



# **Review of the universal postal service and other postal regulation**

**Response by the Consumer Council for Northern Ireland  
10 April 2025**

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# 1. Overview of our response

The Consumer Council for Northern Ireland welcomes the opportunity to respond to the 'Review of the universal postal service and other postal regulation' from Ofcom.

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We welcome the extensive research carried out by Ofcom to understand the reasonable needs of postal users. Alongside this, we urge Ofcom to consider our body of consumer research related to postal services, which has a specific focus on Northern Ireland.

Northern Ireland has unique considerations. We have a more vulnerable population, higher levels of rurality than the rest of the UK, geographical separation from the remainder of the UK market, a land border with the European Union (EU) namely Republic of Ireland (ROI) and a legislative environment impacted by regulatory divergence.

We have concerns regarding the proposed alternate weekday delivery model alongside the removal of Saturday deliveries for second class letters. The model may reduce the opportunity for Royal Mail to deliver second class mail on certain days, which gives them a lower margin for error on specific delivery days. Under this model, Royal Mail may be at risk of missing quality of service targets unless approximately half of the second class mail volumes are accelerated. Such delays will directly impact consumers. We encourage Ofcom to undertake comprehensive impact assessments of the Royal Mail pilots to evaluate how the model works in operation, and share this with consumer bodies, before making any changes.

We disagree with the proposal to reduce the quality of services targets. Our research, and that conducted by Ofcom, highlights how consumers value the reliability of mail arriving on time. The research shows ongoing consumer concerns with the current quality of service. There is no evidence to indicate that the proposed reduction to quality of service targets will protect consumers from detriment. We believe that for the proposed new Universal Service Obligation (USO) to represent an evolution in meeting consumer needs, the quality of service targets should not be reduced.

We welcome the introduction of the 'tail of the mail' targets. Those individuals whose mail has missed the primary quality of service target will have greater assurances that the secondary target will incentivise Royal Mail to deliver their mail as soon as possible. This has the potential to limit the extent of delays.

We encourage Ofcom to consider how the current consumer protections within the USO could be enhanced, taking best practice learning from other markets and enhancing the services offered on standard USO products, such as the inclusion of tracking.

## 2. About the Consumer Council

The Consumer Council is the statutory consumer representative body for Northern Ireland, responsible for protecting, empowering consumers and representing consumers, promoting their interests.

We operate under our sponsor department, the Department for the Economy (DfE), on behalf of the Northern Ireland Executive.

We are an insight-led evidence-based organisation:

- Providing consumers with expert advice and confidential guidance.
- Engaging with government, regulators and consumer bodies to influence public policy.
- Empowering consumers with the information and tools to build confidence and knowledge.
- Protecting consumers by investigating and resolving consumer complaints under statutory and non-statutory functions.
- Undertaking best practice research to identify and quantify emerging risks to consumers.
- Campaigning for market reform as an advocate for consumer choice, welfare and protection.
- Our statutory powers cover consumer affairs, energy, transport, water and sewerage, postal services and food affordability and accessibility.

These legal responsibilities are drawn from legislation, licences given to companies working in Northern Ireland, and cooperation agreements set in memorandums of understanding. The work we carry out also aligns with a number of the Articles in the Protocol on Ireland and Northern Ireland<sup>1</sup> (NI Protocol).

Our non-statutory functions educate, empower and support consumers against discriminatory practices in any market through advocacy work, as well as education and outreach programmes covering a broad range of topics including promoting consumer rights, financial inclusion and a more sustainable energy future.

We serve Northern Ireland's 1.9 million citizens and champion consumers in everything we do. We prioritise those who are disabled or chronically sick, who are of pensionable age, who are on low incomes and who live in rural areas.

We have responsibilities under the Rural Needs Act 2016 and Section 75 of the Northern Ireland Act 1998. Our aim is to ensure government policies recognise consumer needs in rural areas and promote equality of opportunity and good relations across a range of equality categories.

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<sup>1</sup> [Protocol on Ireland and Northern Ireland](#), House of Commons Library

## 2.1 Our role in super-complaints

We are also a designated super-complaints body set up under the Enterprise Act 2002<sup>2</sup> and the Financial Services and Markets Act 2000 Order 2013<sup>3</sup>.

Under both Acts, if the Consumer Council believes any feature or combination of features of a market in the United Kingdom (UK) is, or appears to be, significantly harming the interests of consumers, we can raise a super-complaint on behalf of consumers to the following regulators: Civil Aviation Authority (CCA), Competition and Markets Authority (CMA), Financial Conduct Authority (FCA), Office of Communications (Ofcom), Office of Gas and Electricity Markets (Ofgem), Office of Rail and Road (ORR), Payment Systems Regulator (PSR), Northern Ireland Utility Regulator (Utility Regulator) and Water Services Regulation Authority (Ofwat).

Under the Gas and Electricity Licence Modification and Appeals Regulations (Northern Ireland) 2015<sup>4</sup>, we can appeal to the CMA if we believe a modification by the Utility Regulator to the licence of a gas or electricity provider is detrimental to the interests of consumers.

## Our role in postal services

Alongside our statutory obligations under The Order, the Consumer Council has certain functions in relation to postal services.

Department for Business and Trade (DBT) is our partner Department, who fund our consumer advocacy work in Northern Ireland for postal services.

The Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 transferred National Consumer Council functions for consumer matters in relation to post in Northern Ireland to the Consumer Council.

This transferred to the Consumer Council certain functions of the National Consumer Council under the Postal Services Act 2000<sup>5</sup>, the Consumer Estate Agents and Redress Act 2007<sup>6</sup> and the Postal Services Act 2011<sup>7</sup>.

The Consumer Council therefore took on the functions of the National Consumer Council (which was abolished) relating to consumer matters in Northern Ireland for postal services.

Our work in postal services focuses on carrying out research, influencing policy, providing advice and information, and investigating complaints made by consumers in vulnerable circumstances, and gives us information gathering and investigation powers to help fulfil this statutory function.

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<sup>2</sup> [Enterprise Act 2002](#), UK Parliament

<sup>3</sup> [Financial Services and Markets Act 2000 Order 2013](#), UK Parliament

<sup>4</sup> [Gas and Electricity Licence Modification and Appeals Regulations \(Northern Ireland\) 2015](#), Northern Ireland Assembly

<sup>5</sup> [Postal Services Act 2000](#), UK Parliament

<sup>6</sup> [Consumer Estate Agents and Redress Act 2007](#), UK Parliament

<sup>7</sup> [Postal Services Act 2011](#), UK Parliament

## 3. Our approach

In this section, we have set out our approach to the consultation on 'The review of the universal postal service and other postal regulation' from Ofcom.

### 3.1 Consumer protection principles

The Consumer Council uses eight guiding principles to assess where the consumer interest lies, and develop and communicate our policies, interventions and support.

They provide an agreed framework through which we approach regulatory and policy work and ensure we apply a consistent approach across statutory and non-statutory functions, and in our engagement with consumers and stakeholders.

**Figure 1: Consumer protection principles**



They serve to protect consumers, setting out minimum standards expected from markets when delivering products or services in Northern Ireland.

They frame our policy position and approach to addressing emerging detriment and resolving consumer disputes with industry, offering a straightforward checklist to analyse and validate outcomes, in particular amongst vulnerable consumer groups.

## 3.2 Northern Ireland consumer position

Before setting out our response, we feel it is important to highlight some key considerations about the consumer position in Northern Ireland.

