

4th December 2025

Dear Ofcom,

Re: Postal Affordability Review

I am writing on behalf of cardfactory; we are a retailer that specialises in greeting cards, gifts and celebration products, through a large network of high street shops and online, and a member of the Greeting Card Association.

We support Ofcom's aim to secure a sustainable universal postal service. However, we are seriously concerned that weakening or removing the Second Class safeguard cap, in a market where Royal Mail is effectively the only option for stamped letters and cards, could make card sending unaffordable for many people and damage a successful UK creative industry.

It's also unclear to us why further concessions are required when your own figures indicate that the July delivery-day changes should bring Royal Mail back into your target profitability range when applied to current results, not the exceptional strike years.

While we accept Royal Mail may face future financial pressures, without knowing what you've assumed, how can anyone know whether your proposals are reasonable? **Why this matters for our business and customers, but also for you**

- Greeting cards are a vital way people stay in touch, celebrate occasions and reduce loneliness, especially for older and less digital customers.
- Our business, and many other small firms in the sector, cannot simply pass higher costs on to consumers, and we know customers experience the card and stamp as one cost. When the total feels too high, they often send fewer or no cards at all.

Rising prices in a monopoly letters market risk pushing people out of card sending altogether, which harms social connection and undermines the universal service. But, moreover, it makes your job harder – this volume loss drives your own need to undertake repeated crisis consultations. That doesn't seem fair on you, us, or our customers.

Why affordability controls still matter

Second Class is the core product for sending cards affordably. In our view:

- Removing or relaxing the Second Class cap without a clear replacement would allow prices to drift upwards, with little protection for ordinary households.
- Narrowing "affordability" to a small, targeted discount scheme for some vulnerable users is not a sufficient substitute for a universal safeguard, and may not protect older people who receive cards but do not send much mail themselves.
- Any change to caps should be based on up to date financial information, clear evidence on how price rises affect behaviour, and a transparent method for judging what is affordable.

What we are asking Ofcom to do

Before making any change to the Second Class safeguard cap, we ask Ofcom to:

1. Refresh the financial baseline and evidence

Update the financial assessment for Royal Mail, taking account of recent performance and cost changes, and re-test the options for reform where needed. If you still believe drastic changes are needed, help us all understand why by explaining the future you're predicting.

2. Publish a clear affordability framework and pilot it

Set out a simple, transparent method for assessing affordability for different postal users, including card senders, and test it through a short public pilot before any major change to caps.

3. Keep Second Class genuinely affordable and link price to service

Maintain strong safeguards on Second Class prices in real terms and ensure that any increases on all USO services are dependent upon improved and reliable service, not declining performance.

4. Design discounts that work for both senders and recipients

If targeted discounts are introduced for low income or older users, ensure they sit on top of a universal safeguard, and are designed so that family and friends can still afford to send cards to those who benefit most from receiving them. We ask this because it seems fair, but also because it's consistent with what other regulators do, and your own approach within the telecoms market.

5. Recognise greeting cards as a distinct, socially valuable use of the post

Consider specific protections for "card post" or social post generally, so that a high SME, high social value sector is not damaged by reforms primarily aimed at more digital letter categories.

We would welcome the chance for the greeting card sector to continue working with Ofcom to design a future postal framework that supports both a sustainable universal service and the UK's world leading greeting card industry.

Yours sincerely,



Brian Waring

Executive Director – Customer and Commercial

