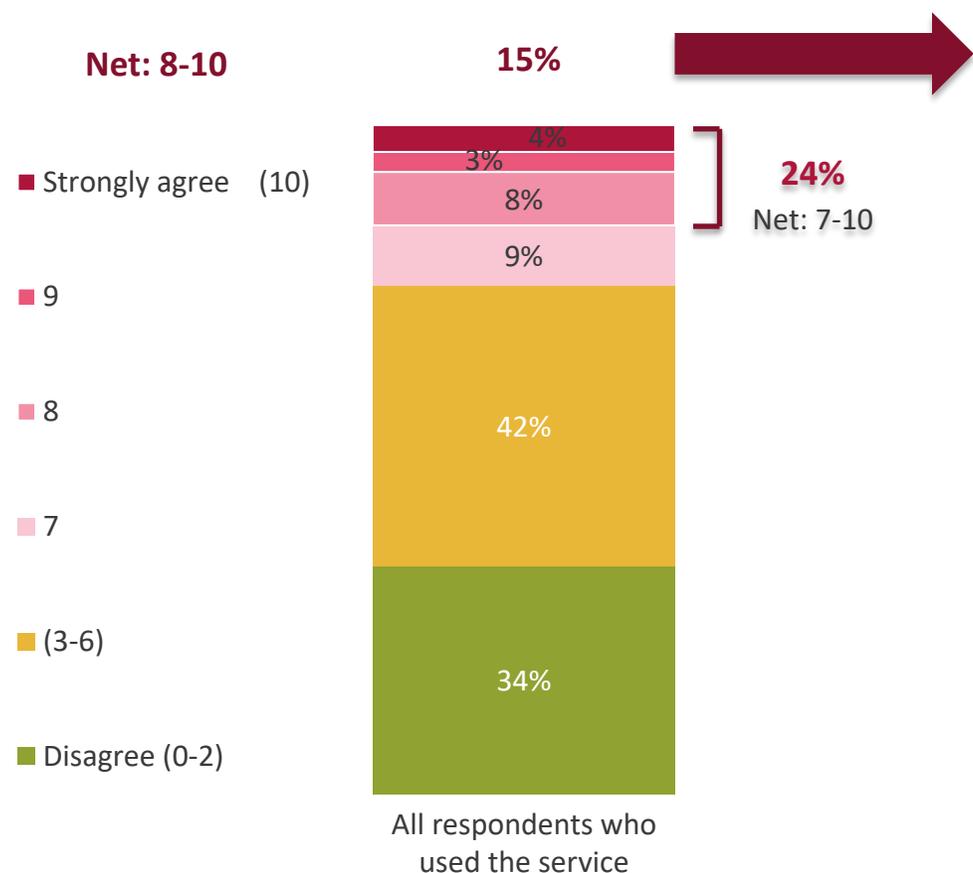
Source: Post-Affordability Study

Question: Q16. Which best describes your use of Royal Mail's Redirection service?

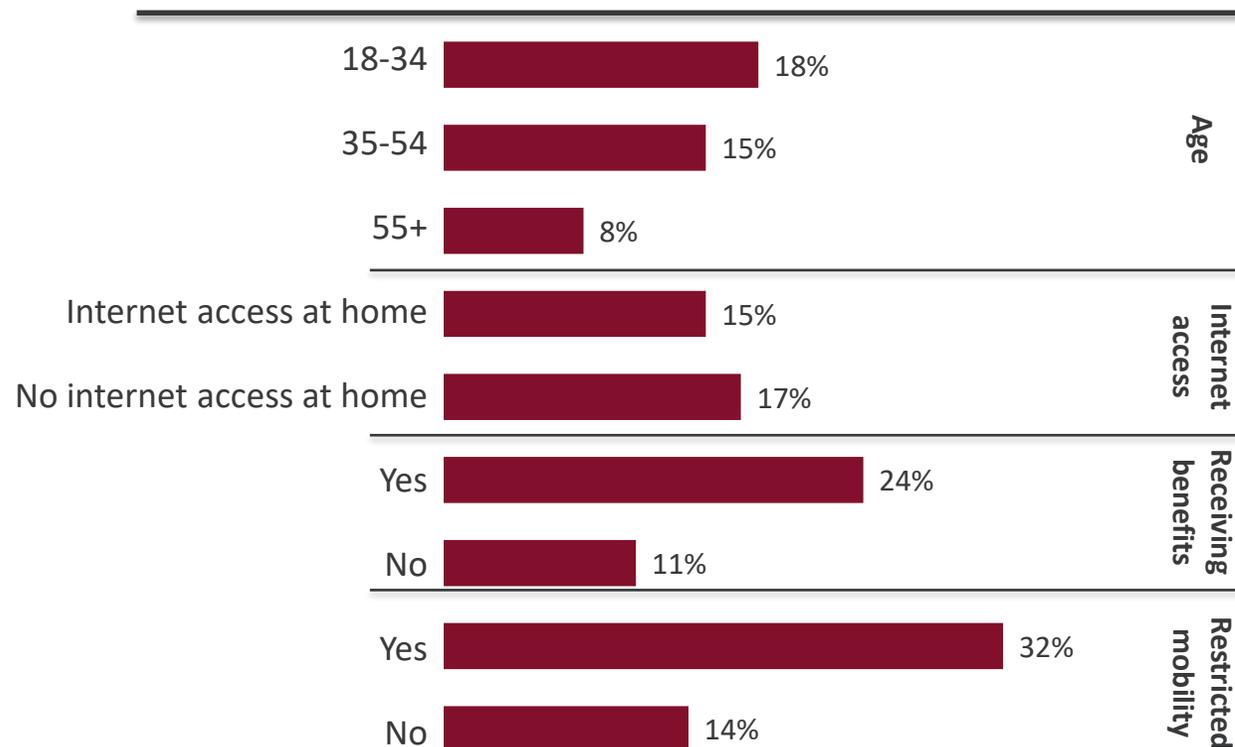
Base: All who moved in the last 12 months and are familiar with the redirections service (857); Annual household income (263-837), Tenure (917-1,138) who are familiar with the Postal Redirection service; All moved in the last 12 months (1,017)

