

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
<p>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.</p>	<p>No. The proposals presented in the research were framed for respondents as necessary due to a failing letters business. However, letter volume decline has stabilized following the post-COVID adjustment, and letter revenues have increased due to Royal Mail’s frequent—and, in some cases, excessive—price increases – as acknowledged by Ofcom’s prior price elasticity research findings. As a result, letter revenue growth is now outpacing parcel growth. Respondents were not informed that the post-pandemic decline in parcel volumes, along with industrial action, has also been a significant factor in Royal Mail’s financial performance. Consequently, the research context was misleading and likely influenced respondent perceptions and acceptance of changes to letter service provision.</p> <p>Furthermore, the research methodology artificially separated the Second-Class service from the long-term pricing strategy of First-Class mail. This approach obscured the full implications of the study. We are aware, as confirmed by Royal Mail’s Chief Commercial Officer, Nick Landon, in a meeting in March 2024 and as outlined in the more recent</p>



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	<p>Ofcom consultation paper, that First-Class prices are set to rise – potentially as high as Special Delivery levels—yet consumers were not made aware of this.</p> <p>By decoupling Second-Class service from the future pricing trajectory of First-Class mail, all and especially vulnerable, respondents were misled into believing they would continue to have “affordable” postal options six days a week. This will not be the case given the planned price increases. As a result, the study does not provide an accurate assessment of consumer need or acceptance, as respondents did not have access to the full picture.</p> <p>Additionally, participants were not informed of Ofcom’s intention to lower reliability targets so, on two critical aspects of the Universal Service Obligation—affordability and reliability—respondents were misled.</p> <p>Given these omissions and methodological biases, we cannot support the conclusion that the Equality Impact Assessment is accurate or representative. Instead, we believe that respondents have been misled by a research methodology that aligns with the mutual interests of Royal Mail and Ofcom and that respondents are unaware that whilst they were researched on changing 1 facet of the USO (2nd class delivery days), 3 facets are changing (delivery days, price and reliability).</p> <p>We think the outcome of this will be i) too expensive a 6 day a week service resulting in terminal decline and ii) poor service that doesn’t deliver often enough = terminal decline.</p>

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<p>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.</p>	<p>We agree that the proposals will treat Welsh language no less favourably than English and will have no adverse effects based on language alone.</p>
<p>Question 3.1: Do you agree that we have identified the reasonable needs of post users? Please provide reasons and evidence for your views.</p>	<p>We acknowledge that postal service usage has evolved, partly due to digitization, but we reject the notion that this is the sole driver of change.</p> <p>Ofcom's 2020 and 2024 research suggests that consumer behaviour has been forced to adapt due to rising postage costs and declining reliability. This raises concerns about the impact of price increases, and we have requested greater transparency on this issue during the prior consultation (Jan 24) but none has been forthcoming as part of the Jan 25 consultation. Ofcom has acknowledged that postage is an inelastic product, with price hikes beyond £1 triggering a psychological tipping point. Rather than assessing genuine customer needs, Ofcom has analysed behaviour shaped by affordability constraints.</p> <p>Consumers want a reliable, affordable six-day-a-week letter service with a viable next-day option. However, the 2024 research misrepresented reality by stating that First-Class service would remain unchanged, despite planned extreme price increases. Users must understand both service levels and costs across First- and Second-Class options to make informed decisions. Without this transparency, the assessment of consumer needs is incomplete and misleading.</p> <p>We believe Ofcom and Royal Mail are pursuing a model that offers an intermittent, affordable Second-Class service while making First-Class prohibitively expensive for most</p>

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	<p>users. As this strategy has not been transparently communicated, Ofcom has failed to properly assess and protect postal users' needs, breaching the Reasonable Needs Assessments required under Section 30(3) of the Postal Services Act 2011.</p> <p>We are concerned that Ofcom's framing may create the misleading headline that "customers are accepting of the need for change," thereby facilitating changes that the majority do not support.</p> <p>We see that there are other demand generating options to be explored rather than the open/shut approach to pricing & service. How can we help? Let us help!</p>
<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>Currently, the postal system offers an affordable Second-Class service with reliability challenges and an unaffordable First-Class service with reliability challenges, as evidenced by Ofcom's 2020 research on postage price elasticity.</p> <p>Reducing the affordable Second-Class service to alternate days eliminates a cost-effective six-day-a-week option. This directly contradicts the Universal Service Obligation (USO) as defined by the Postal Services Act 2011, despite Ofcom's own prior studies identifying affordability concerns—findings that have not been transparently referenced in this consultation.</p> <p>Ofcom itself has previously concluded that First-Class service is affordable only because of "infrequency of use and the availability of the lower-priced Second-Class service" (Consultation Review, Para 5.47). Moreover, Ofcom has acknowledged that "actively inducing lower volumes may involve price rises on First-Class items," effectively</p>