Northern Ireland has unique considerations with a more vulnerable population, a regional market, geographical separation from the remainder of the UK market, a land border with the Republic of Ireland (ROI) and European Union (EU), and a legislative environment impacted by regulatory divergence.

Consumer detriment levels in Northern Ireland can be significant but given our relatively small population in comparison to the UK, the detriment our consumers face can sometimes struggle to be prioritised, reported and monitored on, at a national level.

### We are more rural

Northern Ireland represents just 3% of the total UK population<sup>8</sup> but we have more than double the proportion of citizens living in rural areas (36%)<sup>9</sup> compared to England (17.1%)<sup>10</sup> and Scotland (17%)<sup>11</sup>.

This is particularly relevant as our population growth in rural areas from 2001-2020 has outstripped urban areas by a factor of almost three to one (20% to 7%)<sup>12</sup>. Rurality can heighten vulnerability in some markets and supply chains.

### We are more vulnerable

Every day, we support consumers with expert, confidential advice and services.

Between April 2021 and March 2024, we have supported over 70,000 consumers through to our consumer helpline and free and independent complaint investigations, and outreach and education programmes across Northern Ireland. Our casework shows heightened vulnerability with more complex and multi-faceted needs.

This work is underpinned by our extensive portfolio of consumer monitoring and research into their lived experiences, expectations and perspectives. We therefore have unique insights into the socio-economic trends influencing consumer behaviour and confidence, and the challenges and opportunities they face.

We also take quarterly temperature checks of the cost of living impacts on consumers in Northern Ireland. Our latest Pulse Survey from August/September 2024<sup>13</sup> found:

- 43% felt that their household was worse off when compared to 12 months ago and only about a third (32%) believed their household would be better off in 12 months' time.

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<sup>8</sup> [Population for the UK, England, Wales, Scotland, and Northern Ireland: Mid-2023](#), October 2024, Office of National Statistics

<sup>9</sup> [NI: IN PROFILE Key statistics on Northern Ireland](#), November 2022, Northern Ireland Statistics and Research Agency

<sup>10</sup> [Rural population and migration](#), October 2021, Department for Environment, Food and Rural Affairs

<sup>11</sup> [Rural Scotland Key Facts 2021](#), February 2021, Scottish Government

<sup>12</sup> [Key Rural Issues: Northern Ireland](#), 2023, Department of Agriculture, Environment and Rural Affairs

<sup>13</sup> [Consumer Pulse Survey](#), August/September 2024, Consumer Council

- Almost three quarters (74%) agreed they could keep up with bills and buying essentials, but 18% said they have £50 or less each month, with 36% stating they have £150 or less left over each month, after mortgage/rent and all essential bills had been paid.
- 43% agreed dealing with financial matters was a burden and nearly two in five (38%) agreed their mental health was negatively affected by their financial situation.
- Three in five (62%) stated they have had to cut back on spending on essentials after their mortgage/rent and any loan or overdraft payments have been made.

## We are less well off

The Consumer Council has monitored household income and expenditure since 2021. The latest Northern Ireland Household Expenditure Tracker<sup>14</sup> found half of our households had less than £103 per week after paying taxes and essential spending.

Between July and September 2024, our lowest earning households:

- Had a total household income per week before tax of just over £287, which is 6% lower than the UK average.
- Had just under £52 per week after paying taxes and paying for essentials, which is 19% lower than the peak of Q1 2021, of just over £64.
- Spent half (50%) of their total basic spending on food and non-alcoholic beverages, housing, water, electricity, gas and other fuels, and transport.
- Are more reliant on social securities, with 70% of income coming from benefits compared to 61% for lowest earning households in the UK.

## We have lower financial resilience

Northern Ireland has lower financial capability and our citizens are twice as likely to use cash to pay for things<sup>15</sup>. We also have the highest rate of economic inactivity at 26.3%<sup>16</sup> compared to 21.8% in the UK<sup>17</sup>, and double the Disability and Carer's Benefit claimants<sup>18</sup> at c22.1%, compared to GB at c11.1%<sup>19</sup>.

Illegal lending remains an issue that is particularly prevalent in Northern Ireland, although it is accepted that the problem is significantly underreported. Our recent study into consumers' views and behaviours in response to the rising cost of basics<sup>20</sup> found 3% of respondents reported using illegal lenders.

<sup>14</sup> [Household Expenditure Tracker Q3 2024](#) February 2025, Consumer Council

<sup>15</sup> [Financial Lives 2022](#), Financial Conduct Authority, July 2023

<sup>16</sup> [Economic Inactivity](#), Ulster University, January 2024

<sup>17</sup> [UK Labour Market Overview: October 2024](#), Office of National Statistics, 15 October 2024

<sup>18</sup> [Northern Ireland Benefits Statistics Summary](#), August 2024, Northern Ireland Statistics and Research Agency (published 27 November 2024)

<sup>19</sup> [DWP benefits statistics: November 2024](#), Department for Work & Pensions

<sup>20</sup> [Consumers' views and behaviours in response to the rising cost of basics](#), March 2024, Consumer Council



Northern Ireland's largest debt advice charity, Advice NI, reported their debt service was dealing with increasingly higher levels of illegal lending, with nearly £40,000 of debt dealt with during 2022-2023, averaging approximately £3,600 per debt. This was an increase of 61% from 2021-2022<sup>21</sup>.

## We are a micro business economy

Northern Ireland is a micro business economy with the registered business population accounting for just under 3%<sup>22</sup> of the total UK figure (2.7 million in 2023)<sup>23</sup>.

There are:

- 80,045 businesses registered for VAT and/or PAYE
- 89% or 71,425 are micro-businesses with less than 10 employees
- Just over 2% (1,725) of our businesses are medium or large businesses
- Four in ten businesses (40% or 32,060) with a turnover of less than £100,000
- Just over one in ten (13% or 10,095) with a turnover in excess of £1 million.

Many micro and small businesses act like consumers. They share similar experiences, problems and concerns and can operate at similar levels of market engagement and understanding, and redress.

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<sup>21</sup> [Living in a Post-Pandemic World, September 2023](#): Advice NI

<sup>22</sup> [Northern Ireland Business; Activity, Size Location and Ownership, 2024](#) Northern Ireland Statistics and research Agency

<sup>23</sup> [UK Business; activity, size and location: 2024](#), Office for National Statistics

## 4. Background and context

### Royal Mail

Royal Mail Group (Royal Mail) is the largest postal operator in the UK and the only one which currently provides UK wide end-to-end letter delivery services. Royal Mail is the designated universal service provider and is required to deliver a range of postal products across the UK to homes and businesses at an affordable price.

### Universal Service Obligation

The USO in its current form comprises the minimum requirements set out by Parliament in the Postal Services Act 2011<sup>24</sup> with the scope of services and other details being set by Ofcom in both secondary legislation and regulatory conditions.

Key features of the USO include:

- At least one collection and delivery of letters six days a week (Across Monday-Saturday) and parcels five days a week (Monday-Friday).
- A service that is affordable and uniformly priced across the UK.

The Postal Services Act 2011 requires Ofcom to provide a description of services as part of the USO. Ofcom details the scope of the USO through the Postal Services (Universal Postal Service) Order 2012<sup>25</sup>. This order sets out the requirements for the USO to include:

- Two delivery speeds of the largest volume, main USO products: First and Second class.
- Quality of service targets.

### USO reform journey

In January 2024 Ofcom published a 'Call for input'<sup>26</sup> which set out the need for urgent changes to the USO and called for a national debate on the future of UK postal services. The perceived urgent need for change was based on a structural decline in letter volumes as more consumers move to digital alternatives for communication.