Around one-in-seven who have used the service needed to cutback on other essential spending; this was most prevalent amongst the following groups: young adults, those receiving benefits, and those with restricted mobility

Agree or disagree that paying for the postal redirection service caused cutbacks on essential spending to be able to afford the service



Net: 8-10 agreement that they needed to cutback on essential spending to be able to afford the service



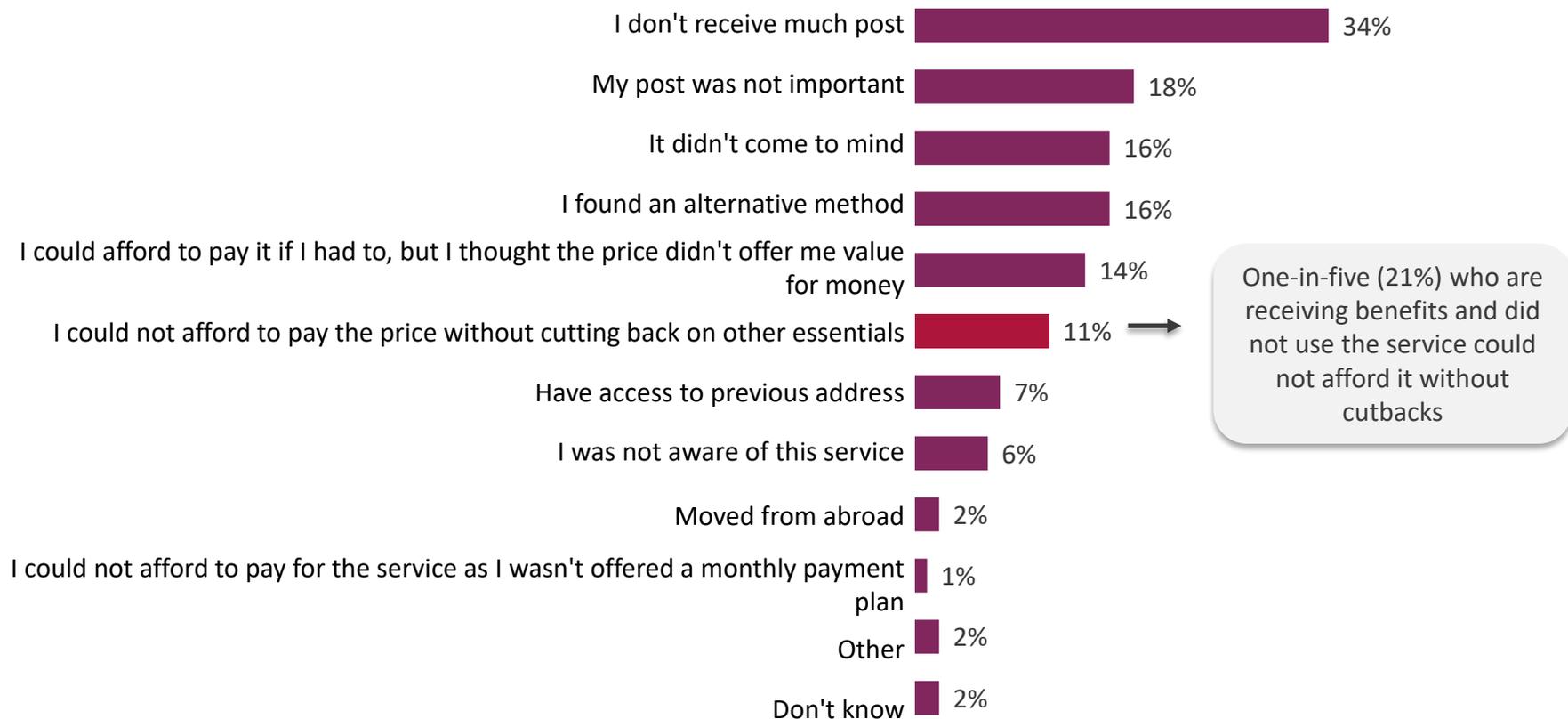
Source: Post-Affordability Study

Question: Q32. To what extent do you agree that paying for the Royal Mail Postal Redirection service caused you to cut back on your essential spending to be able to afford the service. Essential spending would include utility bills, housing costs, groceries, school supplies and medicines? By this we mean that you would be able to afford the service without having to cut back on your essential spending such as utility bills, housing costs, groceries, school supplies and medicines. Please use a 0-10 scale, where 10 means you are strongly agree and 0 means you are strongly disagree."

Base All who moved in past 12 months and used the services (617); Age (138-257); Internet access (600-1,17*); Receiving benefits (170-1,440); Restricted mobility (93* -1,511) *Caution low base

Amongst those who did not use the service, one-in-ten cite not being able afford it without cutting back on other essentials as the reason why

Reasons for not using the Post Redirection Service amongst all who moved in the last 12 months and did not use Redirections



