



OUR BRAND PROMISE

*Hallmark helps
you live a caring,
— CONNECTED LIFE —
full of meaningful
moments*

Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

2nd December 2025

Dear Ofcom,

Re: Postal Affordability Review

I am writing on behalf of Hallmark Cards Plc, a greeting card publisher and retailer (and member of the Greeting Card Association) based in Bradford, West Yorkshire [REDACTED]

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?

- Greeting cards are a vital way for people to 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





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the total feels too high, they often send fewer or no cards at all.

- Our research undertaken on 18th November 2025 via an independent platform (VYPR), which put questions to 500 respondents, shows that 5.5% of the respondents plan to NOT post a greeting card as a result of recent increases and changes to service levels. When asked whether further increases would impact their behaviour, a further 30% said that they would send fewer cards, and 7% said that they would cease sending them altogether. Some verbatim comments include;

“With regards to sending cards, I have to do 2nd Class because it’s just really expensive. I’m not tight but it’s expensive”

“I like to buy for everybody, but it does get expensive because of the price of stamps so I’ve cut down a bit”

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. Greeting cards can be a lifeline for the isolated and vulnerable, providing much-needed contact with the outside world and



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supporting mental wellbeing.

- Greeting Card companies provide significant sums to numerous charities, particularly at Christmas, where multiple card-giving is prevalent. A large reduction in volume of cards sent could cut off a vital source of funding to many.
- 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



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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.

Hallmark request Ofcom initiate a formal consultation process regarding the proposed regulatory changes to ensure transparency, stakeholder engagement, and evidence-based decision-making.

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,

Simon Duggan-Hill

CEO Hallmark International

Hallmark Cards Plc

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