

Communications Consumer Panel and ACOD's response to Ofcom's consultation on retaining the safeguard cap on second class stamp prices

About us

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the voice of UK consumers, citizens and micro-businesses is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular, people who may be in a more vulnerable position in society. We commission research, provide advice and encourage Ofcom, governments, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro-businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales, respectively. They consult with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Our response

The Panel is a strong advocate for universal access to affordable, reliable communications services - including postal services - and we passionately believe in retaining the safeguard cap to protect postal services users for at least a further five years.

Our engagement with other consumer advocates across the UK, as well as charities and not-for-profit organisations, strengthens our view that this level of regulatory protection is still needed in the digital age. Consumers use second class post as a gateway to services across sectors, particularly when they are not able to use email on online forms.

We welcome Ofcom's consumer research in this area and urge Ofcom to continue to measure the success of the postal services sector in providing what consumers, citizens and micro-businesses need, affordably and reliably. We note that one of the consultation questions asks whether the proposals might impact any group of people with a protected characteristic. We believe that every consumer and citizen may fall into a number of characteristics and to understand the postal services user experience it is vital to listen to the voice of consumers and citizens - and micro-businesses - through commissioning independent research and also by engaging with consumer groups, charities and not-for-profit organisations that represent the diverse range of needs and requirements present across the UK consumer and citizen landscape.

Our meetings with participants of our National Hubs demonstrate that the cost-of-living crisis is deeply impacting consumers and citizens' everyday lives and choices, and increasing use of debt across the UK. Affordability and predictability of costs is vital in every sector, to prevent consumers and citizens having to choose between food, heating, hygiene and communications or postal services. Postal services are a way of keeping citizens connected, as well as an empowerment tool for people who are not digitally connected, such as those applying for jobs, submitting legal paperwork or making a complaint to a provider or a Freedom of Information request to a public sector body. Making these services less affordable by allowing the price of the lowest cost service to increase above inflation would exclude digitally excluded citizens further.

We would also urge Ofcom to retain the safeguard cap on Royal Mail's parcel services. Royal Mail is a trusted brand across the UK, particularly in rural areas, as we heard from consumers in our most recent research study '[The Struggle for Fairness](#)'. Participants in our [previous research](#) into the experiences of parcel services users across the UK who, for distinct reasons required additional support to use parcels services also shared with us positive perceptions of Royal Mail over some of the other parcel deliver companies. We heard from micro-businesses that they would send parcels via Royal Mail to demonstrate to a customer that they had taken care with their delivery; from the family of a citizen with dementia that she would only open the door to receive a parcel from Royal Mail, as she recognised the uniform; and from those living too far from alternative collection points that the delivery of parcels from a known member of Royal Mail's postal delivery staff meant that their parcel would be delivered to a safe place on their property, rather than to a neighbour elsewhere in the village.

We note that Ofcom has the power to step in if it finds any material concerns regarding affordability during the five year period. However, we would ask Ofcom to consider the impact of rising costs to the sender, on the recipients of parcels. While competition may exist, competition only works if everyone has access to it. For those tied to using Royal Mail's parcel services for the benefit of those they are sending the parcel to, that competition is inaccessible and the end result may be that consumers in vulnerable circumstances lose out, or that micro-businesses, so vital to the UK economy are put at further risk of failing. These are details that will be difficult for Ofcom to measure the material cost of, and the material cost - and social cost - may not be known until it's too late for Ofcom to step in. Therefore we believe that a more proportionate measure may be to retain at least a partial cap, or a discount system, to protect those sending or receiving parcels via Royal Mail who are not protected by competition.

We welcome Ofcom's prior and further engagement with the Panel and its National Hubs and seek to continue to collaborate with Ofcom and others to protect the rights of the UK's postal services users, particularly those with additional access requirements.

Our previous responses to Ofcom's consultations on postal services can be found [here](#).