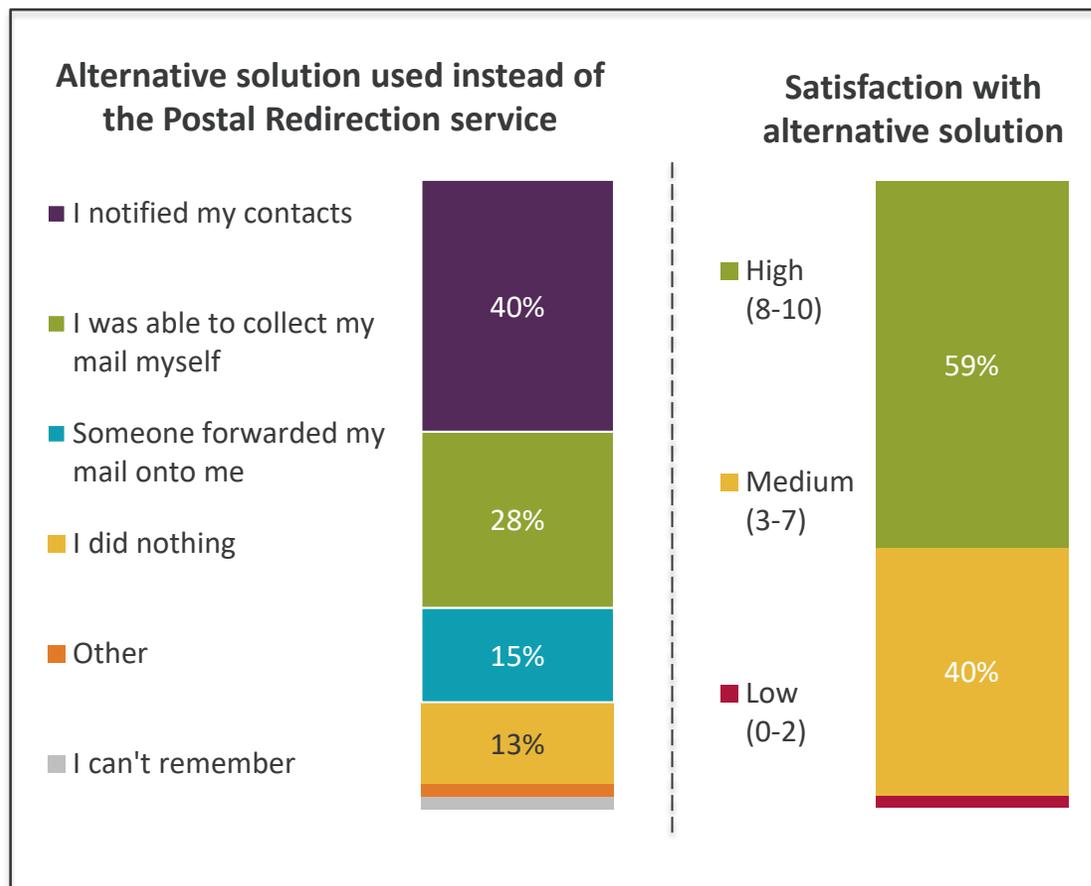
Source: Post-Affordability Study

Question: Q23. You previously mentioned that you didn't use the Royal Mail's Postal Redirection service when you moved home. What were the reasons for not using this service?

Base: All who moved in the last 12 months who did not use the Postal Redirection service (293); Receiving benefits (71*) *Caution low base

Notifying contacts or collecting mail themselves were the main alternatives used; a majority were satisfied with this solution, though a quarter were worried about losing mail as a result

Satisfaction with alternative solution amongst all who moved in the last 12 months



Issues experienced as a result of not using the Postal Redirection service



Source: Post-Affordability Study

Question: Q25. As a result of not using the redirection service to forward your mail, what did you do instead? Q26. You've just said [pipe answer from Q25]. On a scale of 0-10, with 10 being satisfied and 0 being dissatisfied, how satisfied were you with this as an alternative to the Royal Mail Post Redirection Service? Q27. Did you experience any of the following as a result of not using the Royal Mail's Postal Redirection service?

Base: All who moved in the last 12 months who did not use service (293); All who moved in the last 12 months who did not use service excluding people who answered did nothing/can't remember at Q25 (249)

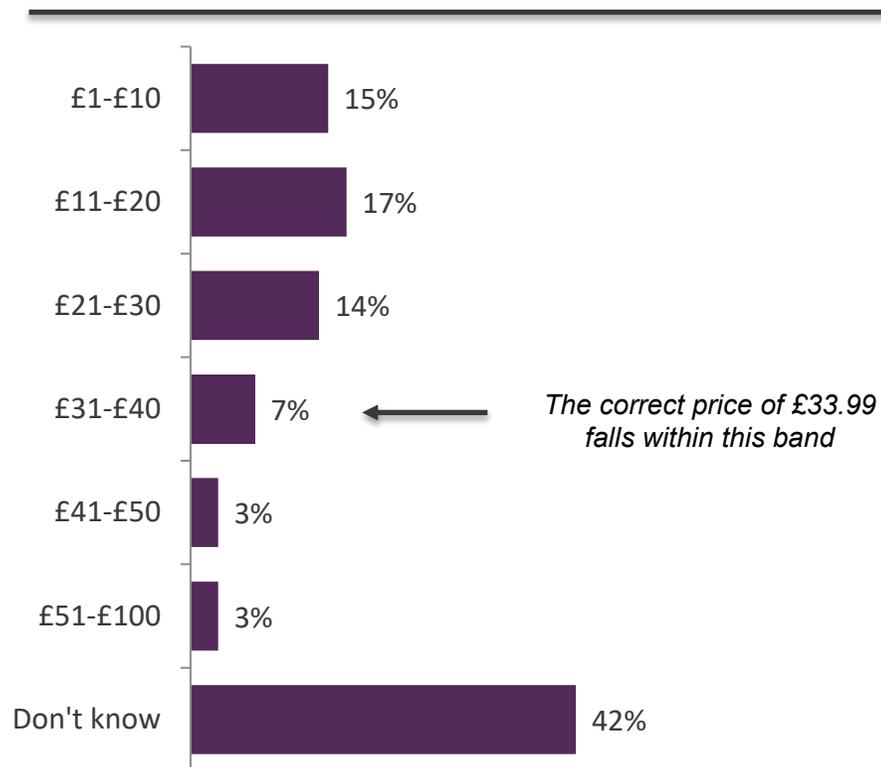
Section 2

Price point affordability

On average, across the population, the current price of the Postal Redirection service is slightly higher than people might expect it to be