In September 2024 Ofcom published the summary of responses<sup>27</sup> to the call for input, which included next steps in the USO reform process. Ofcom's decision was to undertake a detailed assessment of Royal Mail's proposal. This aligned with one of the options put forward by Ofcom, and to undertake further consumer research to take into account the concerns raised by respondents to the call for input.

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<sup>24</sup> [Postal Services Act 2011](#)

<sup>25</sup> [The Postal Services \(Universal Postal Service\) Order 2012](#)

<sup>26</sup> [Call for input: The future of the universal postal service](#), Ofcom, January 2024

<sup>27</sup> [Future of the universal postal service: Summary of responses to our call for input and next steps](#), Ofcom, September 2024

## **Proposed changes to the USO**

In this consultation Ofcom have set out a range of proposals to reform and modernise the universal postal service. The proposed changes to the frequency of second class letters are as follows:

- Remove the requirement for Royal Mail to deliver second class letters six days per week and allow it to deliver such letters on alternate weekdays (Monday to Friday).
- Remove Saturday as a delivery day for second class letters.

Ofcom state that this change reflects the changing needs of postal users who no longer need a six day per week service to meet their needs for second class letters. It is also intended to support the financial sustainability of the service.

Changes the quality of service targets:

- reduce the first class target from 93% to 90%
- reduce the second class target from 98.5% to 95%.

Ofcom's proposal includes the introduction of new 'tail of the mail' targets to improve reliability. These targets are planned to incentivise Royal Mail to deliver mail that has already missed the primary quality of service target in a timely manner.

Changes to access mail:

- Introduce and regulate a new access service to be delivered on alternate weekdays, which would aim to deliver letters within three weekdays (D+3) after collection from the sender.
- Remove Saturday delivery from D+5 access services.

The proposed changes would not require alterations to the minimum USO standards that are in legislation, therefore do not need parliamentary approval. Instead, Ofcom can make the proposed changes through its regulatory powers.

## 5. Our response to individual questions

In this section we have set out our response to the Ofcom consultation on the 'Review of the universal postal service and other postal regulation'.

We have responded to questions that we believe we have the knowledge, research data and insights to respond to. We have responded through the lens of our guiding consumer principles. We have grouped questions as we deemed appropriate.

### 5.1 Individual questions

#### Question 2.1:

**Do you agree with the provisional conclusions set out in our Equality Impact Assessment? Please state your reasons and provide evidence to support your view.**

Ofcom is subject to duties to assess the impacts on specific groups. These groups are noted in the following pieces of legislation:

- Equality Act 2020
- Northern Ireland Act
- Communications Act 2023

The Northern Ireland Act 1998 (the 1998 Act)<sup>28</sup> imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and have regard to the desirability of promoting good relations.

Ofcom state that the proposals for USO reform may have adverse impacts on those who are more reliant on the postal service such as:

- users without access to the internet
- users with restricted mobility
- users in rural locations
- older users.

Alongside those groups Ofcom has assessed that the proposals may have adverse impacts on people:

- in specific geographic areas
- who are digitally excluded
- who are financially vulnerable
- who are more likely to use postal services for medical sampling and testing.

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<sup>28</sup> [Northern Ireland Act 1988](#)

Ofcom considers that, on balance, the potential adverse impact on these groups is justified by the benefits arising from the proposals.

We agree that the groups identified by the equality impact assessment may be impacted more by the proposed changes to the USO. Throughout our response we have highlighted consumer experiences, as gathered through our research, regarding the consumer position in Northern Ireland.

We would encourage Ofcom to consider Northern Ireland's unique location and consumer context, and subsequently the unique experiences that our consumers may experience resulting from changes to the USO. It is important that mitigations are put in place to reduce the potential negative impacts of the proposed changes on all consumers, and particularly those target groups identified. The impact of these changes must be monitored if the proposed changes are implemented.

### **Question 3.1**

**Do you agree that we have identified the reasonable needs of post users? Please provide reasons and evidence for your views.**

#### **Ofcom user needs research**

We welcome the extensive research that Ofcom has undertaken to understand the reasonable needs of postal users. Ofcom has carried out two comprehensive reviews of user needs, in 2013 and 2020, since taking on responsibility for the regulation of postal services in 2011.

In our response to the call for input the Consumer Council, along with other consumer bodies, requested additional evidence and further research into the user needs of specific groups, and for further analysis before options for reform are considered.

We acknowledge the most recent Ofcom User Needs survey<sup>29</sup> and we welcome that quotas were set by UK nation to ensure sufficient samples, which for Northern Ireland included sub-group analysis. However, while the overall sample was representative of the UK, we would have liked the research to include a representative sample for Northern Ireland to ensure the unique consumer landscape was fully taken into consideration.

#### **Consumer Council for Northern Ireland research**

Beyond the Ofcom user needs research, we urge Ofcom to consider our body of consumer research regarding postal services which has a specific focus on Northern Ireland.

As we have already stated, Northern Ireland has unique considerations with a more vulnerable population, higher levels of rurality than the rest of the UK, geographical separation from the remainder of the UK market, a land border with the European

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<sup>29</sup> [Post User Needs survey research - Technical report](#), Ofcom, 2024

Union (EU) namely Republic of Ireland (ROI), and a legislative environment impacted by regulatory divergence.

We commission annual research to understand Northern Ireland consumer experiences and views on how postal services are working for them. Below are examples some of our most recent research:

- The Universal Postal Service and Northern Ireland Consumers<sup>30</sup>.
- Consumer Access to Postal Services at the Post Office Network in Northern Ireland<sup>31</sup>.
- Consumer experiences of retailers not delivering to Northern Ireland<sup>32</sup>.
- Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation<sup>33</sup>.
- Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation<sup>34</sup>.

Throughout our response we will use data and insights from our research to present the unique Northern Ireland consumer perspective and experience of postal services. We urge Ofcom to consider our research findings when considering the proposed USO reform options.

### **Areas of reasonable needs for consumers**

Within the consultation<sup>35</sup> Ofcom has identified four areas as reasonable needs for consumers, they are:

- delivery frequency
- speed
- reliability
- price

We will focus on each of these areas individually in our response to this question.

### **Delivery Frequency**

Ofcom's consumer survey<sup>36</sup> found that, in most cases, deliveries five or even three days a week would meet the majority of user needs and for many, Saturday is not seen as a critical delivery day.

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<sup>30</sup> [The Universal Postal Service and Northern Ireland Consumers](#), The Consumer Council, 2020

<sup>31</sup> [Consumer Access to Postal Services at the Post Office Network in Northern Ireland](#), The Consumer Council, 2022

<sup>32</sup> [Consumer experiences of retailers not delivering to Northern Ireland](#), The Consumer Council, 2024

<sup>33</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>34</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

<sup>35</sup> [Consultation: Review of the universal postal service and other postal regulation](#), January 2025, Ofcom

<sup>36</sup> [Consumer survey research on post](#), November 2023, Ofcom

In our response to the Ofcom Call for input<sup>37</sup> we highlighted that Ofcom's research found that:

- Although there was a decline in the importance for consumers to have letters delivered to their home 6 days a week and the importance of letters being delivered to their home on Saturdays, there was still a majority of consumers who were in favour of this delivery frequency.

We commissioned research<sup>38</sup> of Northern Ireland consumers in 2024. Key findings from this research found:

- It was clear some individuals rely on the postal service for important documents.
- The frequency of the service is essential for those who received a significant number of medical appointments through the post.

