

**Ofcom Advisory Committee for Scotland (ACS)
Response to Consultation on Review of Postal Needs**

ACS welcomes the opportunity to respond to the consultation document on Postal Needs. We would like to reiterate the importance of the retention of uniform and affordable pricing across the UK. This is a key issue in many rural (and indeed non-rural) areas in Scotland. Most alternative carriers add large surcharges for the delivery of packets and parcels to certain postcodes, regardless of their actual remoteness, including for example, the whole of the city of Inverness.

Below is a brief summary of issues the ACS would like to draw attention to.

1. Maintaining the universal service for letters and particularly parcels is especially important in rural areas, where online shopping is often more popular than in better-served urban areas. Schemes allowing Leave with a Neighbour or Leave in a Safe Place are particularly important for users living further away from Delivery Offices and Post Offices, and the ACS welcomes the roll-out of these.
2. Postbox density is an issue, particularly in rural areas where petrol prices are very high, and a long drive may be necessary to reach the next available postbox. However, we also accept that it is not viable to keep postboxes that are not being used. ACS would like to suggest a test to be applied before postboxes are removed: for example, a postbox should only be removed if it has not been used in the past 6 months.
3. The difficulty of getting new postboxes in new estates, and the time this takes, is a problem. It can currently take years before a new estate gets a postbox. The ACS would like to see the process for this streamlined and made far quicker.
4. The condoc suggests a single tier postal service, in part due to high levels of First Class usage. We consider the current market usage is skewed by the very small differential between First and Second Class pricing, which leads users to choose First Class when they don't really need it. For example, 'Small Packet' costs are £2.40 for Second Class, and £2.70 for First Class, a minimal difference. A Second Class stamp is 50 pence, and a First Class stamp costs 60 pence. Particularly in rural areas, users might well be willing to pay more for First Class when they need it quickly, if they could pay less for Second Class if they are relaxed about timing. It would be interesting to look at the effect on the market of a differential closer to 30 to 40%, providing the price changes were proportionate, i.e. First Class were dearer but Second Class were to become considerably cheaper.
5. ACS would like Ofcom to explore the possibility of encouraging other carriers to make more use of Royal Mail for 'final mile' deliveries. This would be a means to reduce prohibitive additional costs for delivery to remote areas and the islands by many companies. Presumably this would need to tie in with improved tracking of items, and some kind of formal handover of responsibility for items between the initial carrier and Royal Mail. Would it be possible for Ofcom to facilitate the development of this by relaxing the rules around universal pricing to the extent that Royal Mail could actually charge a lower price for packets transferred to them in certain cities (Oban, Inverness?) for delivery to certain rural postcodes?