

Your response

Please tell us how you came across about this consultation.

- ☒ Email from Ofcom
- ☐ Saw it on social media
- ☐ Found it on Ofcom's website
- ☐ Found it on another website
- ☐ Heard about it on TV or radio
- ☐ Read about it in a newspaper or magazine
- ☐ Heard about it at an event
- ☐ Somebody told me or shared it with me
- ☐ Other (please specify)

Question	Your response
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.	Confidential? –N No view.
Question 2.2 Do you agree with our assessment under the Welsh Language Standards? Please state your reasons and provide evidence to support your view.	Confidential? N No view.
Question 3.1: Do you agree that we have identified the reasonable needs of post users? Please provide reasons and evidence for your views.	Confidential N Page 9 1.22 there is mention of 9 billion letters sent in 2023/24 then on page 16 2.16 this number falls to 6.6 billion letters sent in 2023/24 – which is it, as it's a significant difference. Throughout the document there is continued mention of “households” but less mention of “SME’s” or large senders of mail, e.g. Public Sector Organisations, Financial Service Organisations. They use Royal Mail (RM) Retail products in addition to Access and therefore by default use USO products – I don't believe enough attention has been paid to the

Question	Your response
	<p>SME/Large poster community, who also play a significant role in funding the USO.</p> <p>Business users which are our customers need to have affordable, reliable and frequent letter deliveries. I would suggest that “affordable” is the key word here, and these businesses have been charged above inflation prices for these RM services in the past few years. In 2019 a First Class Franked Letter cost 61p and a Second Class Franked Letter cost 41p, from 7th April 2025 the same letters will cost £1.67 and 84p respectively. It cannot be the case that these hugely over inflation price increases have had no effect on the letter volumes going through the RM network – it has not all been down to electronic substitution, price increases have played their part as well.</p> <p>There is no mention of the fact that letters subsidise the parcel channel (there is an element of manual intervention in handling parcels, although automation has increased over the past number of years), as they both use the same network.</p> <p>Business users need to be offered an Economy Letter and Large Letter product in the Franking Channel – this would align with the Access channel and the D+5 product, (as a RM Retail product it would be in all likelihood a D+6 service). Affordability is key and a D+5 product should meet that criterion. You state on page 8 1.15 “This should mean that future prices will be lower than they would have been absent reform and help mitigate risks to the financial sustainability of the universal service”. Ofcom and RM need to stand by this statement, and if prices continue to increase as they have done over the past six years there should be sanctions imposed on RM, and resignations from the Board.</p>

Question	Your response
<p>Question 3.2: Do you agree that the market is meeting the reasonable needs of post users? Please provide reasons and evidence for your views.</p>	<p>Confidential N</p> <p>Not in the least. Awful quality of service and overpriced products/services. These proposals are all about RM there is nothing in this consultation to benefit RM customers that use and pay for their services and products. What about helping all businesses as per my suggestion above on launching a D+5 product for letters and large letters in the Franking Channel? (see page 79 5.44) I also note what RM have done in the Access Channel in relation to D+3 letters. The price was substantially increased to drive users to D+5 and this has worked – what’s to stop RM now substantially increasing D+5 pricing to claw back revenue. Ofcom need to take a strong view on this kind of market abuse.</p> <p>Why is price protection for users not part of the USO changes? 86% of SME user said that price was important and that the cost of sending letter was kept affordable (page 54 3.100). 25% of SME’s report carrying out post related cost cutting in the past 12 months (page 56 3.105).</p> <p>What about collections? Will all mail be collected 6-days per week, including franked mail from franked mail pillar boxes and from businesses that require this service.</p>
<p>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 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</p>	<p>Confidential N</p> <p>Page 66 para 4.28 it is suggested that by having fewer 1c letters it becomes more cost efficient for RM. Are you saying the RM will dramatically increase the price of 1c letters (recent increase of 33% in the Franking Channel). The way I read this is price 1c out of the market so that it’s not or infrequently used and therefore RM become more efficient. I find it difficult to make the sums add up – “However</p>

