

Representing:

Organisation

Organisation (if applicable):

Hopewiser Limited

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Additional comments:

The review document is unclear as to what it is really trying to review. Is it the need to make the PAF more accessible and simplify the licencing or is it to ensure that the status quo is maintained? The historic cost and purpose of PAF was totally ignored throughout. The Royal Mail implemented the product to aid mechanisation and efficiency through which it was able to reduce staffing by increasing dependence upon mechanisation thus reducing radically its future labour costs.

The review document overlooks, totally, any benefit to Royal Mail of the PAF therefore its inherent value is misconstrued/ misrepresented. I have serious concerns regarding the running costs quoted as £24,500,000.

80 staff at an average cost of £45,000 per head per annum = £3,600,000

Running costs for computer system (IBM) per annum = £ 500,000

Despatch etc. = £2,000,000

Thus AMU (generous allowance) = £6,100,000

Therefore I calculate the cost of updates to PAF are around £18,400,000 per annum which pays for approximately 1,200,000 record changes. This equates to a cost per change of around £15! Is this really value for money or are the figures compromised in some way?

PAF was paid for by the public purse when developed in the GPO so the cost of development of the file is already covered. However nowhere does the review highlight the precise benefits OFCOM perceives companies accrue through use of PAF. Is it for sortation and accuracy of addresses for mailing or are there other more significant benefits? It is most likely that the majority of the large users of PAF do so to ensure smooth delivery of product, therefore it is of direct benefit to The Royal Mail.

What would the nett effect of a removal/loss of PAF have on The Royal Mail efficiency? Also the review does not outline nor understand the cost to a business of the inclusion of a process to utilise the PAF and the inherent damage constant change has upon the market. Frequent licencing changes cannot be handled by simply removing the process and the

dependence upon the postcode for mailing sequence has become absolute in mailing systems. Therefore those that mail medium to large volumes have been driven into using this product and do not do so of their own volition but by encouragement through mailing discounts.

The question this review raises is "Why would companies perceive a benefit in implementing more PAF?" Surely it makes more sense to understand how to improve the product and its take up than to continue simply to make more profit? I certainly cannot understand, by any stretch of my imagination, how anyone on the PAB feels they can estimate a Value of PAF to the UK economy, £1 billion seems to be very helpful figure if constructing an argument to ensure the survival of the basis of their existence. If there were no PAF would companies cease to trade with the public? I doubt it very much, they would still find ways to manage.

The document appears to be politically constructed to stop the ODUG demand for free data and to ensure that prior to the sale of Royal Mail they shows a profit rather than a loss. I do not believe a minor profit of 0.4% or a negligible loss will change the mind of a potential buyer. (Given that £27.1m represents c 0.4% of the revenues, and £23m represents the profit then no charge for PAF would reduce the company to a loss of £4m. There would probably be no loss at all if the data was free of licencing or it was simplified).

Whilst on the subject of financing I noted the comments regarding there being 'no evidence that lower prices will increase the take-up of PAF'. The only way to derive evidence that lower pricing will not encourage greater take up would be to try it. Anecdotal evidence is of no value, merely reflecting a point of view.

By agreeing to the PAF being handed to Royal Mail at sell off, are we not handing over our public investment for some private enterprise to gain reward? Similarly GeoPlace have proven they cannot create an adequate replacement for PAF and the fear must be they would oversee a deterioration in quality. So why not make it the responsibility of another Central Government department, e.g. Home Office, who could gain direct benefit from its management whilst ensuring their need for high quality?

Given today's ability to deliver electronically why not make it £5 per copy of file to any user. This has the following advantages

Benefit will be greater uptake and simplified licencing

The loss of the £27 million can be offset by small reduction of mailsortation discounts

The cost of management becomes transparent and should be better organised/ managed

Removes the need to police the licence therefore reduction in staffing

Genuinely creates the oft quoted 'level playing field'

Allows all users to build systems for the longer term

Removes obligations from other file vendors, eg OS Addressbase etc.

It is my view that Government should be about ensuring a better future for all, this would predicate creating opportunities for the innovation, development and expansion of businesses. Anything that reduces cost of 'take up' will encourage greater innovation and competition. What we do not need is the maintenance of the status quo which has imposed unmanageable rules and costs that make it expensive to produce new ideas from this valuable data source.

Question 3.1: We welcome views from stakeholders on whether the setting of quality targets for PAF would be constructive. If so, would stakeholders find the publication of achievement against those targets helpful? Please state why:

What criteria will be used and what benchmark exists to validate quality? Currently the Royal Mail decide how accurate it is against their delivery point universe but where do they build their data against which they compare.

So no I don't think this is valid until we have some means by which the accuracy can be tested by a) an independent body and b) a stable base that is accurate for the measurement of accuracy.

Question 6.1: Do stakeholders agree with our analysis of the options for cost recovery against the principles of cost causation, and our proposal on cost recovery? Please give reasons for your response:

There is no justifiable reason for your conclusion. The value of PAF to the UK economy is clearly not £1 billion. The cost causation is to the benefit of the Royal mail and other delivery services and not to the current crop of users.

I think the cost recovery should be a simple fixed fee for a copy of PAF such that all businesses, social clubs etc. can afford to take up the use of the file to the benefit of the delivery companies who, it should be noted, accrue serious cost reductions through its use.

Question 7.1: Do stakeholders agree with our proposed approach to the terms on which PAF is made available, and our guidance on those terms? Please give reasons for your response:

NO. There can be no justification for charging anyone to add postcodes to mail. It is onerous upon the user and beneficial to the delivery service. Very little other benefit can be shown.

If the aim is to encourage higher take up of the product then make it free and the increase in postcoded mail will surely create greater revenue savings than merely charging for an over large administrative body that has failed in its obligations so far.

If the aim is to improve the service then need for proper policing and control of the market would be achieved by removal of fees thus reducing the complexity entirely and reducing the need for the large number of staff involved in its current administration.