



 THE CHURCH  
OF ENGLAND

ARCHBISHOPS'  
COUNCIL

Canon Dr Jill Hopkinson  
National Rural Officer

30 January 2012

Chris Rowsell  
Ofcom  
Floor 4  
Competition Group  
Riverside House  
2A Southwark Bridge Road  
London, SE1 9HA

Dear Mr Rowsell

### **Ofcom – Review of Regulatory Conditions Postal Regulation**

This response is from the Mission and Public Affairs Council† of the Archbishops' Council of the Church of England. The Archbishops' Council is a registered charity, which gives strategic direction to the work of the Church of England, engages with Government and other bodies and supports and resources parish churches.

*Q4.1 Do you agree that we have identified the correct characteristics of a universal service in order to ensure that the universal service remains essentially the same? If not please identify those characteristics that should or should not be specified in the order, and provide reasons.*

Yes. Whilst we agree with the characteristics described for the universal service it will be essential to provide a clear definition of 'affordable' prices. Without a clear understanding of what is meant by affordable, particularly for those on the lowest incomes, even with a price cap on second class standard letters, costs may become excessive.

The introduction of a price cap for standard second class stamps is welcomed but to make the whole universal service both affordable and accessible the price cap should be extended to all second class services.

*Q4.3 Do you agree redelivery and return to sender are part of the characteristics of universal services and should be specified in the order? Please also provide the reasons for your view.*

Yes, both redelivery and return to sender should both remain part of the universal service and should be specified in the order.

(1) Redelivery. This is an essential part of the universal service and is important for many people, particularly for the many millions of households who are out at work or in full-time education for most of the day. Redelivery of items or the ability to make use of the caller's service are an essential way of receiving post. Only requiring a single attempt at delivery without additional charge or under very rigid conditions would cause a great deal of inconvenience for a great many people and not least for Royal Mail itself. We urge that both redelivery and caller's service are retained as part of the universal provision.

(2) Return to sender. This service should continue to remain free of charge to householders and businesses receiving incorrectly addressed mail, particularly where it is unsolicited mail. In addition items that are not delivered but correctly addressed should also be returned to sender free of charge.

*Q4.4: Do you agree return to sender should not continue to be required to be provided free of charge? If not please provide your reasons.*

Return to sender should remain free for those receiving incorrectly addressed mail or items that are not delivered but correctly addressed. This should not be an optional additional service to be charged for at posting as only those who could afford it would use it, and there is a danger of Royal Mail accumulating a large number of undelivered / returned letters and parcels that ultimately would need to be disposed of.

*Q4.5 Do you think the notification period for changes to the list of services provided as part of the universal service should be one month, or three months?*

The notification period should be three months to allow sufficient time to respond to or challenge the changes.

*Q5.1 Do you agree with a proposed condition to require Royal Mail to provide a universal postal service in line with specified characteristics, which requires them to meet specified standards; requires the provision of access points to particular criteria and which will now also require them to publish a list of universal service products, and to notify us and customers of any changes to that list? If not, please explain why.*

Yes. It is important that the universal service is provided against specified characteristics that are measurable and that are monitored regularly. It is only with careful monitoring and reporting that an assessment can be made of whether to change aspects of the universal service or the provision of access points.

*Q5.4 Do you agree with our proposal to reduce the notice period for price and non-price changes to universal services to one month? If not, please provide evidence to support your view.*

The reasons for doing this are clear and understandable but it would be potentially confusing to have two different notice periods relating to changes to the universal service provision.

*Q8.1 Do you agree with our proposed drafting for the Second Class price cap DUSP Condition? If not, please provide your reasons.*

It is extremely concerning that the proposed price cap formula immediately raises the price of a standard second class stamp from its current more affordable price of 36p, to almost the current price of a standard first class stamp. This represents a

minimum increase of 25% from the current price. If the proposed upper value of 55p is selected this represents in excess of a 50% increase which would be unacceptable. It is unclear from the consultation document why there is a need to start the cap with such a significant price increase from the current cost of a standard second class stamp.

Relating subsequent price increases to an annualised average RPI clearly has positive benefits from a business planning perspective.

It is important to extend the cap to all second class postal services.

Yours sincerely

A handwritten signature in cursive script that reads "Philip Fletcher".

Philip Fletcher  
Chair, Mission and Public Affairs Council

‡The Mission and Public Affairs Council of the Church of England is the body responsible for overseeing research and comment on social and political issues on behalf of the Church. The Council comprises a representative group of bishops, clergy and lay people with interest and expertise in the relevant areas, and reports to the General Synod through the Archbishops' Council.