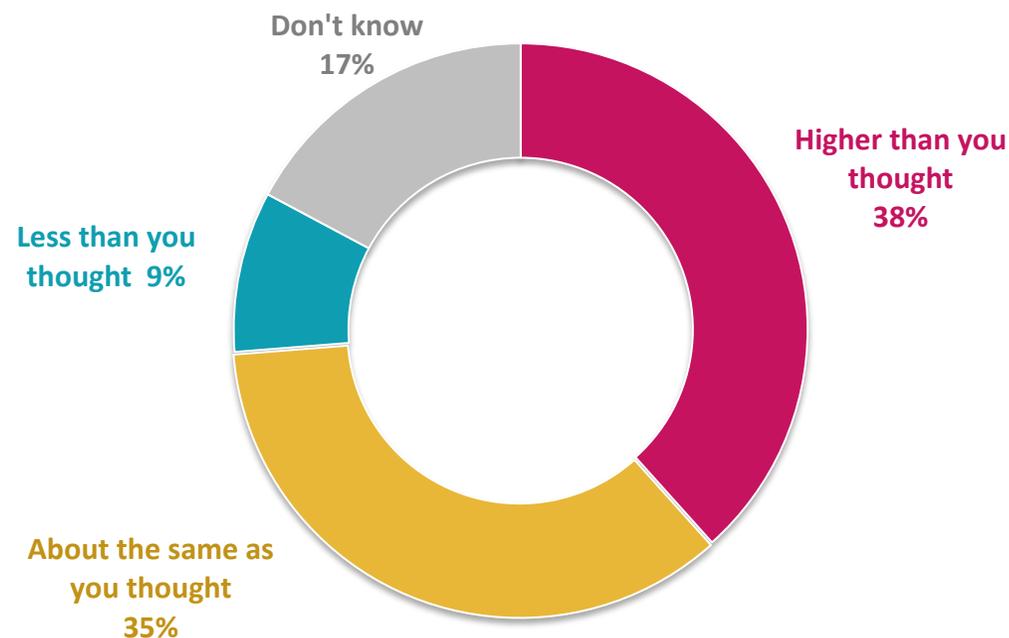
Perceived & reaction to current three months cost per person for the Postal Redirection service

Spontaneous estimate of price



Reaction to finding out the actual cost of the Postal Redirection service at point of purchase

(Amongst those who have used the Postal Redirection service)



Source: Post-Affordability Study

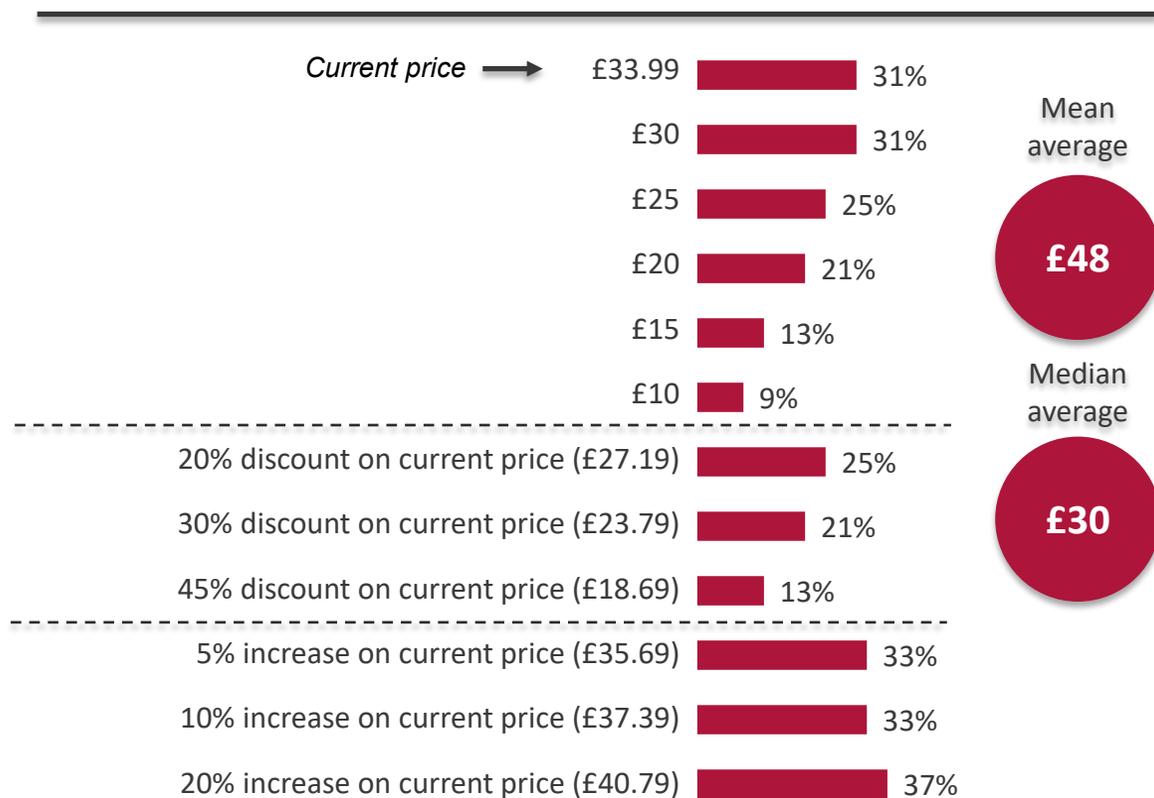
Question: Q29. The Royal Mail Redirection service allows an individual's mail to be redirected to a new address in the UK for a fee. How much do you think this service costs per person for three months? Q31 Thinking back to when you found out the price of the service when you paid for the service, was this price...?

Base All respondents (3,571); All respondents who used and were familiar with the Postal Redirection service (2,163)

Three-in-ten adults stated that the price they would be able to afford was below the current 3-month cost for the service

Price point that would result in cutbacks on other essential spending to use the service

Price point that would lead to cutbacks on other essential spending



User groups least able to afford:

User group	% who stated they cannot afford current price	Mean average price stated that would lead to cutbacks	Median average price stated that would lead to cutbacks
No internet access at all	48%	£31	£16
Social grade E	42%	£31	£20
Receiving benefits	39%	£38	£25
Financially vulnerable	39%	£41	£30
Restricted mobility	38%	£41	£29
Household income less than £11,500	38%	£51	£24
Never used the service	36%	£48	£27