Our latest USO research<sup>39</sup> found that:

- Almost nine in ten (87%) respondents receive letters, with 68% doing so at least monthly.
- Those living in rural areas (18%) were less likely than urban residents (32%) to receive letters at least weekly, whilst those aged 18-24 (20%) were more likely than older respondents to never receive letters.

It is important that any changes to the USO regarding frequency considers the impact these changes will have on consumers, particularly in relation to time critical mail or letters of high importance such as medical appointments.

We urge Ofcom to ensure that any changes to the frequency of letter deliveries mitigates against the experiences and concerns shared by consumers. We encourage Ofcom to monitor changes post-implementation to ensure no consumer detriment is experienced.

## Speed

Through the Postal Services (Universal Postal Service) Order 2012<sup>40</sup> Ofcom are required to provide a description of services to be provided as part of the USO. The order sets out the requirement for the USO to include:

- Two delivery speeds of the largest volume, main USO products: First and second class.

The latest Ofcom user needs research<sup>41</sup> found that, compared with other features of postal services, speed of delivery is generally not seen as important by users for

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<sup>37</sup> [Consumer Council for Northern Ireland - Response](#), April 2024, Consumer Council

<sup>38</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>39</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

<sup>40</sup> [The Postal Services \(Universal Postal Service\) Order 2012](#)

<sup>41</sup> [Post User Needs Research report](#), January 2025, Ofcom

most items they send. For all letter types sent by second class, the majority of consumers are willing to accept slower delivery speeds.

Our research<sup>42</sup> contradicts this suggestion. We found that:

- Almost nine in ten (89%) respondents that send and/or receive letters felt that that it is important that letters are delivered to them within the specified time, with 44% feeling that this is very important.

In our response to the Ofcom Call for input<sup>43</sup> we highlighted how our research<sup>44</sup> showed that consumers in Northern Ireland believe delivery speed is important to them, especially in relation to time bound letters such as hospital appointments.

Our latest USO research<sup>45</sup> also found that consumers continued to have the same concerns, especially older consumers and those who received a lot of appointments through the post. Some of the findings include:

- While first class was considered to be a faster service than second class, it cost significantly more and the participants felt, for the significantly higher price, it should be much faster. Arriving a day ahead of the second class service was not considered worth paying almost double the price for.
- Second class post would only be used for items that were not time sensitive.
- It took longer for letters and parcels to arrive at addresses outside of Northern Ireland, than it did if they sent a letter or parcel to an address within Northern Ireland.
- Older participants received letters more frequently. The primary reason for this was they tended not to go for the paperless option when it was offered by banks, credit card companies, utility companies and medical facilities.
- Older participants were less technologically savvy. If letters or appointments were sent digitally, they were worried they would not receive it or be able to access it to check times and dates.
- These individuals depended on the speed of delivery to ensure they did not miss any set appointments and, to give them time to make the arrangements required to attend them.

In January 2025 the Consumer Council commissioned a quantitative research project titled 'Consumers experiences of final mile delivery issues in Northern Ireland'<sup>46</sup> to understand the Northern Ireland consumer experience in relation to final mile delivery problems. The research found that:

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<sup>42</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (Not yet published)

<sup>43</sup> [Consumer Council for Northern Ireland - Response](#), April 2024, Consumer Council

<sup>44</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>45</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

<sup>46</sup> Consumers experiences of final mile delivery issues in Northern Ireland, January 2025, Consumer Council (Not yet published)



- Nine in ten (90%) respondents had experienced a parcel delivery issue in the past 12 months.
- Late arrival was the issue most likely to have been encountered (78%).

We urge Ofcom to ensure that any changes to the speed of letter deliveries mitigates against the experiences and concerns shared by consumers. We encourage Ofcom to monitor changes post-implementation to ensure no consumer detriment is experienced.

## Reliability

Ofcom's consumer research<sup>47</sup> shows reliability (items arriving within a reasonable and predictable time after posting), is considered an important feature of postal services. The majority of users said that they prioritise this over speed and frequency.

In our response to the Ofcom Call for input<sup>48</sup>, we highlighted insights from our research<sup>49</sup>. The research showed a decline in reliability of the USO since the onset of the COVID-19 pandemic and that younger consumers tended to insist upon speed and hope for reliability.

Our latest USO research<sup>50</sup> found that:

- 7.32 was the average rating (on a zero to ten scale) for the reliability of Royal Mail's service over the past 12 months.
- Participants were increasingly frustrated by price increases for a service that was not delivering within the specified timelines. They stated a reliable postal service should be giving them what they paid for.
- A small minority reported letters they had posted or been sent as not having arrived.
- There were some questions over the reliability of first and second class post. The majority had experienced delays when sending letters this way.
- The universal postal service was considered reliable, the majority of times it was utilised. Although, when it came to letters there was no alternative to compare to.
- On most occasions, items were eventually delivered safely.
- Participants trusted the reliability of the registered service and if they needed something important delivered within a specified timeline, this was the service they utilised.

The research findings highlight the reliability issues faced by consumers in Northern

<sup>47</sup> [Post User Needs Research report](#), January 2025, Ofcom

<sup>48</sup> [Consumer Council for Northern Ireland - Response](#), April 2024, Consumer Council

<sup>49</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>50</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (Not yet published)

Ireland. It is evident that our consumers are experiencing reliability issues with USO products.

We encourage Ofcom to ensure that any changes to the reliability of letter deliveries mitigates against the experiences and concerns shared by consumers. We urge Ofcom to monitor changes post-implementation to ensure no consumer detriment is experienced.

## Price

The latest Ofcom postal user needs research<sup>51</sup> found there is strong support for postal services to be available at an affordable and uniform price across the UK. The research also found that while the price of sending post is affordable for most users, recent increases in stamp prices and the cost of living are driving changes in some users' behaviour.

Our research<sup>52</sup> found that the cost-of-living crisis was a concern for some consumers in Northern Ireland. There was concern that Royal Mail prices had increased significantly, in particular the cost of stamps. Findings from the research include:

- Despite the current price cap on second class letters and small parcels, some of those who depended heavily on the services provided by Royal Mail were worried that if prices continued to increase, they would not be able to afford to use the services.
- The price of postage prevented some older participants from sending as many Christmas cards as they once had, in some cases they only sent cards to people who they did not see regularly.

Our latest USO research<sup>53</sup> found that:

- Around three in five (63%) respondents felt that the current minimum cost of sending a letter second class was affordable, 33% felt it was unaffordable, whilst 5% were not sure.
- In terms of affordability, the second class service was affordable to most but, it was not considered appropriate for many items they needed to post.
- Despite the second class service being the most affordable, it was still considered too expensive for those on a lower income to send the number of Christmas cards they had done in previous years.
- First class was less affordable, but it was the service most participants used when they were required to post an item that needed to arrive within a certain timeframe.

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<sup>51</sup> [Post User Needs Research report](#), January 2025, Ofcom

<sup>52</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>53</sup> Study on the impact on consumers of changes to Royal Mail's universal service obligation, January 2025, Consumer Council (Not yet published)

- The registered service was much more expensive but it was regarded as essential when sending more official documents, such as passport or driving license renewals. Unfortunately, it was not cost effective to utilise unless absolutely necessary.
- Posting Christmas cards was regarded as an unnecessary expense. Participants claimed the cost of a stamp could be more expensive than the actual card, making it uneconomical, particularly given the current cost of living crisis.
- While first class was considered to be a faster service than second class, it cost significantly more.
- Some participants stated that not getting the service that they paid for was frustrating.

