



## **Ofcom draft annual plan 2024/25**

### **Evri response**

#### **Postal services:**

##### Consumer research:

- Evri understands that Ofcom must understand the needs, expectations and experiences of postal users in the UK and carries out comprehensive research to support this. However, across the last two years we've seen increased overlap with research carried out by consumer advocacy bodies, such as Citizens Advice.
- This is frustrating given that many postal operators are required to help fund consumer advocacy bodies' work on postal services.
- Ofcom has extensive information gathering powers which support its work and it can collect data on consumer complaints and policies and processes for certain consumers which support its research. Given these powers and the size and budget of Ofcom, it seems sensible that the regulator and consumer bodies take different approaches to its consumer research.
- Consumer bodies like Citizens Advice, which is part funded by postal operators, use its research to lobby Ofcom to tighten regulation on postal operators, based not on evidence, but on opinion. This seems inappropriate use of the levy placed on operators.
- This feels like something which could be better coordinated and agreed between both organisations to avoid postal operators paying for duplicate work across two bodies.
- Evri would also welcome more notice from Ofcom on publication of significant research which names individual organisation. We understand that it is not Ofcom's practice to share embargoed copies with stakeholders, but we think 24 hours' notice of inclusion in a publication is reasonable to allow us to prepare appropriate responses to internal and external stakeholders is a more than reasonable request.

#### **USO review:**

- It is important to ensure that any changes to the USO do not impact upon competition in the postal sector, specifically the parcels market.
- While we understand Ofcom's duty to ensure the financial sustainability of the universal postal service and its continued importance to consumers, any changes to it should not impact the highly competitive parcels segment of the market, which delivers high levels of consumer satisfaction.
- As part of the USO review process, Ofcom should look at the VAT exemption of parcels and consider whether this is still appropriate in a competitive parcels market. Royal Mail has significant market power in the consumer-to-consumer parcels market and the VAT exemption on USO parcels gives them a competitive advantage over its competitors. This feels outdated given the growth in the parcels market and the number of competitors.



**Online safety:**

- This is an important new area of responsibility for Ofcom and it is essential that it gets regulation of online services right. While Evri is not a content producer, platform or search engine, it seems that one of the services we offer is likely to be captured by Ofcom's new rules.
- We will respond to the relevant consultation separately but want to be clear that Ofcom should take steps to ensure that there is no regulatory burden on companies which provide services which may fall under the scope of its new rules but are very low risk and unlikely to cause harm to consumers.
- A blanket approach to regulation could mean companies like ours being required to introduce expensive and resource intensive processes for low risk, low usage services which cannot be used anonymously, unlike many online services. Application of rules in a blanket way appears disproportionate, unreasonable and lacking in commercial awareness.