

## Your response

Please tell us how you came across about this consultation.

Alerted by Ofcom as industry body

Question	Your response
<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>Confidential? – N</p> <p>Yes I agree with the provisional conclusion as it has identified vulnerable groups who may be impacted by increased costs and less frequent access to postal communication.</p> <p>OFCOM should consider how these groups who have been identified in the impact assessment can monitored, through ongoing research and communication, and consideration given should the changes been seen to cause distress or widening of inequality impacts. E.g. could a subsidised stamp be offered?</p> <p>Where there is a geographical bias to the groups identified, could OFCOM stipulate increased QoS targets upon RM to ensure that more certainty/reliability is provided within the rural areas identified and/or where aged populations and/or digitally excluded communities have an identified postcode penetration.</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>Confidential? – N</p> <p>Agreed – no adverse impact.</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>Confidential? – N</p> <p>It is acknowledged that individuals and SME's needs have been considered, however frequency and removal of a Saturday delivery will create adverse impact on SME's driving cost effective timely communication and create</p>

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	<p>additional isolation to some vulnerable audiences mentioned.</p> <p>It is the opinion of the SMP however that the research into the reasonable needs of bulk mailers whom the SMP represents (Agencies, Printers and Mailing Houses) has not been carried out to a suitable level of diligence. With access mail representing over 70% of market volume the interim report stated work was to be done to understand the needs of business users, however no timescales or detail on this has been offered nor is understood.</p> <p>It is acknowledged that attempts with regulators have been made, however without I depth engagement and understanding of regulation it cannot be established whether the reasonable needs for regulatory mailings have been met.</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</p> <p>See above.</p>
<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</p> <p>The SMP support and agree with the impact assessment to the changes to delivery frequency to enable Royal mail to provide a sustainable and reliable service.</p> <p>Based on research provided by JIC Mail on mail engagement at weekends it is evidenced that historical consumer behaviours have changed and therefore the impact assessment is deemed accurate.</p>

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<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</p> <p>A 90% target better aligns with today's postal operations, considering the ongoing decline in letter volumes and changes in consumer habits. While next-day delivery remains critical for many of our members' time-sensitive mailings, pursuing a 93% benchmark under current market conditions could lead to unnecessary cost increases. A 90% target maintains a practical balance between service expectations, affordability, and operational efficiency.</p> <p>However, these targets need to have consistent performance and delivery and be sustainable to ensure that the price point of the service can be sustained and the instability and level at which increases have been experienced and bought in line with other commercial enterprises to a RPI increase. Price certainty and stability needs to be flowed through to postal users as Royal Mail realise the operational benefits.</p> <p>It is the view of the SMP that OFCOM should challenge Royal Mail on the value of the operational benefits and subsequent roadmap and forecast for future price caps both for individual, SME and business users.</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</p> <p>The SMP do not agree with a PCA lower target. As the regulator OFCOM need to ensure that Royal Mail provide a consistent national delivery profile, and adjusting postcode-area (PCA) targets slightly downward enables operational inefficiency. However, the SMP acknowledges regional variations in delivery challenges and logistical constraints, and that these should be considered during known high PCA penetration periods e.g. elections by way of exemption rather than as a standard SLA.</p>

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<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</p> <p>Yes. A ‘tail of mail’ target ensures that any delayed First Class mail is still delivered within a reasonable timeframe. The 99.5% threshold at D+3 enhances reliability, particularly for marketing and transactional mail, while also bolstering confidence in First Class service standards.</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</p> <p>A 95% target is both reasonable and achievable. Many SMP members utilize Second Class for cost-effective marketing and business mail, making timely delivery essential. This standard maintains reliability while ensuring practicality.</p> <p>However, by reducing SLA/QoS it is the view of the SMP that OFCOM should challenge Royal Mail on the value of the operational benefits and subsequent roadmap and forecast for future price caps both for individual, SME and business users.</p>
<p><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.</p>	<p>Confidential? – N</p> <p>Yes. As with First Class, setting a 99.5% target at D+5 reassures businesses that nearly all delayed Second Class items will be delivered within a few additional days, helping to maintain confidence in postal dependability.</p>
<p><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?</p>	<p>Confidential? – N</p>

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<p>Please provide reasons and evidence for your views.</p>	<p>Yes. A regulated D+3 access service is beneficial for the print manufacturing, marketing and data sectors, as most members depend on DSA Standard for bulk advertising and business communications. Aligning this service with a Monday–Friday schedule is a reasonable adjustment given declining mail volumes. If cost savings from eliminating Saturday deliveries translate into stable pricing, potential operational disruptions would be mitigated.</p> <p>In order to ensure a fair playing field all products should be under the regulation scope to ensure operational benefits are felt across all products and clear quality of service targets and independent measurement is maintained across all deliveries/services</p>
<p><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.</p>	<p>Confidential? – N</p> <p>Yes. The shift away from Saturday delivery for DSA Economy (D+5) presents minimal operational disruption for most members. The financial burden of maintaining six-day delivery for lower-priority mail is unsustainable, and limiting D+5 to weekdays will help contain costs. Provided that pricing remains stable, and delivery reliability improves, this change is a pragmatic solution.</p> <p>It will be vital for mail users to ensure that reporting on FTE is easily accessible and meaningful for D+2, D+3 and D+5 to enable mail users to select delivery speeds most suitable to their communication needs.</p>
<p><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?</p>	<p>Confidential? – N</p> <p>Yes. D+2 is essential for businesses requiring faster delivery and Saturday service for key campaigns. While D+2 incurs higher costs,</p>

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Please provide reasons and evidence for your views.	controlling price inflation through margin squeeze oversight ensures affordability, preventing disproportionate cost increases.
<p><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.</p>	<p>Confidential? – N</p> <p>Yes. Improved pricing transparency aids our members in planning mail campaigns, managing budgets, and evaluating service options. Clarification of access service definitions will enhance operational efficiency and market understanding. We encourage ongoing collaboration between Ofcom and industry stakeholders to ensure clear communication on pricing and service modifications.</p> <p>The view of the SMP membership is that controls of price increases from Royal Mail for business users should be applied to ensure that the operational cost benefits from the USO reform, are passed back to the postal users by limiting increases. Continual increases at the double digit levels that have been seen over the last 5 years have continued to accelerate digital transformation and thus accelerate volume reduction of postal items. It should be acknowledged a base volume is needed for the USO to continue to thrive and price control will protect this base volume.</p>
<b>Implementation period</b>	The proposed USO changes are expected to take effect immediately upon Ofcom's approval. However, a transition period should be provided to enable business to react, with technology constraints, stock and planning. An immediate change does not provide sufficient planning time for mail users.
<b>Conclusion</b>	The Strategic Mailing Partnership (SMP) and its members largely support Ofcom's proposed reforms, viewing them as proportionate and necessary for maintaining a sustainable, reliable postal service. While changes—such

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	<p>as the removal of Saturday deliveries for certain services—will require some adaptation, the overall impact is minimal compared to the long-term benefits. These updates promote cost efficiency, improve delivery consistency, and enhance pricing transparency.</p> <p>By streamlining weekday operations, Royal Mail can better manage declining mail volumes while avoiding unnecessary price increases. The strong consensus within the SMP community underscores the practicality of these reforms. We look forward to ongoing collaboration with Ofcom and other stakeholders to ensure a smooth implementation.</p>

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