We commission a quarterly 'Northern Ireland Household Expenditure Tracker'<sup>54</sup> to understand how households in Northern Ireland are coping with everyday expenses. Our latest tracker for quarter three 2024 shows that the lowest earning households in Northern Ireland have £51.45 discretionary income per week. The current price of a first stamp, £1.70, equates to 3% of the total weekly discretionary income of these households.

We commission a quarterly 'Pulse survey'<sup>55</sup> to understand the Northern Ireland consumer lived experiences in relation to everyday cost of living. The most recent survey, which involves a survey of 1,000 consumers, was conducted in December 2024. The survey found that:

- Two in five (40%) consumers felt that their household was worse off compared to 12 months ago.
- Three in ten (30%) consumers stated that they have £150 or less remaining each month after their mortgage/rent and all essential bills have been paid. With 15% stating that they have less than £50 or less remaining each month after their mortgage/rent and all essential bills have been paid.

Based on our research findings, we encourage Ofcom to ensure postal services remain affordable and therefore accessible to all consumers, particularly to the most vulnerable consumer groups.

## **Our position**

We welcome the extensive consumer research undertaken by Ofcom. However, we urge Ofcom to consider the research and data that we have presented. This highlights the unique Northern Ireland consumer experience of postal services, when determining the reasonable needs of consumers. It is important that the proposed changes to the USO provide a service that meets the reasonable needs of all consumers.

## **Question 3.2:**

<sup>54</sup> [Q3 2024 Northern Ireland Household Expenditure Tracker | Consumer Council](#), February 2025, Consumer Council

<sup>55</sup> [Cost of living pulse surveys | Consumer Council](#), April 2025, Consumer Council

## **Do you agree that the market is meeting the reasonable needs of post users? Please provide reasons and evidence for your views.**

### **Ofcom monitoring of postal market meeting reasonable consumer needs**

Ofcom gathers market data on postal services and publishes this as part of their annual post monitoring. The most recent report was published in October 2024 which covered the 2023 - 24 financial year<sup>56</sup>.

Ofcom sets out how they have made assessment of the reasonable needs of users of postal services in two stages:

- Investigating how the use of, and reliance on, postal services has changed, and the increasing take up of digital communications and the subsequent decline in letter volumes.
- Analysing its extensive body of research before drawing conclusions on what individuals and SMEs say they need from postal services.

These two stages have supported Ofcom in establishing what it considers to be reasonable user needs and whether the current UK letters market is meeting these needs. Ofcom has stated that the current delivery frequency of non-priority letters caters for the reasonable needs of users when taken as a whole.

The latest Ofcom postal user needs research<sup>57</sup> indicates that some users believe that their needs may no longer be met for some types of mail if the frequency of second class letter deliveries was reduced.

Ofcom considers there to be sufficient choice of postal products should users require items to be delivered more quickly and/or on Saturday, for example first class and Special Delivery Guaranteed by 1pm.

### **Our position**

As highlighted in our response to question 3.1, the market presents difficulties for some consumers to access postal services, particularly in relation to pricing and affordability. This links to our guiding principle of access. What is also important to consumers is having a range of services and products available to them. This links to our guiding principle of choice. We encourage Ofcom to continue assessing the market and ensure it is meeting the reasonable needs of consumers, particularly in relation to access and choice.

## **Question 5.1:**

**Do you agree with our proposals and impact assessment on changes to the delivery frequency of Second Class letters so that those items would be delivered every other**

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<sup>56</sup> [Post monitoring report: Postal services in the financial year 2023 - 24](#), Ofcom, October 2024

<sup>57</sup> [Post User Needs Research report](#), January 2025, Ofcom

day from Monday to Friday, and would not have to be collected, processed or delivered on Saturdays? Please provide reasons and evidence in support of your views.

Current second class delivery frequency

Currently the requirement for second class letters is to be collected, processed and delivered six days a week, which covers Monday to Saturday. Second class letters are to be delivered D+3.

Proposed delivery frequency model

In response to the Ofcom call for input, Royal Mail put forward a plan for modernisation<sup>58</sup> which included a proposal for second class letters to be delivered on alternate weekdays and the removal of Saturday as a delivery day. The proposed changes would be as follows:

- All second class letters would be delivered every other weekday (Monday to Friday). This would be rotated by delivery route on a weekly basis. As an example:
  - In week 1, the delivery points on route A would have second class letters delivered on Monday, Wednesday and Friday, and the delivery points on route B would have second class letters delivered on Tuesday and Thursday.
  - In week 2, the delivery points on route A would have second class letters delivered on Tuesday and Thursday, and the delivery points on route B would have second class letters delivered on Monday, Wednesday and Friday.

Ofcom present an example of the proposed alternate weekday delivery schedule for second class letters which is shown below in Table 1.

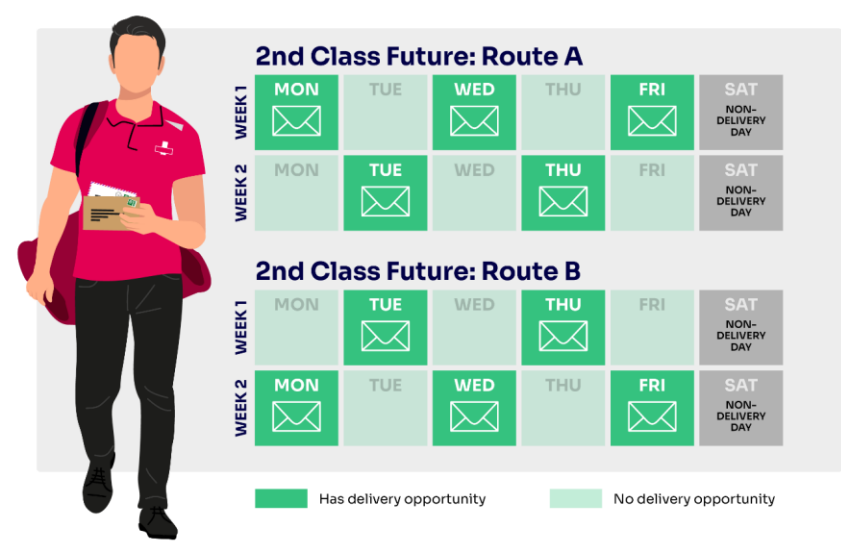


Table 1

<sup>58</sup> [Response to Ofcom's call for input on the future of the universal postal service](#), Royal Mail, January 2024

This model would mean that Royal Mail would not be required to collect, process or deliver second class letters on Saturdays. Any second class letters posted on a Saturday would be deemed as sent on Monday, therefore the D+3 routing time would start from Monday.

Alongside the alternate weekday delivery schedule Ofcom presented a table to show the current due delivery day and future due delivery day from posting if the proposed changes to delivery frequency are implemented. Table 2 is shown below:

Day of posting	Current due delivery day	Future due delivery day
Monday	Thursday	Thursday
Tuesday	Friday	Friday
Wednesday	Saturday	Monday
Thursday	Monday	Tuesday
Friday	Tuesday	Wednesday
Saturday	Wednesday	Thursday
Sunday	Thursday	Thursday

Table 2

We have concerns regarding the proposed delivery model. We would like to better understand how this may impact upon consumers. For example:

- Under the proposed new model set out in Table 2, for second class mail sent on a Friday, before the last collection time of the access point, the first routing day would be on that same day.
- From our understanding of Table 2, mail sent on a Friday is due to be delivered on the following Tuesday.
- However, this would vary according to the alternate routes proposed in Table 1. When the delivery address is in delivery route A, week two, this would mean that they are not due to receive mail until Wednesday, a day after the Future Delivery Day set out in Table 2.
- Royal Mail would have to either deliver the mail late or accelerate the mail to deliver it early.