Source: Post-Affordability Study

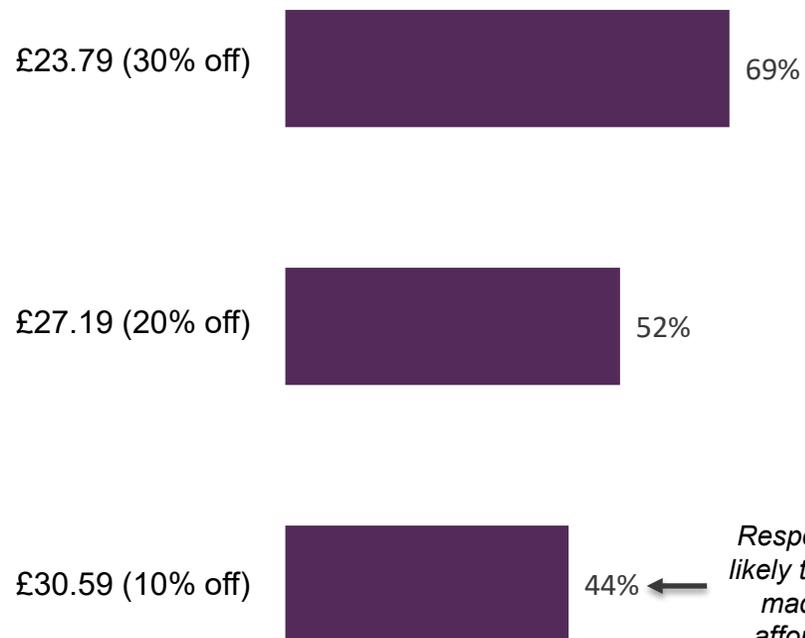
Question: Q30. At what price do you think you would not be able to afford the Royal Mail's Postal Redirection service, because you would have to cut back on other essential spending? (Open ended)

Base: All respondents (3,571); No internet access at all (154); Social grade E (318); Restricted mobility (451); Household income less than £11,500 (317); Financially vulnerable (1,571); Receiving benefits (881); Never used the Postal Redirection service (845)

A 30% discount would make the service affordable for 7 in 10 of home-movers who say they could not afford to use the Redirections service

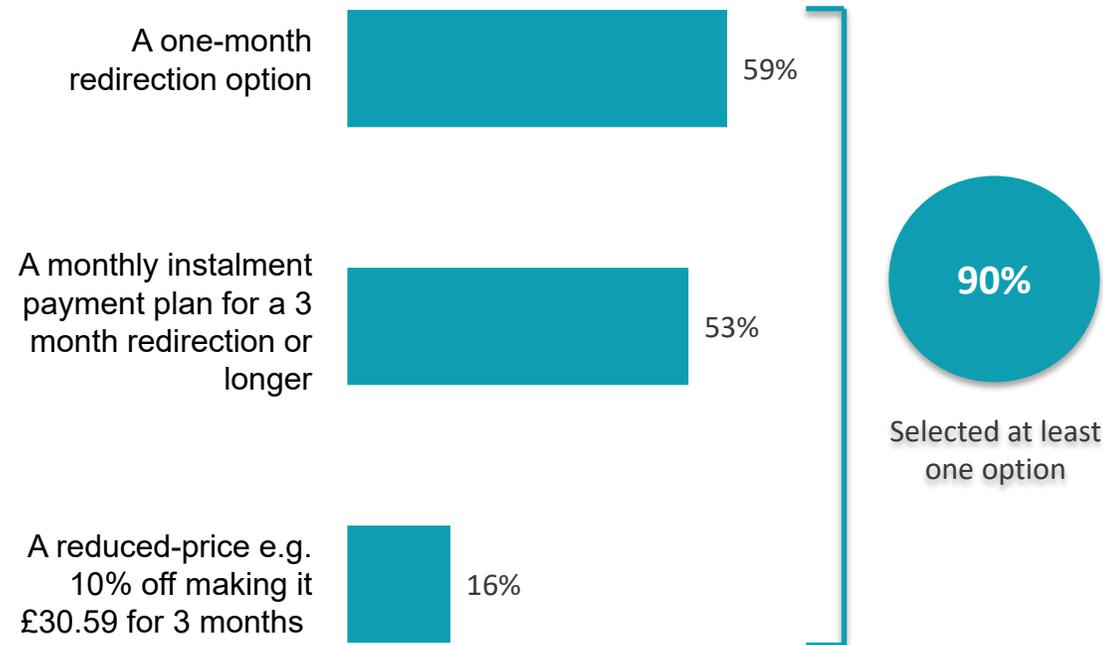
Solutions to make the redirection service more affordable amongst those who cannot afford **Caution – very small sample size for all data on this slide.**

Discount voucher required for the service to be affordable



Respondents were far less likely to feel a reduced-price made the service more affordable vs. a voucher

Options that make the service more affordable



Source: Post-Affordability Study

Question: Q33/34/35 summary. If you had been given a voucher that gave you 10%/20%/30% off of the price of the 3 month Postal Redirection service making the price £30.59/£27.19/£23.79 would it have been affordable to you? Q36. Which of these would make it more affordable for you to use this service in the future?

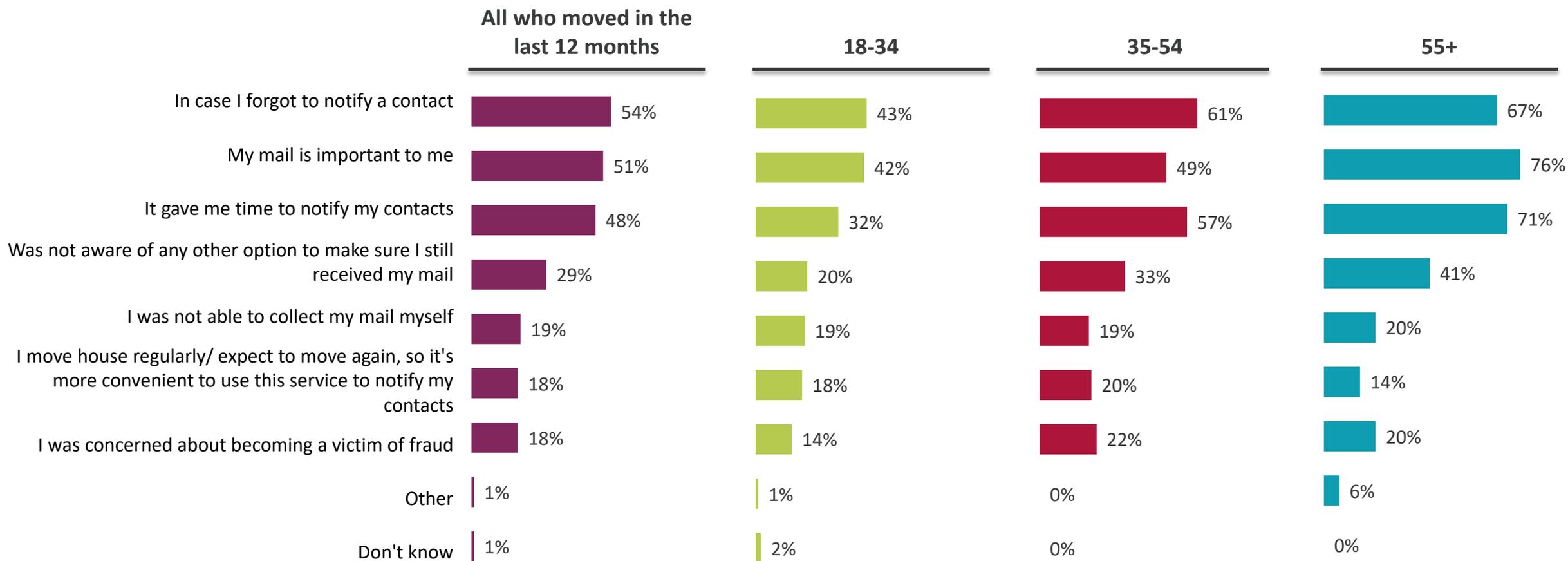
Base All respondents who moved but did not find redirection service affordable or VFM exc those who 'could afford to pay it but thought the price didn't offer VFM (31*) *Caution low base

