

## 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><b>Question 2.1:</b> 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>Confidential? – N No. As an organisation with a number of vulnerable customers including the elderly, those with poor cognitive ability or those with limited IT skills, we are concerned that these recommendations will force more companies to go down the digital route due to cost and/or business needs. This is not a good outcome for customers who rely on the postal service and could ultimately exclude them from a number of valuable services, including banking.</p> <p>In addition, customer understanding of these changes is key. It is unclear from the proposals how the public will be informed about the changes, and their impact, if implemented. Will Ofcom deliver this or are you relying on firms to tell their customers?</p>
<p><b>Question 2.2</b> Do you agree with our assessment under the Welsh Language Standards? Please state your reasons and provide evidence to support your view.</p>	<p>Confidential? – N Not Applicable</p>
<p><b>Question 3.1:</b> Do you agree that we have identified the reasonable needs of post users? Please provide reasons and evidence for your views.</p>	<p>Confidential? – N No, not all post users. We are concerned that the needs of customers which are reliant on the postal service, due to aspects of vulnerability, will be disadvantaged by these proposals, as organisations start relying more on digital communications to save on cost and meet business needs.</p> <p>We are also concerned that this may have a negative impact on customer journeys for our customers who use the postal service as a result of the increased time to send and receive mail, particularly for letters issued via</p>

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	<p>the current D2 and D5 service. The increased timeframes may result in Tesco Bank failing to meet customer expectations and resulting in a sub-optimal customer experience.</p> <p>As a post user itself, Tesco Bank has a regulatory obligation to ensure that certain correspondence is received by customers within a stipulated timeframe. We are concerned that we may be at risk of breaching these regulations as a result of the proposed changes. Even if we utilise first class, because the target has been reduced to 90% (with substantially increased cost) there is no guarantee that the customer will receive the correspondence in time. We would be interested to understand what controls will be introduced to ensure that these targets are met, and the consequences for not doing so?</p>
<p><b>Question 3.2:</b> 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 No. Tesco Bank's experience, supported by the GMTV trial, indicates that despite paying for first-class delivery, mail is taking over 2-3 days to reach customers and the same duration for returns. This raises concerns about how Service Level Agreements (SLAs) are being monitored. Are customer experiences being considered, and what changes will be implemented under the new proposal to improve this.</p> <p>Given a number of our customers are vulnerable, without either access to online services and/or the skills to use them, reliance on the postal service is of crucial importance to them. The current challenges faced by Royal Mail in meeting delivery deadlines present difficulties for both our customers and Tesco Bank's operations when servicing these customers' accounts. We are also concerned that it may leave customers unbanked if journeys are too challenging and users simply give up. We would be interested to understand, what measures are being implemented by both Royal Mail and the regulator to address these challenges?</p> <p>As a commercial organisation, which is also a post user, we are also concerned that these changes may result in a loss of trade. We expect there to be a risk due to elongated two-way customer journeys through the application journey, particularly if we require more information from a customer. The cumulative impact on timescales on the end-to-end journeys could lead to increased customer drop-off through the process and thus, loss of sales, particularly if SLA commitments aren't met by Royal Mail.</p>

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<p><b>Question 5.1:</b> 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 As mentioned earlier, we are concerned about the impact this may have on our customers who rely on the postal service. This will also be a logistical challenge for Tesco Bank's operations, particularly where we must meet regulatory deadlines in respect of the issuance and receipt of certain documentation. Therefore, we look forward to receiving more information on how the country split will work, where one half receives post 3 days of the week and the other half 2 days.</p>
<p><b>Question 6.1:</b> 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 We consider a 90% threshold to be relatively low, and, given that the Royal Mail is not currently meeting its targets, a reduction may result in a poorer service thus increasing customer harm.</p> <p>We would be interested to understand if Ofcom has engaged with other regulatory bodies such as the Financial Conduct Authority (FCA), whose rules include regulatory timeframes for the delivery and receipt of certain communications.</p> <p>We have observed that, currently, fines seem to have little effect. How will Ofcom measure and hold Royal Mail accountable for ensuring that a 1<sup>st</sup> class service is being provided to the public? We would be interested to understand what controls will be implemented to ensure the 90% target achieved, and what you will do if it is not.</p>
<p><b>Question 6.2:</b> 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 No, for the same reasons set out in 6.1.</p>
<p><b>Question 6.3:</b> 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 No. As this is the best service, it is our view that 'tail of mail' should be D+2</p>
<p><b>Question 6.4:</b> 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 No As mentioned earlier, we are concerned that lowering the performance target will result in an even poorer level of service from the Royal Mail.</p>

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	In addition, and this applies across all services, if a customer's post is not delivered within the timeframe that they have paid for, will they have any recourse?
<b>Question 6.5:</b> 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.	<b>Confidential?</b> – N No. As this is the best service, it is our view that 'tail of mail' should be D+3
<b>Question 7.1:</b> 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.	<b>Confidential?</b> –N Yes, we agree that the control should be maintained in order to allow effective competition between Royal Mail and other access operators.
<b>Question 7.2:</b> 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.	<b>Confidential?</b> – N No, we look forward to receiving more information on how the country split will work, where one half receives post 3 days of the week and the other half 2 days. We cannot answer this question appropriately until we are in receipt of more information regarding the country split.
<b>Question 7.3:</b> 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.	<b>Confidential?</b> – N Yes, we agree that the control should be maintained in order to allow effective competition between Royal Mail and other access operators.
<b>Question 7.4:</b> Do you agree with our proposals for pricing transparency and amending how access services are defined? Please provide reasons and evidence for your views.	<b>Confidential?</b> – N Yes, it will be useful for postal service users to have access to this information from a transparency perspective. It would be helpful if Royal Mail could share with us the revised price of first-class mail 'the one price goes anywhere' to support the price transparency proposal.  In addition, it would also be helpful if you shared agreed SLAs and actions taken as a result of SLAs not being met.

Please complete this form in full and return to [futurepostaluso@ofcom.org.uk](mailto:futurepostaluso@ofcom.org.uk).