The alternate weekday model presents a challenge for Royal Mail. The removal of a Saturday delivery day may reduce the opportunity to deliver second class mail on time, putting Royal Mail at risk of missing quality of service targets. Around half of second class mail volumes may need to be accelerated to meet these targets. Such delays will directly impact consumers. This aligns to our position, the need to retain the current quality of service targets, to ensure consumers are protected.

We encourage Ofcom to undertake comprehensive impact assessments of the Royal Mail pilots to evaluate how the model works in operation, and share this with consumer bodies, before making any changes.

### **Northern Ireland bank holidays**

We have concerns regarding the impact of the proposed model around bank holidays as the alternate delivery model may lead to longer delays for consumers. There are generally two additional bank holidays in Northern Ireland (10) compared to England (8) and Wales (8), with one extra bank holiday in Northern Ireland compared to Scotland (9). This would mean the potential for added delays for our consumers across a calendar year.

### **Ofcom research**

Ofcom's consumer survey research<sup>59</sup> found that:

- The importance for consumers to have letters delivered to their home 6 days a week has reduced since 2020 (63% vs 68%).
- The importance of letters being delivered to their home on Saturdays had also declined (58% vs 63%).

We indicated in our response to the Ofcom call for input<sup>60</sup>, although this shows a reduction from previous research, it highlights that:

- Almost two-thirds of those who participated in the research thought it was important to have letters delivered to their home six days a week (63%).
- Roughly six in ten (58%) think delivery of letters on a Saturday is important.

The most recent Ofcom user needs research<sup>61</sup> shows that:

- 57% of consumers said letters and cards delivered to their home on Saturdays is important, with 23% saying it's very important.
- 1% of residential users in Northern Ireland say that the proposed changes would mean the service no longer meets their needs in relation to at least one type of letter they send or receive.
- With a further 3% saying that their needs would not be met, and at least one of the changes would have a significant impact.
- 18% say that the proposed changes would mean services would no longer meet their needs for at least one type of letter that they send or receive, but that taking everything into account, the proposed changes would make no difference or would only have a slight negative impact.

Our research contradicts some of these findings.

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<sup>59</sup> [Consumer survey research on post](#), November 2023, Ofcom

<sup>60</sup> [Consumer Council for Northern Ireland - Response](#), The Consumer Council, April 2024

<sup>61</sup> [Post User Needs Research report](#), January 2025, Ofcom



## Consumer Council research

Our 2024 research<sup>62</sup> highlights that the frequency of the service is essential for those who received a significant number of medical appointments through the post.

Our latest USO research<sup>63</sup> found that consumers continue to depend on the frequency of mail delivery:

- The frequency of the universal postal service was a huge benefit, particularly for those who received a significant number of medical appointments through the post, whether for themselves or the people they cared for.
- These individuals depended on the frequency of delivery to ensure they did not miss any set appointments and, to give them time to make the arrangements required to attend them.

During the research, consumers were informed of the proposed changes by Royal Mail. These were met with some concerns, particularly among those receiving a significant number of medical appointments. While most letters sent using the second class service were not seen as time critical, letters related to medical appointments were. In relation to the proposed changes the research found that:

- Nearly three in ten (29%) respondents would support this change, 33% were neutral, 33% would oppose it, whilst 5% were not sure.
- Amongst those that would oppose the change, a desire for more regular delivery than that proposed (44%) was most likely to be the reason for opposition. Around a quarter (24%) of those who were against the suggested changes to delivery were concerned about important or time-sensitive letters being missed – those with a disability (34%) were more likely to have felt this way than those not disabled.

Key findings from the focus groups in the research found that:

- Some participants had already experienced occasions when hospital appointment letters arrived after the date of the appointment. They felt that reduction in the delivery frequency of second-class letters would compound the situation.
- Participants considered the impact of the reduction in delivery days would force those using second class to utilise the first class service more. This would have a cost implication and would be felt more acutely among the vulnerable groups, who relied more on the postal service.

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<sup>62</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>63</sup> Study on the impact on consumers of changes to Royal Mail's universal service obligation, January 2025, Consumer Council (Not yet published)



## Our position

We encourage Ofcom to recognise the importance many consumers place on a six day a week postal service. The findings from our research and Ofcom's research highlights the importance that Northern Ireland consumers place on postal services, the current delivery frequency and current days of delivery.

It is important that consumer concerns regarding the proposed changes are considered, and potential areas of consumer detriment are mitigated against. Ofcom must ensure that if proposed changes become reality consumers, particularly those who rely on time-critical mail, are made aware of what the proposed changes will mean for them.

### Question 6.1:

**Do you agree with our proposal to set the First Class national D+1 performance target to 90%? Please provide reasons and evidence for your view.**

### Question 6.4:

**Do you agree with our proposal to set the Second Class D+3 performance target to 95%? Please provide reasons and evidence for your view.**

## Current quality of service regime and performance

Currently, Ofcom sets quality of service targets to incentivise Royal Mail to meet certain targets on time. These quality of service targets are in relation to the delivery of first and second class USO mail. Ofcom state that the targets ensure that the USO meets reasonable consumer needs alongside providing transparency around the performance of Royal Mail. The current quality of service targets are:

- 93% for first class
- 98.5% for second class.

In the most recent 'Quality of service and complaints report'<sup>64</sup> from Royal Mail, which covers quarter three for 2024-25, found that Royal Mail's performance against the current quality of service targets were:

- 76.2% against a target of 93% for first class
- 92.3% against a target of 98.5% for second class.

Royal Mail's performance over previous years has led to Ofcom taking action through a £5.3m fine in 2023 for poor quality of service results and a financial penalty of £10.5m for underperformance in 2023-24.

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<sup>64</sup> [Quality of Service and Complaints Report](#), Royal Mail, 2025

## Ofcom proposed changes to quality of service targets

Ofcom set out how the proposed alternate weekday delivery model could enable significant cost savings which should put Royal Mail in a better position to improve its overall quality of service performance.

Ofcom also set out how the proposed alternate weekday delivery model could make it more difficult for Royal Mail to meet the current quality of service targets for first class and second class mail. Therefore, Ofcom considers it necessary to review the quality of service targets as part of USO reform.

Ofcom's proposed changes to the quality of service targets include:

- reduce the first class target from 93% to 90%
- reduce the second class target from 98.5% to 95%.

Ofcom set out how slightly lower primary targets for first and second class, paired with the new 'tail of the mail' target should provide greater focus on what consumers value, which is the reliability and affordability of the service.

## Ofcom research

The latest Ofcom postal user needs research<sup>65</sup> found that:

- 88% of users said that it was important that letters and cards were delivered on time.

This was consistent with findings from Ofcom's previous research in 2023<sup>66</sup> and 2020 which found that:

- 88% and 87% of users respectively said that it was important that they could be confident that 90% of letters and cards were delivered on time.

## Our research

In our response to the Ofcom Call for input<sup>67</sup> we highlighted our qualitative research<sup>68</sup> which found that many consumers had noted a decline in reliability regarding the length of time it took for letters to be delivered.

Our latest USO research<sup>69</sup> found that:

- The first class service no longer guaranteed next day delivery, even within Northern Ireland. Second class is slower than it once had been, now taking sometimes up to four days to arrive at the end destination.