Section 3

Motivations, perceptions & subscription used

Forgetting and/or providing more time to notify a contact and the importance of mail are the main reasons for using the Postal Redirection service, especially amongst older adults

Reasons for using the Postal Redirection service



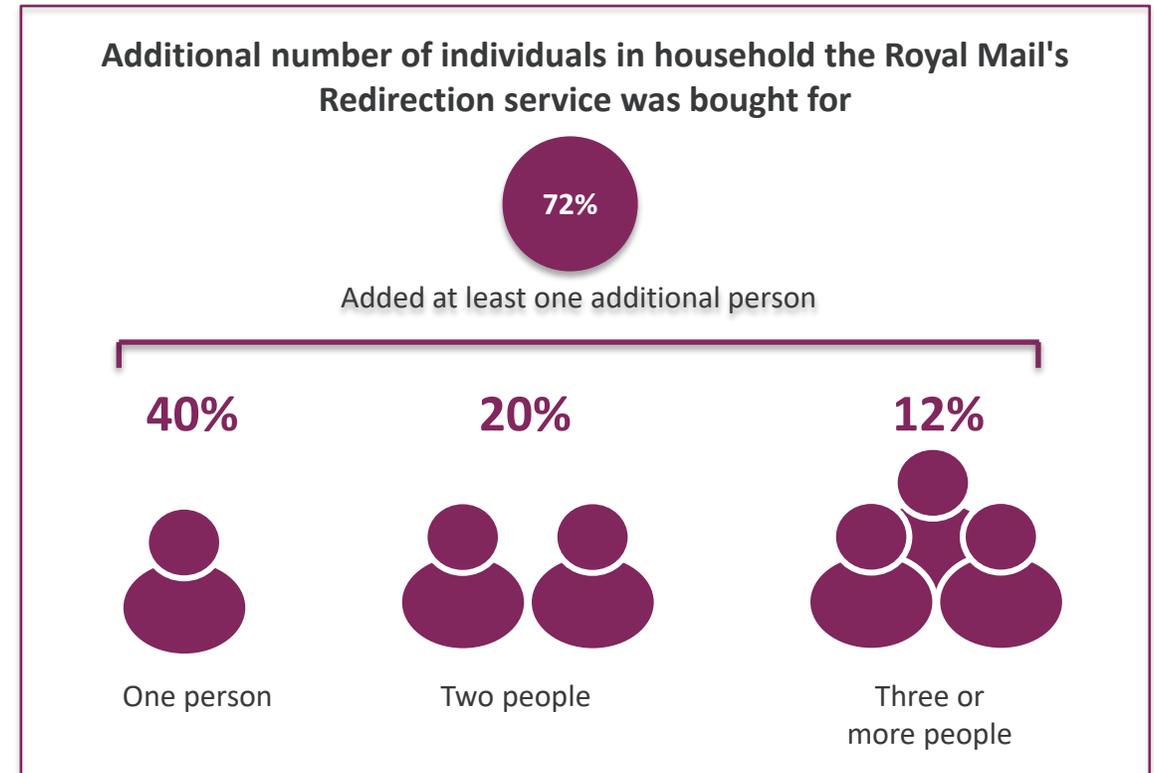
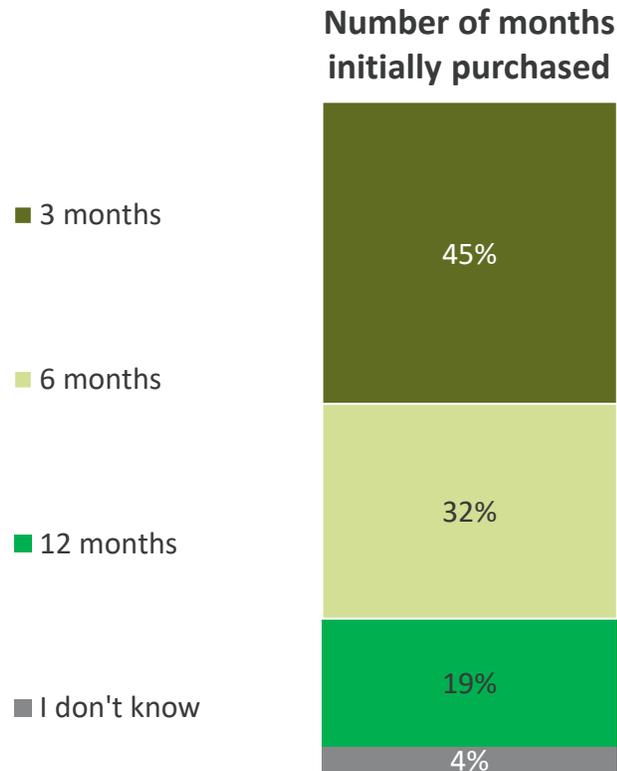
Source: Post-Affordability Study

Question: Q21. You previously mentioned that you used the Royal Mail's Postal Redirection service. What were your reasons for [initially] using this service?