Question	Your response
	<p>we anticipate that the cumulative revenue gains would be offset by reduced revenue from 1c volumes that would be lost, and additional reduced revenue due to some decline in 2c volumes caused by changes to the delivery schedule for this class of letter". Does the efficiency savings outweigh the loss of revenue – you seem to be saying it does.</p> <p>Page 77 5.36: Four benefits are listed – how can higher prices, reduced deliveries and delivery targets; be benefits (to RM perhaps). The other supposed benefits look to be a stretch i.e. "incentivise RM to provide a high-quality service and encourage innovation and competition in the postal industry". RM is to all intents and purposes a monopoly there is no incentive to compete.</p> <p>If there is no 2c delivery on Sat this will affect several industries – much has been made of the greeting card industry and magazine subscription services, their only option is to send these time sensitive items by 1c (for Sat delivery) thereby incurring a large increase in cost. Marketing mail will also be impacted as customer have time on Sat to read offers etc and call centres have rostered increased staffing to deal with higher call volume on Sat – this will change their business model.</p> <p>I don't believe enough research has been done into the effects these proposed changes will have on healthcare appointments, benefits or finance related letters. Page 81 5.58 SMEs are being told to adapt to the changes.</p> <p>Page 82 5.62 up to £425m of net cost savings: where is the mention of sharing some of these savings with hard pressed customers.</p>

Question	Your response
<p>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.</p>	<p>Confidential N</p> <p>No, I don't agree.</p> <p>If you can't meet the target, reduce the target as per Hellenic Post (ELTA)!</p> <p>Page 98 6.34 so how will Ofcom ensure that if RM have a 90% delivery target for 1c mail they will keep price increase within CPI? My understanding of this paragraph would be reducing the target therefore less chance of price increases.</p> <p>Going forward there must be timely and effective enforcement which we do not have at present. Fines are too small; I would suggest that paying £10.5m is more effective than spending to meet delivery targets. QoS must be linked to price control.</p>
<p>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</p>	<p>Confidential N</p> <p>I believe it will be done no matter what I think. This is a doubling of the current 1.5% PCA, more of if you can't reach the target reduce the target.</p>
<p>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</p>	<p>Confidential N</p> <p>It may incentivise RM to meet this when they have already missed the 90% target, rather than not working to get the mail to its destinations within 3 working days. There is no mention that I can see of sanctions when this "tail of mail" target is not met?</p>
<p>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.</p>	<p>Confidential N</p> <p>As above</p> <p>"If you can't meet the target, reduce the target as per Hellenic Post (ELTA)"!</p>

Question	Your response
	<p>It is quite shocking to see RM reducing their 2c letter delivery by 50%, in effect a 2½ day delivery service. Is the next step no delivery of any letter a la PostNord announcement of 6th March, whereby they will not deliver any letters after Dec 2025.</p> <p>If you halve the number of delivery days and reduce the QoS target it should make meeting these targets easier for RM. Therefore if these targets are not met increased sanctions should be imposed and should be directly linked to RM percentage price increases – if you don't meet the target you can't increase the price.</p>
<p>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.</p>	<p>Confidential N</p> <p>As per answer to 6.3 above.</p>
<p>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.</p>	<p>Confidential N</p> <p>It seems fair and reasonable and protects Access providers and their customers. Will it "lead to better outcomes for consumers by reducing future price rises and allowing RM to employ its resources at a lower cost while still meeting the needs of users". How can we judge/measure this statement in the future?</p>
<p>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.</p>	<p>Confidential N</p> <p>Yes, and in addition the D+5 service should be made available in the Franking Channel as stated earlier in my response.</p>
<p>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?</p>	<p>Confidential N</p> <p>As you've already stated the majority of customer will migrate to D+3, but a similar to 1c service is needed in the Access channel. No</p>

Question	Your response
Please provide reasons and evidence for your views.	change should happen to D+2 status until the changes have bedded in for a period of time and then it would be useful to review.
<p>Question 7.4: Do you agree with our proposals for pricing transparency and amending how access services are defined? Please provide reasons and evidence for your views.</p>	<p>Confidential N</p> <p>Page 138 7.103 you state that “it does not appear to us that RM’s pricing regime is having adverse consequences for postal users”. You base this statement on the fact that the Access share of the market has grown from 84% in 2021/22 to 86% in 2023/24. This statement doesn’t make sense as there’s no mention of the reduction in volume during these years. RM have increased their prices over many multiples of inflation during this time and addressed letter volumes have fallen from 8,049m in 2021/22 to 6,629m in 2023/24. Your statement is completely invalid in my view.</p> <p>There needs to be an “implementation period” to allow RM customers and posters become accustomed to the changes and to make provision to processes required in their businesses. For the Franking Industry, Access providers, Fulfilment Industry, Print etc. this would mean that changes to documents, software, websites, informing customers in tandem with RM etc. etc. Time is needed to do this e.g. three months to implement after Ofcom publish their decision.</p> <p>Finally, we cannot go through another consultation on this topic in a few years’ time – Ofcom and RM have said that these changes will go a long way towards fixing RM’s financial sustainability. RM cannot come back looking for a further watering down of their targets and USO commitments in the future. It is</p>

Question	Your response
	now down to RM to run their organisation on a financially sustainable basis.

Please complete this form in full and return to futurepostaluso@ofcom.org.uk.