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	<p>endorsing a cycle of increasing unaffordability and declining usage.</p> <p>Ofcom has stated that it will consider “affordability further as part of the second phase of work on reform of the USO” (Para 5.49). However, this approach comes too late—after decisions have already been made—leaving consumers and Royal Mail customers without recourse. Service and cost must be assessed together, not in isolation.</p> <p>All of this suggests that Ofcom is prioritizing Royal Mail’s financial position over consumer needs and the integrity of the USO. We therefore conclude that:</p> <ol style="list-style-type: none"> 1. Ofcom is in breach of its duty of care as a regulator and has not drawn on the information or ideas supplied in the first consultation. 2. The strategic direction being pursued by Ofcom and Royal Mail fails to meet, and will continue to fail to meet, market needs.
<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>No, for reasons already outlined above.</p>
<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>From the perspective of running a greeting card business that relies on Royal Mail for</p>

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<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>delivery, these proposals raise several concerns:</p> <p>1. Lowering Service Standards at the Expense of Businesses & Consumers</p> <p>Reducing First-Class and Second-Class delivery targets, while adding “tail of mail” targets (D+3 for First-Class, D+5 for Second-Class), risks normalizing slower delivery speeds. This is problematic for a business like [x] where timely delivery is crucial—especially for greeting cards, which are often purchased for specific dates (birthdays, anniversaries, holidays). Customers expect a reliable, fast postal service, and weakening these standards may erode trust in both Royal Mail and businesses are forced to rely on it in the absence of a meaningful competitive set.</p> <p>2. Reliability & Affordability Cannot Be Separated from Speed</p> <p>Ofcom states that users “generally prioritize reliability and affordability over speed.” While reliability is important, speed is intrinsically linked to reliability in a greeting card business. A card arriving late—especially for a fixed-date occasion—is effectively a failure of service and it is us, not the RM, that bears the consequence of this.</p> <p>In the last 3 years, 55% of all customer queries (134k) relate to late or non-delivery by the RM and approximately 69% of all 1 or 2 star Trust Pilot reviews relate to late or no-delivery of cards. This has cost our small business £294k in staff costs, £461k in refunds, credits or reprints and we estimate £335k in wasted acquisition costs as customers fail to return when “we” have failed to deliver. Not only have we borne c. £1mn in financial losses due to poor reliability/speed but we bear the</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>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>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>	

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	<p>reputational burden and damage to our brand.</p> <p>The reduction of First-Class targets and the shift to alternating weekday delivery for Second-Class means fewer delivery days, creating higher risks of delays.</p> <p>3. Impact on Consumer Expectations and Business Operations</p> <p>A slower, less predictable service affects:</p> <ul style="list-style-type: none"> • Customer confidence: If consumers experience more late deliveries, they may hesitate to purchase greeting cards in total – an industry that is worth £2bn to the UK economy is at risk. • Operational planning: Businesses like [x] will need to adjust estimated delivery times, buffer for delays, or reconsider shipping methods—potentially increasing costs and accelerating Royal Mail’s financial instability as we explore moving volumes to other providers, e.g. Amazon Letters. <p>4. The Risk of Permanent Service Decline</p> <p>Ofcom states that these changes align with international trends, but many countries that downgraded their postal standards never reversed them, leading to permanently degraded service. If Ofcom sets lower expectations now, it could become the norm, reducing pressure on Royal Mail to maintain high-quality service.</p> <p>Conclusion</p> <p>For a business like [x] these changes create a real risk to service reliability, consumer confidence, and business sustainability. While</p>

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	<p>financial penalties for Royal Mail's past underperformance are necessary, lowering delivery targets instead of enforcing existing ones feels like a step in the wrong direction.</p> <p>Ofcom's role should be to protect businesses and consumers, not adjust targets to accommodate Royal Mail's declining service standards. Via the most recent research, Ofcom acknowledges that online traders and SMEs, of which almost 49% that send small items via letter post, have indicated that post is very important to their business are currently and will be further adversely affected by the proposed changes – what are they worth to the UK economy and why is Ofcom not seeking to understand the widest financial implication of these decisions?</p> <p>A full statutory assessment, including a downstream analysis of the broader economic impact, is essential when considering changes to the USO. This issue extends beyond Royal Mail—other industries will be affected, leading to wider socio-economic consequences that Ofcom has a duty to acknowledge and address.</p> <p>Furthermore, a full and collaborative review of the demand generation ideas, across sectors, would assist the Royal Mail and Ofcom get off the 'slash service/increase prices' treadmill. It is hard for us to understand why Ofcom are not actively pursuing the support and innovation of other industries to avoid the terminal decline of the Royal Mail.</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>Given the volume of material to consider/read and cross-check within this consultation, [x] have prioritised our response to our business model.</p>

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<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>We are not access customers and believe access customers are better placed to judge whether these amends are acceptable.</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? Please provide reasons and evidence for your views.</p>	
<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>	

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