Base: All who moved in the last 12 months who used and were familiar the Postal Redirection service (551); Aged 18-34 (230), 35-54 (205), 55+ (143)

The service has been typically used for 3-6 months in the past 12 months; seven-in-ten added a least one extra person from their household to their subscription

Initial number of months and people the Postal Redirection service was bought for amongst all who moved and used it in the last 12 months



Source: Post-Affordability Study

Question: Q17. How many months did you initially purchase the Royal Mail's Redirection service for? Q18. How many additional named individuals in your household did you purchase the Royal Mail's Redirection service for?

Base: All who moved in the last 12 months who have used and were familiar with the Postal Redirection service (617)

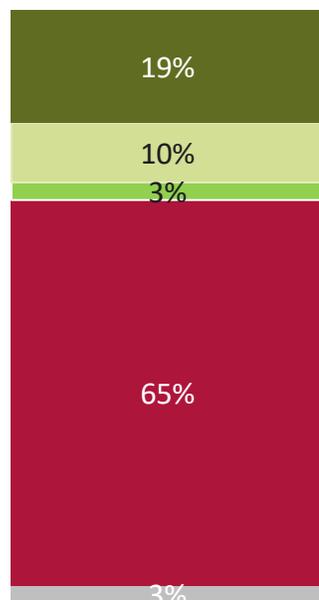
A third renewed their subscription once the initial period ended; concern about forgetting to notify a contact was the primary reason for renewing

Proportion who renewed the post redirection service and reasons why amongst all who moved in the last 12 months

Net: Renewed

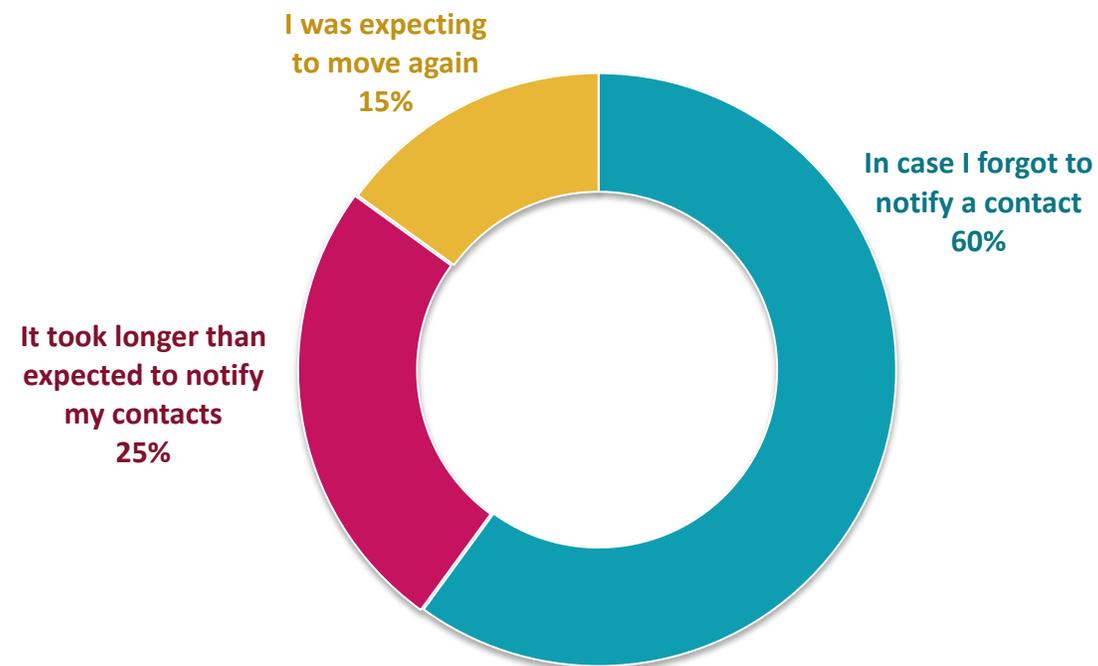
32%

- 3 further months
- 6 further months
- 12 further months
- Did not renew
- I can't remember



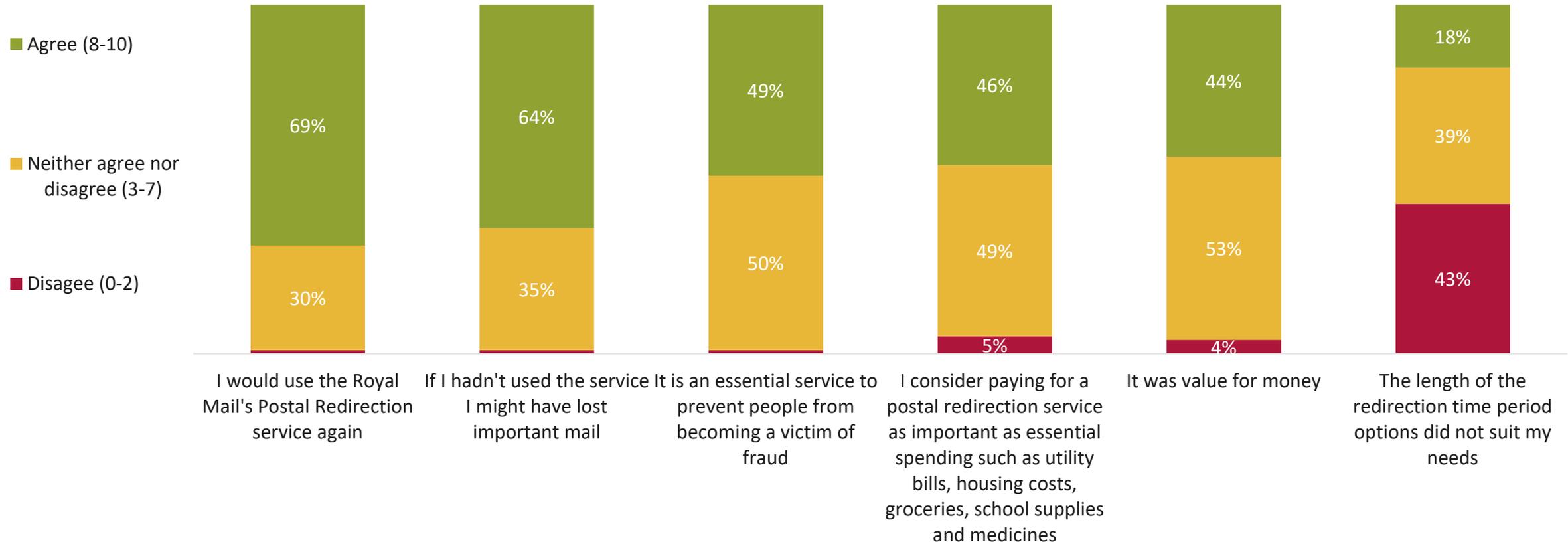
NB Since this is based on those who moved in the past 12 months, some of those who 'did not renew' may subsequently go on to renew when their initial period expires.