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<sup>65</sup> [Post User Needs Research report](#), January 2025, Ofcom

<sup>66</sup> [Consumer Survey Research on Post](#), Yonder, 2023

<sup>67</sup> [Consumer Council for Northern Ireland - Response](#), The Consumer Council, April 2024

<sup>68</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>69</sup> Study on the impact on consumers of changes to Royal Mail's universal service obligation, January 2025, Consumer Council (Not yet published)

- Some participants acknowledged an increase in letter delivery delays, apparent in many cases, via the length of time between the date stamp on the letter and when it was received. This was particularly worrying among those who received important medical appointments through the post.

## **Our position**

We disagree with the proposal to reduce the quality of services targets. Our research and that conducted by Ofcom, highlights how consumers value the reliability of mail arriving on time. The research shows ongoing consumer concerns with the current quality of service.

The quality of service targets provide Royal Mail with an incentive to deliver services on time and provide transparency to consumers through accountability when it does not meet the targets. There is no evidence to indicate that the proposed reduction to quality of service targets will protect consumers from detriment. We believe that for the USO to represent an evolution to meet consumer needs the quality of service targets should not be reduced.

## **Question 6.2:**

**Do you agree with our proposal to set the First Class PCA D+1 performance target to be 3% lower than the national target (i.e. for the PCA target to be 87% to align with our proposed 90% national target)? Please provide reasons and evidence for your view.**

### **Current postcode area target (PCA) and performance**

Currently, alongside the requirement for Royal Mail to deliver first class mail to a national target of 93%, Royal Mail are also required to deliver:

- at least 91.5% of first class mail within one working day in each PCA in the UK

This target aims to ensure the universality of the postal service across the UK by limiting the extent of variation in quality across the different geographic areas of the UK. In relation to the Northern Ireland PCA, in quarter three of 2024-25 the 'Quality of service and complaints report'<sup>70</sup> found that Royal Mail delivered:

- 71% against a target of 91.5%

### **Ofcom proposals**

In light of the proposed reduction to the national first class quality of service target, Ofcom stated that to continue with the PCA at the current level, Royal Mail would be held to a higher standard than the overall target which would undermine the objective of the proposal. Ofcom propose a reset of the PCA target which will:

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<sup>70</sup> [Quality of Service and Complaints Report](#), Royal Mail, 2025

- require 87% of items to be delivered within one working day

### **Our research**

Our latest USO research<sup>71</sup> found that for Northern Ireland consumers:

- Most urban, older participants stated they received post most days.
- Rural dwellers felt receiving letters was more sporadic.
- Those living in rural areas (18%) were less likely than urban residents (32%) to receive letters at least weekly.

### **Our position**

We urge Ofcom to review the proposal to change the PCA target alongside retaining the current quality of service targets.

The Northern Ireland PCA performance from quarter three 2024-25 highlights the poor performance that our consumers have experienced in relation to quality of service. This is reflected throughout the research we have presented. A reduction of the PCA may provide consumers with less protection in regard to quality of service. We believe that standard expectations should not be reduced in the proposed changes to the USO.

### **Question 6.3:**

**Do you agree with our proposal to introduce a new First Class ‘tail of mail’ target of 99.5% at D+3? Please provide reasons and evidence for your view.**

### **Question 6.5:**

**Do you agree with our proposal to introduce a new Second Class ‘tail of mail’ target of 99.5% at D+5? Please provide reasons and evidence for your view.**

### **Tail of the mail targets**

Ofcom have set out how certainty of mail being delivered goes beyond whether it will be delivered on the time of the initial target date, but instead the window of time during which mail is likely to arrive as some mail will inevitably be delivered early or late.

Currently the quality of service targets measure mail that is delivered on time. However, it does not provide transparency for consumers when mail has missed its

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<sup>71</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

target, and it does not incentivise Royal Mail to deliver missed mail in a specified timeframe. 'Tail of the mail' is a secondary delivery target for mail that has missed its primary delivery target. The proposed 'tail of the mail' targets are:

- first class 99.5% at D+3
- second class 99.5% at D+5

### **Our position**

We welcome the introduction of the 'tail of the mail' targets. Those individuals whose mail has missed the primary quality of service target, will have greater assurances that the secondary target will incentivise Royal Mail to deliver their mail as soon as possible. Therefore, potentially limiting the extent of delays.

We welcome Ofcom's statement that the 'tail of the mail' would play a supporting role to the primary quality of service targets. However, we believe that the incentivisation to meet 'tail of the mail' targets could go further. In the call for input we suggested the inclusion of a compensatory scheme across USO products as whole, through the lens of our guiding principle of redress, which we would still urge Ofcom to consider and could align to the 'tail of the mail' targets.

### **Question 7.1:**

**Do you agree with our proposal to regulate D+3 access services, subject to a margin squeeze control and the other protections outlined above? Please provide reasons and evidence for your views.**

### **Question 7.3:**

**Do you agree with our proposals to maintain a margin squeeze control on D+2 access services, where the relevant retail services are Royal Mail's First Class retail bulk services? Please provide reasons and evidence for your views.**

### **Access mail and margin squeeze control**

The universal service provider access condition requires Royal Mail to offer access to its letter's delivery network. It must offer two and five working day products on fair and reasonable terms and subject to a margin squeeze control. Following consultation and subject to certain statutory tests, Ofcom can change universal service provider access condition regulation.

Ofcom does not consider the market has yet changed in a manner that would justify reform. Ofcom expects Royal Mail would increase the price of D+2 access mail to reflect its increased cost base and to incentivise volumes to shift to a slower, less

costly access service. As such, there would likely be material volumes of access mail outside of any regulatory safeguards if D+3 were not regulated.

### **Proposed changes to access mail and margin squeeze control**

Ofcom has stated that though Royal Mail would continue to offer D+2 access on a commercial basis, if it were not required by regulation, then Royal Mail could withdraw the service at any time (subject to any contractual agreement).

One of the reasons Ofcom is proposing to regulate D+3 access is because of the risk of Royal Mail imposing anti-competitive pricing if it were not regulated. Ofcom believe that this proposed change will continue to allow a dynamic competitive market to exist for bulk mail that meets the needs of large organisations and their customers.

### **Our position**

We welcome Ofcom's proposal to regulate D+3 access mail services, subject to a margin squeeze control and maintain a margin squeeze control on D+2 access services, where the relevant retail services are Royal Mail's first class retail bulk services. Regulation provides safeguards for consumers and in this instance, Ofcom has determined this may be in terms of pricing and we welcome the move to ensure the affordability of USO products is maintained. This aligns with our guiding consumer protection principles Access and Choice.

### **Question 7.2:**

**Do you agree with our proposal to change the specification of D+5 access services to remove Saturday as a delivery day? Please provide reasons and evidence for your views.**

We would like to highlight the importance of the access services market to Northern Ireland consumers, and especially those who are in vulnerable circumstances. The access mail letters service is essential, especially those letters sent by the following:

- Government and public services
- His Majesty's Revenue and Customs (HMRC)
- The Department for Work and Pensions (DWP)
- Local councils
- The courts
- The NHS

Our research<sup>72</sup> found that:

- The frequency of the service is essential for those who received a significant number of medical appointments through the post.

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<sup>72</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

- There was concern that a reduction in the frequency of delivery and collection of letters may result in bills not being paid on time and banking not being managed effectively.
- It was clear these individuals rely on the postal service for important documents.

Our latest USO research<sup>73</sup> shows that:

- Some consumers had experienced delays when receiving letters.
- The benefits of the universal postal service included the frequency of deliveries.
- Those who received a significant number of medical appointments depended on the frequency of delivery to ensure they did not miss any set appointments.
- The proposal to remove Saturday delivery was met with some concerns, particularly among those getting frequent medical appointments. They worried about late notice of appointments causing them to miss the appointment or not being able to attend, due to other commitments that were too late to change.