Reasons for renewing subscription



A majority would use the Postal Redirection service again, and around half feel the service is essential and a similar proportion say it was value for money

Perceptions of the Postal Redirection service amongst all who moved in the last 12 months and used the service



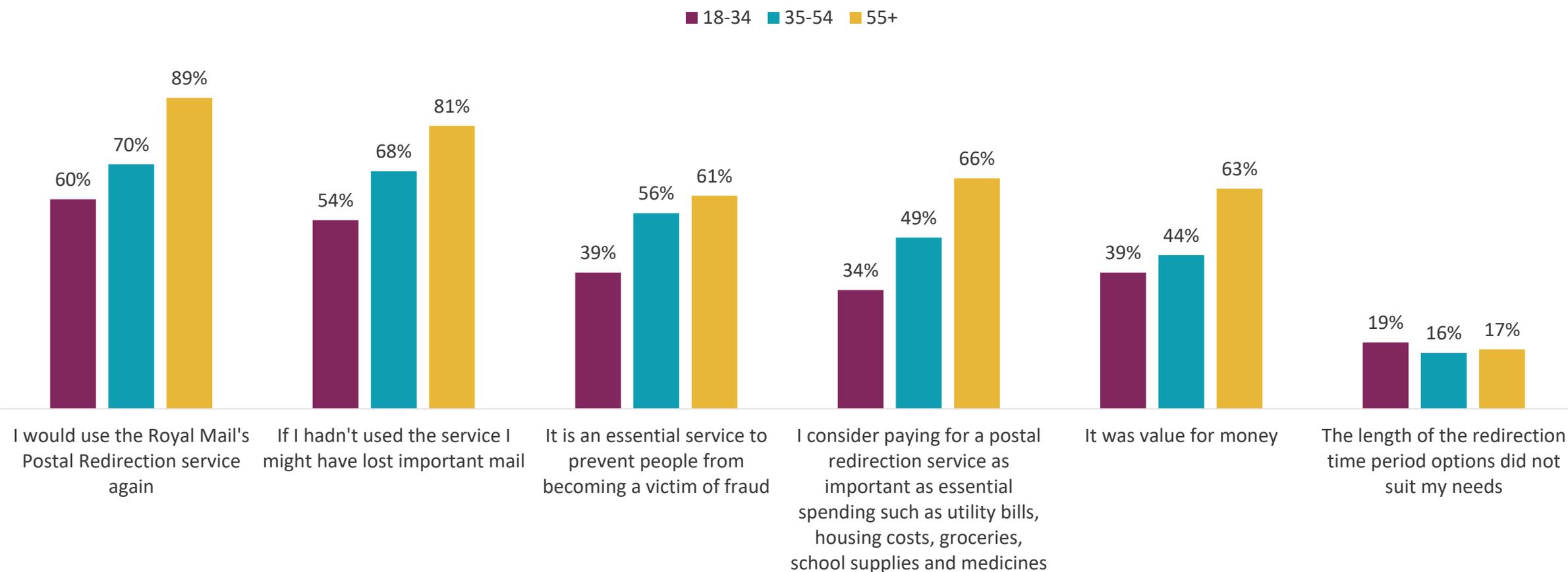
Source: Post-Affordability Study

Question: Q28. To what extent do you agree with the following statements regarding the Royal Mail's Postal Redirection service?

Base All who moved in the last 12 months who used and were familiar with the Postal Redirection service (551)

A greater proportion of older respondents have positive perceptions of the Postal Redirection service than their younger counterparts

Perceptions of the Postal Redirection service amongst all who moved in the last 12 months and used the service : Agree (8-10) by age



Source: Post-Affordability Study

Question: Q28. To what extent do you agree with the following statements regarding the Royal Mail's Postal Redirection service?

Base All respondents who used and were familiar with the Postal Redirection service aged 18-34 (230), 35-54 (205), 55+ (147)

APPENDIX

Weighting

Home-movers profile

Home-movers are classed as all those who have moved home in last 12 months (from online core sample) or last 5 years (from CATI boosts)

Rim weights were applied to this population for tenure, age and working status in line with the English Housing Survey home movers' profile

(<https://www.gov.uk/government/statistical-data-sets/new-households-and-recent-movers>). Although this survey is carried in England only, it was thought that it would be a useful proxy for the profile of UK home movers and more in line with the demographic profile of home movers than the Census nationally representative profile of the UK.

Total sample

The Home-movers weighted profile were incorporated into the total sample. The online boosts for those who moved home more than 12 months ago and core sample were weighted as per table below. The incidence for the online sample has been ascertained from previous Yonder studies. The CATI 'No internet access at home' boost was weighted to UK incidence of 10%. The CATI home-movers those who 'Moved in the past 5 years and have no internet access at home' boosts was weighted to UK CATI incidence of 12.5% and those who moved home in the last 12 months was weighted to UK incidence of 10%.

Online and offline weights were not applied as the proportion of offline CATI sample was too small.

Online sample	Incidence in the UK
Low-income households (under £11,500 per year)	9%
Those aged 16-44	45%
Those aged 65+	23%
People renting (from council, housing association or privately)	37%
People with restricted mobility/ability to leave home	5%
People who receive a high volume of post (at least once a week)	35%
People living in remote/rural areas of the UK (village or hamlet)	20%
England	85%
Scotland	8%
Wales	5%
NI	3%
Urban Scotland	7%
Urban Wales	3%
Urban NI	3%