## **Our position**

We have concerns that the proposed change, to remove the specification of Saturday as a delivery day, may impact negatively upon consumers. Throughout our response we have shared the Northern Ireland consumer experiences of postal services and the importance they place on receiving time-bound letters in a timely manner. If the proposed changes to the USO are implemented this must be done with a clear plan to mitigate against the delay of letters from those organisations that we have listed above. There should also be clear plans to communicate the proposed changes to consumers and businesses to alleviate any concerns they have.

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<sup>73</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

## 6. Additional Information

In this section we have highlighted additional areas in which we have conducted consumer research relevant to the consultation alongside further recommendations to enhance consumer protections with the review of the USO.

### Royal Mail pilots

Within the consultation Ofcom acknowledge Royal Mails plan to run a pilot programme to test the operationalisation of the proposed model in a number of locations across the UK. It is our understanding that the pilot, will be rolled out in stages, with the first pilot area having already commenced. We are also aware that two locations in Northern Ireland will be involved in the pilot at a later stage.

Royal Mail state that the pilots will cover around four percent of delivery points so will be a relatively small impact on consumers. The potential benefit from the pilots are that Royal Mail could facilitate faster implementation of the new delivery model if Ofcom decides to proceed with proposals.

Ofcom has stated that they are unlikely to take enforcement action should it proceed with pilots in the way proposed. Ofcom have confirmed the intention to monitor the impact of any pilots on consumers through post monitoring. It may decide to take a different approach if it is clear that there is a material adverse impact on consumers.

While we understand the need to pilot the proposed delivery models, we have some concerns regarding these. We understand that consumers in the pilot areas have not been made aware of the changes. We are not aware of any plans to raise consumer awareness for the future rollout of the pilots. This may have a negative impact on consumers for example:

- They may be expecting to send and receive mail aligned to the current delivery frequency and speed, which will not be the case and may further exacerbate existing issues in relation to quality of service, particularly if the operationalisation of the proposed model does not function as expected.
- Those paying for the service, whether that is sending to or receiving mail in the pilot locations, are paying the same prices as consumers in areas not impacted by the pilots.

### Targeted discount scheme

Within our latest USO research<sup>74</sup> participants were asked how they would feel if a scheme was introduced to offer second class stamps at a discounted rate to a targeted group of people. This in turn would lead to an increase on the price of second class stamps for those not eligible for the scheme. The research found that:

- Almost a third 32% of respondents would support this scheme, 28% were neutral, 35% would oppose it, whilst 6% were not sure.

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<sup>74</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)



- Amongst those that would oppose the scheme, the feeling that postage should be the same price for everyone (42%) was most likely to be the reason for opposition. A quarter (25%) were against the scheme as they felt it would cost them more, whilst 15% felt that the current price should not be increased.
- There was a sense that those who were working would be penalised regardless of their wage or current outgoings.
- There were also concerns among the older participants, who tended to use the second class service more. They did not want to have to pay more or reduce their correspondence with the people they cared about.
- Having to share personal, financial details with Post Office staff was off putting for some, who considered they might be entitled to the reduced rate.
- While implementing the targeted scheme to work alongside the current price cap would be preferable, many felt that some people would take advantage of those who were eligible, by asking them to post their letters at the discounted rate.

We have previously engaged with Ofcom regarding price protection through our response to the 'Review of the second class safeguard cap 2024'<sup>75</sup>. Based on the evidence from our research, keeping price protection in the form of safeguard caps is important to meet the reasonable needs of the most vulnerable consumer groups. We believe the reasonable needs of consumers, which have been identified by Ofcom, must continue to be upheld when assessing potential changes to the USO.

## **Evolution of consumer protections**

In our response to the Ofcom call for input<sup>76</sup>, we highlighted that, in order to evolve the USO to support the needs of all consumers, including vulnerable groups, and mitigate against emerging risks it is important that the key principles of the USO align with our consumer protection principles.

We encouraged Ofcom to consider how the current consumer protections within the USO could be enhanced. These proposals included:

- A new Consumer Duty: Sector regulators across multiple markets have re-considered their approach to consumer protection in recent years, with the Financial Conduct Authority (FCA) launching its Consumer Duty.
- A requirement for Royal Mail to obtain and retain the ISO 22458:2022 for Consumer Vulnerability with British Standard Institution (BSI) Kitemark for Inclusive Service.

We would encourage Ofcom to consider how the current consumer protections within the USO could be enhanced to represent and evolution to meet consumer needs.

<sup>75</sup> [Review of the second class safeguard cap 2024](#), Ofcom, September 2023

<sup>76</sup> [Consumer Council for Northern Ireland - Response](#), The Consumer Council, April 2024

## USO tracking

Consumer expectations of mail providers has changed, particularly since the Covid-19 pandemic. It is through that lens that, in our response to the call for input, we encouraged Ofcom to revisit its decision to not include track and trace on standard USO products.

The latest Ofcom postal user needs research<sup>77</sup> found that:

- Those in Northern Ireland are more likely than counterparts in the UK to say that security of personal/sensitive information is important.

Our research<sup>78</sup> found that when tracking was discussed, many of the participants mentioned that the current tracking information was not thorough enough with Royal Mail, especially when compared to courier companies.

Our latest USO research<sup>79</sup> found that:

- 56% of respondents agreed that tracking should be available for letters and parcels sent via second class post, 30% were neutral, 8% disagreed that this should be the case, whilst 5% were not sure.
- Amongst those that agreed that tracking should be available, the most likely reasons to have been given for feeling this way were:
  - 42% said this would be to ensure that items are not lost/have been delivered on time; and
  - 32% said tracking would keep consumers informed/provide peace of mind
- Tracking was regarded as very important when sending official documents.
- However, in terms of tracking where an item was, many felt this information was inconsistent.
- When participants utilised courier companies, the tracking was thought to be more superior, so they had become accustomed to this system and expected it from Royal Mail.

We believe that consumers would benefit from a tracking service on USO products and encourage Ofcom to consider this as part of the USO reform process.

## Access to post for vulnerable consumers

We welcome Ofcom's statement in the consultation that this is an important issue, although one which the solution for will extend beyond its remit. We are encouraged that Ofcom is ready to continue co-ordinating discussion on the issue. We believe

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<sup>77</sup> [Post User Needs Research report](#), January 2025, Ofcom

<sup>78</sup> [Qualitative study on the impact on consumers of changes to Royal Mail's Universal Service Obligation](#) November 2024, Consumer Council

<sup>79</sup> Study on the impact on consumers of changes to Royal Mail's Universal Service Obligation, January 2025, Consumer Council (not yet published)

that to make the USO truly universal all consumers need access to post, including vulnerable groups who have no fixed address.

In our response to the call for input<sup>80</sup> we highlighted how one of the products and services that must be provided by the designated universal service provider is post restante. This is a free service which allows users to have mail delivered to a post office from where they can collect it for a period of time. We again encourage Ofcom to consider the evolution of the post restante service within the USO to meet the needs of consumers in vulnerable circumstances during periods when they do not have safe access to a fixed address.

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<sup>80</sup> [Consumer Council for Northern Ireland - Response](#), The Consumer Council for Northern Ireland, April 2024

## 7. Contact information

If you have any questions, require further information or wish to discuss any aspect of our consultation response, please contact:

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The Consumer Council consents to this response being published.

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